KARMA
ENERGY LTD.
(Corporate Identity Number: L31101MH2007PLC168823)

KEL/SEC/SKC/8/2016

September 7, 2016

**National Stock Exchange of India Ltd**
Exchange Plaza, 5th Floor
Plot NoC/1, G Block
Bandra-Kurla Complex
Bandra East
Mumbai – 400 051

**SECURITY CODE. KARMAENG**

Sub : **Submission of the Annual Report of the Company for the financial year ended 31st March, 2016.**

Sirs,

Enclosed please the Annual Report of the Company in respect of the financial year ended 31st March, 2016 which have adopted and approved by the members of the company at the Annual General Meeting of the Company held on 2nd September, 2016.

Kindly acknowledge the receipt.

Thanking you,
For **KARMA ENERGY LIMITED**

T V Subramanian
CFO & Company Secretary

Empire House, 214, Dr. D. N. Road, Ent. A. K. Nayak Marg, Fort, Mumbai - 400 001.
Tel Nos. 2207 1501(6 Lines), Fax : 2207 1514, Email: karmaeng@vsnl.net

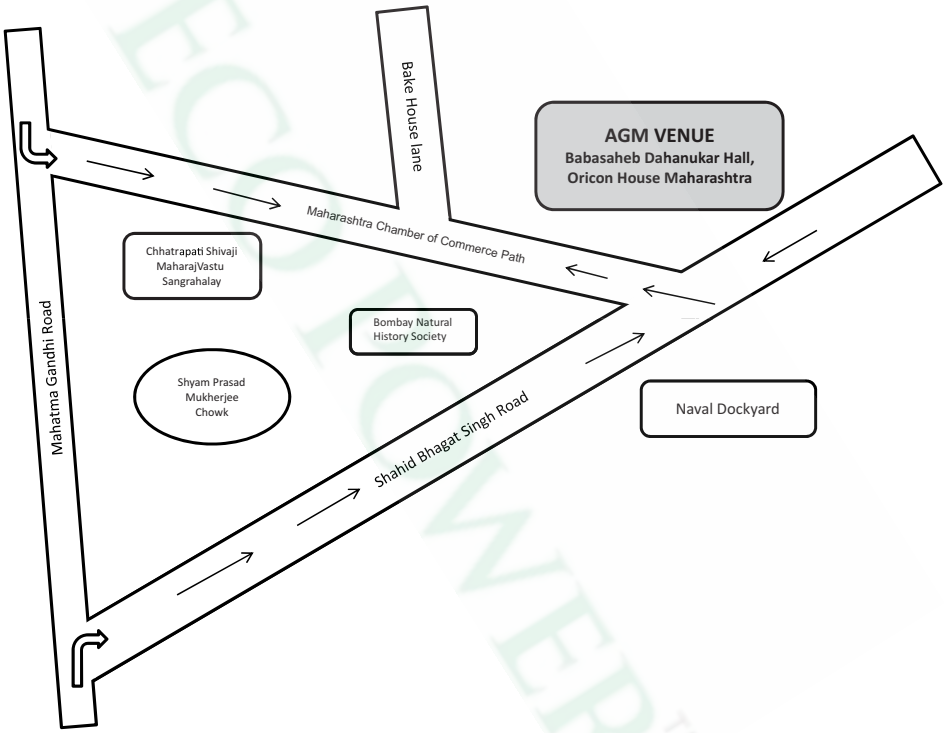
# KARMA ENERGY LTD.

(Corporate Identity Number : L31101MH2007PLC168823)

## 9th Annual Report
## 2015-2016

# 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.



**ANNUAL REPORT 2015-2016**

**BOARD OF DIRECTORS**

Shri Dharmendra G. Siraj - Chairman

Shri Chetan D. Mehra - Vice Chairman
Shri Neelkamal V. Siraj
Shri Vishnu P. Kamath
Shri Upkar Singh Kohli
Shri Vinesh N. Davda
Shri Kishore M. Vussonji
Smt. Smita V. Davda
Shri Ganesh N. Kamath - Managing Director

Shri T V Subramanian - CFO and Company Secretary

**BANKERS**

Axis Bank Ltd
State Bank of India
Uco Bank

**AUDITORS**

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

**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 : www.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....17
Auditor's Report on Corporate Governance....22
Management Discussions and Analysis Report....23
Secretarial Audit Report....24
Auditor's Report on Financial Statements....25
Balance Sheet....28
Profit & Loss Account....29
Cash Flow Statement....30
Notes to the Financial Statements....31
Auditor's Report on Consolidated Financial Statements....37
Consolidated Balance Sheet....39
Consolidated Profit & Loss Account....40
Consolidated Cash Flow Statement....41
Notes to the Consolidated Financial Statements....42
Additional disclosure under Schedule III of Companies Act, 2013....47
Statement u/s 129 (3) of the Companies Act, 2013 in Form AOC-1 relating to Subsidiary Companies....48
Proxy Form....49
Attendance Slip....51

## 9th ANNUAL GENERAL MEETING OF KARMA ENERGY LTD

**on**
**Friday, 2nd September, 2016 at 3.45 p.m.**
or soon after the conclusion of the
Annual General Meeting of Weizmann Forex Ltd.
whichever is later
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.,
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.
Tel. No.: 40430200 Fax No.: 28475207
Email : investor@bigshareonline.com

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

# NOTICE

Notice is hereby given that the 9th Annual General Meeting of the Members of KARMA ENERGY LIMITED will be held on September 2, 2016 at 3.45 p.m or soon after the conclusion of the Annual General Meeting of Weizmann Forex Ltd whichever is later 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 (including consolidated financial statements) of the Company for the year ended 31st March, 2016 together with Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Shri Chetan D. Mehra (holding DIN 00022021), who retires by rotation and being eligible, offers himself for re- appointment.

3. To appoint a Director in place of Shri Vinesh N. Davda (holding DIN 00050175), who retires by rotation and being eligible, offers himself for re- appointment.

4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution.

   "**RESOLVED THAT** pursuant to provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of Messrs. U. B. Sura & Co, Chartered Accountants, (ICAI Registration No. 110620W) and Messrs Shyam C. Agrawal & Co, Chartered Accountants (ICAI Registration No. 110243W), as Statutory Joint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 10th Annual General Meeting of the Company to be held in the financial year 2017 (subject to ratification of their appointment at every Annual General Meeting) at a remuneration to be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company."

**SPECIAL BUSINESS**

5. 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, 2015 under the Articles of Association of the Company for a term of 1 year effective from 1st December, 2015, 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.

6. 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 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, and other rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded to the adoption of new set of Articles of Association in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company."

   **RESOLVED FURTHER THAT** the Board of Directors of the Company or any person(s) authorised by the Board to exercise the powers conferred on the Board, be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

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

   **RESOLVED THAT** pursuant to Section 188(1)(a) and (b) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force and provisions of the Articles of Association, subject to compliances of all applicable laws and regulations, consent of the members of the Company by means of Special Resolution be and is hereby accorded to the Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) for execution of a contract with M/s. Navbharat Potteries Private Limited in which Shri Vinesh N. Davda and Shri Dharmendra G. Siraj, Directors of the Company are interested for sale of part or entire holding in the Subsidiary Company M/s. Baledh Energy Projects Limited at such price and in one or more tranches as the Board in its discretion deem proper, upto an amount not exceeding an aggregate of Rs.6.00 crores (Rupees Six Crores only) as per the terms and conditions set out in the draft agreement initialled by the Chairman for the purpose of identification and in such form and manner as it may deem fit."

By Order of the Board

Place : Mumbai
Date : 25th May 2016

**T. V. Subramanian**
**CFO & Company Secretary**

**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) The Register of Members and Share Transfer Books of the Company will be closed on August 26, 2016 for the purpose of Annual General Meeting.

4) Shareholders are requested to notify immediately any change in their address to the Registered Office of the Company quoting their Folio Number and if the shares are held in dematerialised form, this information should be sent to their respective Depository Participants.

5) Information on Directors recommended for appointment / re-appointment at the Annual General Meeting in terms of Regulation 36(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.

6) The Annual Report for 2016 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 CDSL 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 2016 is being sent in the permitted mode.

7) Electronic copy of the Notice of the 9th 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 9th 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.

**8) 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 at the venue of the meeting.
   b) Voting at venue of the annual general meeting through a 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. **Friday, 26th August, 2016** 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.

viii) The scrutinizer will submit his final and consolidated report to the Chairman of the Company within three days 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 anyone 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 CDSL website viz. www.cdslindia.com and shall also be displayed at Company's registered office.

**9. INSTRUCTIONS FOR REMOTE E-VOTING**

I) The voting period begins on Tuesday 30th August, 2016 at 9.00 a.m. and ends on Thursday, 1st September, 2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form,as on the cut-off date viz. Friday, 26th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii) To initiate the voting process log on to the e-voting website www.evotingindia.com

iv) Click on "Shareholders" tab to cast your vote.

v) Thereafter enter User ID as under:
   - For CDSL: 16 digits beneficiary ID
   - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
   - Members holding shares in physical form should enter folio number registered with the Company

vi) Next enter the image verification Code as displayed and click on "Login" tab.

vii) If you are holding shares in dematerialized form and had earlier logged on to www.evotingindia.com and casted your vote for any company electronically, then your existing password is to be used.
   If you have forgotten the changed password then enter User ID and the image verification code and click on forgot password tab. Enter the details as prompted by the system.

viii) If you are first time user, then follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (Refer Serial No. printed on the address label of the annual report) in the PAN field.<br>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details **OR** Date of Birth (DOB) | • Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

ix) After entering these details appropriately, click on "SUBMIT" tab.

x) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi) For members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this notice.

xii) Click on the Electronic Voting Sequence Number **160714014** (EVSN) along with "Company Name" i.e. KARMA ENERGY LIMITED on which you choose to vote.

xiii) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the resolution and option "NO" implies that you dissent to the resolution.

xiv) Click on the "Resolutions File Link" if you wish to view the entire resolutions.

xv) After selecting the resolution you have decided to vote on, click the "SUBMIT" tab. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvi) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.

xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 6.00 p.m) on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company.

## Explanatory Statement

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

The following explanatory statement sets out all the material facts relating to the Special Business under item No. 5, 6 & 7 of the accompanying notice dated 25th May, 2016.

**In respect of item No.5**

The Board of Directors at their meeting held on November 9, 2015 re-appointed Shri Ganesh N. Kamath as Managing Director of the Company subject to necessary approvals with effect from 1st December, 2015 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, 2015

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, Key managerial personnel and their relatives except Shri Ganesh N. Kamath is deemed to be concerned or interested, financial or otherwise 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.5 of the accompanying notice for the approval of the members.

**In respect of item No. 6**

The Articles of Association of the Company as currently in force were adopted when the Company was incorporated under the Companies Act, 1956. The references to specific sections of the Companies Act, 1956 in the existing Articles may no longer be in conformity with the Companies Act, 2013. Considering that substantive sections of the

Companies Act, 2013 which deal with the general functioning of the companies stand notified, it is proposed to amend / replace the existing Articles of Association with new Articles aligned with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a company, limited by shares. The proposed draft of new Articles of Association is available on the Company's website at www.karmaenergy.co for perusal by the shareholders. None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No.6 of the Notice. The Board recommends the Special Resolution set out at item No.6 of the Notice for approval by the Members. All documents referred to in the accompanying Notice and Statement pursuant Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during working hours on all working days up to the date of Annual General Meeting.

**In respect of item No.7**

The provisions of Section 188 of the Companies Act, 2013 governs the Related party Transactions, requiring a company to obtain prior approval of the Board of Directors and in case the paid up share Capital of the Company is Rs. 10.00 crores or more, the prior approval of shareholders by way of Special Resolution.

Further third proviso of Section 188(1) provides that nothing in this sub-section shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

The provisions of Section 188(3) also provides that any contract or arrangement entered into u/s. 188(1) may be ratified by the Board or as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In the light of the provisions of 2013 Act, the Board of Directors of your company has approved the proposed transactions along with the limits that the Company may enter into with its Related Parties for the financial year 2015-16 and beyond.

All the prescribed disclosures required to be given under the provisions of the Companies Act, 2013 and the Company's (Meeting of Board and its Powers) Rules, 2014 are given herein below in a tabular form for kind perusal of members :

PARTICULARS OF PROPOSED TRANSACTIONS FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT, 2013

| Sr. No. | Name and Nature of Relationship with related parties | Sale, purchase of supply of any goods or materials<br>Or<br>Selling or otherwise disposing of, property of any kind |
|---|---|---|
| 1. | Navbharat Potteries Private Limited - A Company in which Shri Vinesh N Davda and Shri Dharmendra G. Siraj hold directorship | Sale of Maximum 50,000 Equity shares of M/s. Baledh Energy Projects Ltd, a subsidiary of the Company for aggregate value not exceeding Rs.6.00 crore |

| | | | |
|---|---|---|---|
| (a) | The name of the related party and nature of relationship | : | Navbharat Potteries Private Limited, a Company in which Shri Vinesh N. Davda, and Smt. Smita V. Davda Directors in the company are Promoter Directors |
| (b) | The nature, duration of the contract and particulars of the contract or arrangement | : | Contract is to the extent of sale of shares of subsidiary company namely Baledh Energy Projects Limited, Duration of the contract is one year from 01st April, 2016 to 31st March, 2017. |
| (c) | The material terms of the contract or arrangement including the value, if any | : | The shares of the subsidiary company would be sold at an aggregate value not exceeding Rs.6.00 crore. |
| (d) | Any advance paid or received for the contract or arrangement | : | Nil |
| (e) | The manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of the contract. | : | All the business transactions would be carried out as part of the business requirements of the Company. |
| (f) | Whether all factors relevant to the contract have been considered, if not the details of factors not considered with the rationale for not considering those factors | : | Yes |
| (g) | Any other information relevant or important for the Board to take a decision on the proposed transaction | : | Nil |

Members are hereby informed that pursuant to second proviso of Section 188(1) of the Companies Act, 2013 no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is related party.

The Board of Directors of your company has approved this item in the Board Meeting held on 25th May, 2016 and recommends the resolution as set out in the accompanying notice for the approval of the members of the Company as Special Resolution.

None of the Directors, Key managerial personnel and their relatives except Shri Vinesh N. Davda, Shri Dharmendra G. Siraj and Smt. Smita V. Davda are deemed to be concerned or interested, financial or otherwise in the proposed special resolution.

By Order of the Board

Place : Mumbai
Date : 25th May 2016

**T. V. Subramanian**
**CFO & Company Secretary**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT REAPPONTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015**

**(i) Shri Chetan D. Mehra**

Shri Chetan D. Mehra has over 30 years experience in money changing, International Inbound Money transfer, Housing and Consumer Finance and Wind Farm / Hydro Power Development and Export of Textiles. He has successfully promoted Weizmann Homes Ltd., and after a steady track record of operations over 12 years divested the stake entirely in favour of the world's largest Insurance Group "AIG". He is also actively involved over two decades, in guiding group companies in Renewable Energy Sector primarily Wind Power and Hydro Power. He has successfully tied up Joint Ventures (both financial and technical) with leading international business houses for wind farm development, manufacture of Wind Electric Generators and financial tie-ups in the form of infusion of capital by international financial institutions and leading public sector banks in Housing finance in the State of Maharashtra as per Central Government Electricity Act 2003. Shri Chetan D. Mehra is also Director on the Board of Listed Companies namely : Weizmann Limited and Weizmann Forex Limited. He currently holds 14,64,011 Equity shares in the Company.

**(ii) Shri Vinesh N. Davda**

Shri Vinesh N. Davda is a commerce graduate and has varied experience in the field of data management and ware housing. He has been associated with various corporates over two decades. Shri Davda is also Director on the Board of Listed Companies namely : GOL Offshore Ltd., Weizmann Ltd. He currently holds 2,07,366 Equity shares in the Company.

## DIRECTORS' REPORT

## TO THE MEMBERS OF KARMA ENERGY LIMITED

The Directors are pleased to present this Ninth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2016.

### 1. FINANCIAL RESULTS

(Rs. in lakh)

| Particulars | 2015-2016 | 2014-2015 |
|---|---|---|
| Total Income including exceptional items | **1435.50** | 1665.21 |
| Profit / (Loss) Before Depreciation | **355.90** | 67.30 |
| Less : Depreciation | **500.16** | 490.00 |
| Profit Before Tax | **(144.26)** | (422.70) |
| Less : Income Tax | **105.00** | 8.94 |
| Less : Deferred Tax | **(95.04)** | (118.61) |
| Profit / (Loss) After Tax | **(154.22)** | (313.03) |
| Add : Balance brought forward from previous year | **68.28** | 375.30 |
| Balance Available for appropriation | **(85.95)** | 62.27 |

| Director's Recommendation for Appropriation : | | |
|---|---|---|
| Transfer to General Reserve - Depreciation Adjustment as per Schedule II of Co's Act | -- | (6.01) |
| Proposed Dividend on Equity Shares NIL (2014–2015: NIL ) | -- | -- |
| Dividend Tax | -- | -- |
| Surplus Carried to Balance Sheet | **(85.95)** | 68.28 |

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

### 2. DIVIDEND AND RESERVES

Your Directors have not recommended any dividend (previous year Rs.NIL per share) for financial year 2015-16 on account of loss for the year. Pursuant to loss for the year the company has also not transferred any amount to Reserves.

### 3. FIXED DEPOSITS

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

### 4. PERFORMANCE

During the year the Total Income of the Company was Rs.1435.50 Lakh as compared to Rs.1665.21 Lakh in the previous year. The Profit before depreciation achieved was Rs.355.90 Lakh (Previous year Rs.67.30 Lakh). The Profit / (Loss) after Tax registered was (Rs.154.22 Lakh) (Previous year {Rs.313.03 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.

Generation from all its wind power plants in different states have been lower than the previous year except in Theni District in Tamil Nadu and Satara District in Maharashtra. Overall the drop in generation as compared to the previous year is about 4.74%. This is primarily on account of cyclic pattern of wind.

In Andhra Pradesh where the company has a 7.5 MW, even though Hon'ble State Electricity Regulatory Commission APERC had issued a final tariff order on 06.09.2014 fixing the tariff at Rs.3.37 per unit, the state utilities viz. Southern Power Distribution Company of Telangana (TSSPDCL) and Southern Power Distribution Company of Andhra Pradesh (APSPDCL) have not paid the difference in tariff of Rs.1.685 for the generation fed into the grid from January 2011 to May 2014. The state got bifurcated with effect from 02.06.2014 and even though during the said period the company was selling power to the present TSSPDCL, they have not been paying for the dues by stating that the power generation unit of the company is in Andhra Pradesh. APSPDCL has accepted their liability to the tune of 17.45% of the dues on the basis of a Notification issued by APERC as a transitional measure arising from bifurcation of the state, subject to TSSPDCL effecting payment of the balance 82.55%. The net effect is about Rs.3.81 crore is pending realization for over two to three years.

As far as 18 MW wind farm in Satara district Maharashtra is concerned, MERC has issued a favourable order for financial year 2014-15 paving way for sale of power to third parties for the said financial year. Hence company would be realizing the generation dues of about Rs.14 crore plus after almost two years. In 2015-16, the Hon'ble High Court of Bombay issued an adverse order upholding a new Distribution Open Access Regulations, 2014 issued by MERC which was contended to be not in accordance with Electricity Act, by the wind power association and others. Consequently the company has been forced to sell power to state utility MSEDCL at a low preferential tariff of Rs.2.52 per unit. For the financial year 2016-17 sale of power to third parties have been made feasible by MERC by issuance of a new Distribution Open Access Regulations, 2016 which is fair and encouraging to renewable energy sector.

Sale of RECs have been low only with considerably less off take in the market. The company has unsold RECs valued at Rs.266.63 lakh.

Even though the Central Government has been aiming for high capacity addition in renewable energy sector, at state levels the machineries are not moving in unison. Consequently the uncertainties continue. The state utilities despite about active 20 years of renewable energy in the country, still considers renewable energy especially infirm power like wind and solar as untouchable even though they do buy the power since the same has been forced on them in the form of renewable purchase obligations by the respective State Electricity Regulatory Commissions in compliance with the provisions of Electricity Act, 2003. A valid apprehension of the state utilities is on account of unpredictability of infirm power and hence scheduling and forecasting posing a challenge for grid management. Indian Wind Power Association in Tamil Nadu is attempting to mitigate this problem by working with state utility and central government agency to collect data from a large area of wind farms and attempting to schedule and forecast wind power from the said large number of wind farms in aggregate. Adding to the development woes are the potential wind farm sites are now predominantly in the forest area and obtaining approvals is a long process running to few years and further inconsistency shown by state electricity regulatory commissions in framing regulations as well as issuance of orders.

### 5. SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

Your company has 8 subsidiary companies namely Almi Hydro-Electric Projects Ltd, Baledh Energy Projects Ltd, Batot Hydro Power Ltd, Brahmanvel Energy Ltd, Greenweiz Projects Ltd, Joiner Hydro Power Projects Ltd, Khandesh Energy Projects Ltd and Vajharpada Energy Ltd. All subsidiary companies are SPV's executing power projects which are in different stages of development except Greenweiz Projects Limited is in the business

of carrying out operation & maintenance of wind farms. Batot's 3.5 MW Project was re-commissioned in mid June 2013 had a promising start at the beginning of the financial year with generation clocking high levels but subsequently the generation slowed down due to lack of water but still achieved about 78.7% of the expected generation. After two consecutive years of drought, a good monsoon would augur well for both wind power and hydro power generation.

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.

No subsidiary company has ceased to be a subsidiary during the year.

Weizmann Corporate Services Ltd. is the only Associate company.

**6. DIRECTORS AND KEY MANAGEMENT PERSONNEL**

Shri Chetan D. Mehra was designated as Vice Chairman of the Company by the Board of Directors at their meeting held on 9th February, 2016.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company the Directors Shri Chetan D Mehra and Shri Vinesh N Davda retires by rotation and, being eligible have offered themselves for re-appointment.

The Managing Director of the company Shri G N Kamath was re-appointed for a period of one year with effect from 1st December 2015 subject to approval of shareholders by special resolution at the ensuing Annual General Meeting. The confirmation of re-appointment of Mr. G N Kamath as Managing Director for a period of one year and above would be included in Notice to the ensuing AGM.

The Company had pursuant to Section 149(10) read with Section 152 of the Companies Act, 2013 has three independent directors viz. Shri V P Kamath, Shri K M Vussonji and Shri Upkar Singh Kohli who were appointed for a term of five consecutive years at the Annual General Meeting held on 11.09.2014.

During the year no directors have resigned from the Board.

The Board of Directors had four meetings during financial year 2015-16.

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

**7. 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 has carried out the annual performance evaluation of its own performance, performance of the Chairman, the Committees and independent Directors without participation of the relevant Director. The Nomination and Remuneration Committee of the Board continuously evaluate the performance of the Board and provide 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.

**8. 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 During F.Y. 2015-16 no new independent directors have been appointed by the company.

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

An extract of Annual Return as at 31.03.2016 pursuant to section 92(3) of the Companies Act, 2013 and forming part of this Report is attached as Annexure - I to this Report.

**10. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

**11. 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.

**12. 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.

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

**13. 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 and other Disclosures pertaining to remuneration are set out in the said rules and are compiled with.

Having regard to the provisions of the first 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.

**14. 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.

**15. 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.

**16. 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.

**17. POLICY ON RELATED PARTY TRANSACTIONS**

The Company has framed a policy on related party transactions and the same has been hosted on its website http://www.karmaenergy.co/rptp.html The policy includes the specific transactions requiring prior approval of the Audit Committee, the Board of Directors, Special Resolution by members at General Meeting, determining the materiality of the transaction with the related party both under Companies Act and Listing Regulations, and also the procedures to be followed in complying with the statutory provisions in respect of related party transaction, if any.

**18. 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 is also constituted a Risk Management Committee for the above purpose. 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

**19. 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. 2015-16.

**20. 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

**21. 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.

**22. 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. On the contrary there have been two favourable order / regulation issued by Maharashtra State Electricity Regulatory Commission during 2015-16 viz. permitting open access i.e. sale to third parties in Maharashtra for F.Y. 2014-15 and issuance of new Distribution Open Access Regulations, 2016 virtually reverting to the position which existed prior to issuance of a Distribution Open Access Regulations, 2014 from 25.06.2014. Consequently sale to third parties are permitted again under the new Regulations of 2016. Only for financial year 2015-16 due to issuance of Distribution Open Access Regulations, 2014 the company was deprived of sale of power to third parties in Maharashtra and had to sell the wind power to the state utility at the low preferential tariff determined by State Electricity Regulatory Commission.

**23. DETAILS IN RESEPCT 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.

**24. ISSUE OF NEW EQUITY SHARES DURING THE YEAR**

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

**25. AUDITORS**

In the Seventh Annual General Meeting (AGM) of the company held on September 11, 2014 Messrs. U.B. Sura & Co. Chartered Accountants and Messrs. Shyam C. Agrawal & Co., Chartered Accountants were appointed as Joint Statutory Auditors of the Company for a period of three years to hold office from the conclusion of the Seventh AGM until the conclusion of the Tenth AGM of the company. In terms of the provisions of the Companies Act, 2013, appointment of Auditors are required to be ratified by the shareholders in every AGM until the expiry of the period of original appointment.

In view of the above, the Board of Directors recommend ratification of appointment of Messrs. U.B. Sura & Co. Chartered Accountants and Messrs. Shyam C. Agrawal & Co., Chartered Accountants as Joint Statutory Auditors of the Company by the members for the period from the conclusion of the ensuing Ninth AGM till conclusion of the Tenth Annual General Meeting.

**26. 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 2015-16 and whose report of 11th May, 2016 is attached as Annexure - IV. There are no adverse observations made by the Auditor.

**27. AUDITORS' REPORT**

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

**28. CORPORATE GOVERNANCE**

Your Company has complied with Corporate Governance requirement as per SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015. A report on Corporate Governance forms part of this report as Annexure - II. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

**29. 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 - III.

**30. 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.

**31. ACKNOWLEDGEMENT**

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

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

For and on behalf of the Board

Place : Mumbai
Date : 25th May, 2016

**Dharmendra G. Siraj**
**Chairman**

# ANNEXURE - I

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

### As on the financial year ended 31st March, 2016

[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 E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai – 400071.
Tel : 40430200,
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 | 35106 | 100 % |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of Shares held | Applic-able Section |
|---|---|---|---|---|---|
| 1. | Almi Hydro Electric-Projects Ltd | U40100MH2003PLC139744 | Subsidiary | 100% | 2(87) |
| 2. | Baledh Energy Projects Ltd | U40100MH2003PLC139699 | Subsidiary | 100% | 2(87) |
| 3. | Batot Hydro Power Ltd | U51909MH2002PLC135840 | Subsidiary | 51.66% | 2(87) |
| 4. | Brahmanvel Energy Ltd | U51909MH2003PLC139998 | Subsidiary | 51% | 2(87) |
| 5. | Greenweiz Projects Ltd | U65920MH1993PLC071301 | Subsidiary | 100 % | 2(87) |
| 6. | Joiner Hydro Power Projects Ltd | U40100MH2003PLC139700 | Subsidiary | 100 % | 2(87) |
| 7. | Khandesh Energy Projects Ltd | U45200MH2003PLC141221 | Subsidiary | 51% | 2(87) |
| 8. | Vajharpada Energy Ltd | U51909MH2002PLC136709 | Subsidiary | 100% | 2(87) |
| 9. | Weizmann Corporate Services Ltd | U70102MH1982PLC028472 | Associate | 31.92% | 2(6) |

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

#### i) Category-wise Share Holding

| Category of Sharholders | 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 | 2946919 | - | - | 25.47 | 2946919 | - | 2946919 | 25.47 | - |
| (b) Central Govt. | - | - | - | - | - | - | - | - | - |
| (c) State Govt. | - | - | - | - | - | - | - | - | - |
| (d) Bodies Corp. | 5686083 | - | 5686083 | 49.15 | 5686083 | - | 5686083 | 49.15 | - |
| (e) Banks / FI | - | - | - | - | - | - | - | - | - |
| (f) Any Other | - | - | - | - | - | - | - | - | - |
| **Sub-total (A)(1)** | **8633002** | **-** | **8633002** | **74.62** | **8633002** | **-** | **8633002** | **74.62** | **-** |
| (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)** | **8633002** | **-** | **8633002** | **74.62** | **8633002** | **-** | **8633002** | **74.62** | **-** |
| B. Public Shareholing 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | 66 | 133 | 199 | 0.001 | 66 | 133 | 199 | 0.001 | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt. | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Co's | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-total (B)(1)** | **66** | **133** | **199** | **0.001** | **66** | **133** | **199** | **0.001** | **-** |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 99093 | 2634 | 101727 | 0.88 | 99441 | 2634 | 102075 | 0.88 | 0 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.2 Lakh | 895846 | 463008 | 1358854 | 11.74 | 1050943 | 451883 | 1502826 | 12.99 | 1.25 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh | 1311733 | 47270 | 1359003 | 11.75 | 1177840 | 47270 | 1225110 | 10.59 | (1.16) |
| c) Others (specify | | | | | | | | | |
| i) NRI's | 35388 | 72570 | 107958 | 0.93 | 31829 | 69345 | 101174 | 0.87 | (0.06) |
| ii) Demat Transit / Clearing Member | 9175 | - | 9175 | 0.08 | 5532 | - | 5532 | 0.05 | (0.03) |
| **Sub-total (B)(2):-** | **2351235** | **585482** | **2936717** | **25.38** | **2365585** | **571132** | **2936717** | **25.38** | **-** |
| **Total Public Shareholding (B) = (B)(1)+(B)(2)** | **2051301** | **585615** | **2936916** | **25.38** | **2351301** | **585615** | **2936916** | **25.38** | **-** |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 10984303 | 585615 | 11569918 | 100.00 | 10998653 | 571265 | 11569918 | 100.00 | - |

**ii) Shareholding of promoters**

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | Shareholding at the end of the year | | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | No. of shares | % of total shares of the company | % of shares Pledged / encumbered to total shares | % change in share holding during the year |
| 1. | Chetan Mehra | 1464011 | 12.65 | - | 1464011 | 12.65 | - | - |
| 2. | Dharmendra Siraj | 637408 | 5.51 | - | 337408 | 2.92 | - | (2.59) |
| 3. | Anju Siraj | 528734 | 4.57 | - | 828734 | 7.16 | - | 2.59 |
| 4. | Radhika Mehra | 80015 | 0.69 | - | 80015 | 0.69 | - | - |
| 5. | Sweta Siraj Mehta | 116629 | 1.01 | - | 116629 | 1.01 | - | - |
| 6. | Isha Siraj Kedia | 116629 | 1.01 | - | 116629 | 1.01 | - | - |
| 7. | Arun Mehra | 133 | 0.001 | - | 133 | 0.001 | - | - |
| 8. | Nirmal D. Mehra | 3360 | 0.03 | - | 3360 | 0.03 | - | - |
| 9. | Sitex India Pvt. Ltd. | 430647 | 3.72 | - | 256617 | 2.21 | - | (1.51) |
| 10. | Windia Infrastructure Finance Ltd. | 1000 | 0.01 | - | 1000 | 0.01 | - | - |
| 11. | Hansneel Impex Pvt. Ltd. | 1001 | 0.01 | - | 1001 | 0.01 | - | - |
| 12. | Ram Krishna Iron Works Pvt. Ltd. | 1000 | 0.01 | - | 1000 | 0.01 | - | - |
| 13. | Kotta Enterprises Ltd. | 2294026 | 19.83 | - | 2294026 | 19.83 | - | - |
| 14. | Purvaja Projects Ltd. | 1000 | 0.01 | - | 1000 | 0.01 | - | - |
| 15. | Prabhanjan Multitrade Pvt. Ltd. | 1474104 | 12.74 | - | 1474104 | 12.74 | - | - |
| 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 | - | 1000 | 0.008 | - | - |
| 21. | Inspeed Power Pvt. Ltd. | 1478805 | 12.78 | - | 1652835 | 14.29 | - | 1.51 |
| | Total | 8633002 | 74.62 | - | 8633002 | 74.62 | - | - |

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

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 8633002 | 74.62 | 8633002 | 74.62 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | - | - | - | - |
| | At the end of the year | 8633002 | 74.62 | 8633002 | 74.62 |

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

| Sl.No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | For Each of the Top 10 Shareholders | 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 | 247999 | 2.14 | 247999 | 2.14 |
| 2. | Meghna Pratik Doshi | 247425 | 2.13 | 247425 | 2.13 |
| 3. | Mohanchand H | 178015 | 1.54 | 182187 | 1.57 |
| 4. | Devak Bharat Davda | 117154 | 1.01 | 117154 | 1.01 |
| 5. | Kanchan Sunil Singhania | 57908 | 0.50 | 57908 | 0.50 |
| 6. | Ashita Bharat Davda | 31333 | 0.27 | 31333 | 0.27 |
| 7. | Sanjeev Dhireshbhai Shah | 30351 | 0.26 | 30351 | 0.26 |
| 8. | Kunjamma Joseph | 40447 | 0.34 | 24645 | 0.21 |
| 9. | Maneka S | 23635 | 0.20 | 23635 | 0.20 |
| 10. | Mansi S | 23635 | 0.20 | 23635 | 0.20 |

**v) Shareholding of Directors and Key Managerial Personnel :**

| Sl. No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | For Each of the Directors and KMP | 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 | 1464011 | 12.65 | 1464011 | 12.65 |
| | 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 | 1464011 | 12.65 | 1464011 | 12.65 |
| 2. | Dharmendra Siraj | 637408 | 5.51 | 337408 | 2.92 |
| | Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | (300000) | (2.59) | - | - |
| | At the end of the year | 337408 | 2.92 | 337408 | 2.92 |
| 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. | Vishnu P. 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. | 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 | - | - | - | - |
| 6. | Vinesh N Davda | 207366 | 1.79 | 207366 | 1.79 |
| | 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 | 207366 | 1.79 | 207366 | 1.79 |
| 7. | 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 | - | - | - | - |
| 8. | Upkarsingh Kohli | - | - | - | - |
| | 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 | - | - | - | - |
| 9. | 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 | - | - | - | - |
| 10. | 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<br>I) Principal Amount | 44,93,27,195.17 | 5,22,94,087.00 | - | 50,16,21,282.17 |
| ii) Interest due but not paid | -- | – | – | – |
| iii) Interest accrued but not due | 27,88,539.00 | - | - | 27,88,539.00 |
| **Total (i+ii+iii)** | **45,21,15,734.17** | **5,22,94,087.00** | **-** | **50,44,09,821.17** |
| Change in Indebtedness during the financial year<br>• Addition | - | 39,13,65,586.00 | - | 39,13,65,586.00 |
| • Reduction | 12,02,30,076.24 | 4,04,50,000.00 | - | 16,06,80,076.24 |
| Net Change | 12,02,30,076.24 | 35,09,15,586.00 | - | 23,06,85,509.76 |
| Indebtedness at the end of the financial year<br>i) Principal Amount | 32,55,76,463.93 | 40,32,09,673.00 | - | 72,87,86,136.93 |
| ii) Interest due but not paid | -- | – | – | – |
| iii) Interest accrued but not due | 53,03,766.00 | - | - | 53,03,766.00 |
| **Total (i+ii+iii)** | **33,08,80,229.93** | **40,32,09,673.00** | **-** | **73,40,89,902.93** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

**(Rs. in Lakh)**

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | Total Amount |
|---|---|---|---|
| | | G. N. Kamath | |
| 1. | Gross Salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 17.28 | 17.28 |
| | (b) Value of Perquisite u/s 17(2) Income Tax Act, 1961 | 2.68 | 2.68 |
| | (c) Profit in lieu of salary under section 17(3) Income Tax Act, 1961 | - | - |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commisssion<br>- as % of profit<br>- Others, specify. | - | - |
| 5. | Others, please specify | - | - |
| | **Total (A)** | **19.96** | **19.96** |
| | Ceiling as per the Act | 42.00 | 42.00 |

**B. Remuneration to other directors :**

**(Rs. in Lakh)**

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Vishnu Kamath | Kishore Vussonji | Upkarsingh Kohli | | | |
| 1. | Independent Directors | | | | | | |
| | • Fee for attending board committee meetings | 0.38 | 0.29 | 0.20 | | | 0.87 |
| | • Commission | - | - | - | | | - |
| | • Others, please specify | - | - | - | | | - |
| | **Total (1)** | **0.38** | **0.29** | **0.20** | | | **0.87** |
| 2. | Other Non-Executive Directors | Vinesh Davda | Chetan Mehra | Dharmendra Siraj | Smita Davda | Neelkamal Siraj | |
| | • Fee for attending board committee meetings | 0.14 | 0.22 | 0.40 | 0.10 | 0.15 | 1.01 |
| | • Commission | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - |
| | **Total (2)** | **0.14** | **0.22** | **0.40** | **0.10** | **0.15** | **1.01** |
| | **Total (B) = (1+2)** | **-** | **-** | **-** | **-** | **-** | **1.88** |
| | Total Managerial Remuneration | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Overall Ceiling as per the Act | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

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

**(Rs. in Lakh)**

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | CEO | Company Secretary & CFO | Total |
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | - | 100.69 | 100.69 |
| | (b) Value of Perquisite u/s 017(2) Income Tax Act, 1961 | - | 6.88 | 6.88 |
| | (c) Profit in lieu of salary under section 17(3) Income Tax Act, 1961 | - | - | - |
| | Stock Option | - | - | - |
| | Sweat Equity | - | - | - |
| | Commisssion | | | |
| | - as % of profit | - | - | - |
| | - Others, specify. | - | - | - |
| | Others, please specify | - | - | - |
| | **Total** | **-** | **107.57** | **107.57** |

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

### 2. Board of Directors

#### I Composition and size of the Board

The Company is being managed by the Managing Director under the supervision of the Board of Directors ('the Board'). The Current strength of the Board is Nine. 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 and the category of directors on the Board of the Company as at March 31, 2015 were as under.

| Category | Particulars of the Directors |
|---|---|
| Non Executive - Non Independent | Shri Dharmendra G. Siraj - Chairman<br>Shri Chetan D. Mehra<br>Shri Neelkamal . V. Siraj<br>Shri Vinesh N. Davda |
| Non Executive - Independent | Shri Vishnu P. Kamath<br>Shri Upkarsingh Kohli<br>Shri Kishore N. Vussonji |
| Non Executive Non Independent Woman Director | Smt. Smita V. Davda |
| Executive | Shri Ganesh N. Kamath – Managing Director |

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

#### II Conduct of Board Proceedings

The day to day activities of the Company are conducted by the executives of the Company under the direction of the Managing Director and the overall supervision of the Board. During the financial year 2015-2016 the Board held four meetings on May 28, 2015, August 12, 2015, November 9, 2015 and February 09, 2016

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

#### III Attendance of Directors

Attendance of Directors at the Board Meetings held during 2015-2016 and the last AGM held on September 14, 2015.

| Directors | Meetings held during the tenure of Directors | Meetings Attended | Attended at last AGM | No. of other Directorship held # | No. of other Committee Membership held |
|---|---|---|---|---|---|
| Shri D G Siraj | 4 | 4 | Yes | 9 | 4 |
| Shri C D Mehra | 4 | 4 | No | 7 | 1 |
| Shri N V Siraj | 4 | 3 | No | 8 | - |
| Shri V P Kamath | 4 | 4 | Yes | 8 | 7 |
| Shri G N Kamath | 4 | 4 | Yes | 9 | - |
| Shri U S Kohli | 4 | 4 | Yes | 2 | - |
| Shri K N. Vussonji | 4 | 3 | Yes | 5 | 5 |
| Shri V. N. Davda | 4 | 2 | Yes | 9 | 2 |
| Smt. S V Davda | 4 | 2 | Yes | 2 | - |

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)

Shri Vinesh N. Davda and Smt. Smita V. Davda are husband and wife.

None of the Directors hold directorship in more than 10 public limited companies.

No director holds membership of more than 10 committees of board nor is any director chairman of more than 5 committees of board.

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, 2016 |
|---|---|---|
| 1. | Shri Dharmendra G. Siraj | 3,37,408 |
| 2. | Shri Chetan D. Mehra | 14,64,011 |
| 3. | Shri Neelkamal V. Siraj | Nil |
| 4. | Shri Vishnu P. Kamath | Nil |
| 5. | Shri Kishore M. Vussonji | Nil |
| 6. | Shri Upkar Singh Kohli | Nil |
| 7 | Shri Vinesh N. Davda | 2,07,366 |
| 8. | Smt. Smita V. Davda | Nil |

**3. Audit Committee**

The Audit Committee inter alia, provides assurance to the Board on the adequacy of the internal control systems, financial disclosures and ensures that generally accepted accounting principles are observed by the Company. It also provides guidance and liaise with the 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 (LODR) Regulations, 2015 read in conjunction with Section 177 of the Companies Act, 2013. The Audit Committee presently comprises of Shri Vishnu P. Kamath as the Chairman, Shri Dharmendra G. Siraj and Shri Kishore M. Vussonji as members of the Committee. The Managing Director, 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 30, 2015, August 12, 2015, November 6, 2015 and February 09, 2016.

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 2015-16 | |
|---|---|---|---|
| | | Held | Attended |
| Shri V. P. Kamath | Non-Executive Independent | 4 | 4 |
| Shri D. G. Siraj | Non-Executive | 4 | 4 |
| Shri K. M. Vussonji | Non-Executive Independent | 4 | 4 |

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

The terms of reference of Audit Committee are in line with Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee include the following :

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and Terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Examination of the financial statement and the auditors' report thereon;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- The audit committee shall review the information required as per SEBI Listing Regulations.

**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.

The role of Nomination and Remuneration Committee is to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The Nomination and Remuneration Committee meeting was held on 06th November, 2015 during the year ended 31st March 2016. The necessary quorum was present at the meeting.

| Name | Category | Number of Meetings during the year 2015-16 | |
|---|---|---|---|
| | | Held | Attended |
| Shri K. M. Vussonji | Non-Executive Independent | 1 | 1 |
| Shri D. G. Siraj | Non-Executive | 1 | 1 |
| Shri V. P. Kamath | Non-Executive Independent | 1 | 1 |

The terms of reference of Nomination and Remuneration Committee are in line with Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013 :

- Formulation of 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.
- Formulation of 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.

The Composition of Nomination and Remuneration Committee and the attendance of the Members of Nomination and Remuneration Committee is as under :

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.

**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, 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 as a Director has no disqualifications for appointment under Section 164 of the Companies Act, 2013.

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

i) Qualification, expertise and experience of the Directors in their respective fields;

ii) Personal, Professional or business standing

iii) Diversity of the Board.

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

**Remuneration**

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

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

CEO & Managing Director - Criteria for selection / appointment

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

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

**Remuneration for the CEO & Managing Director**

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

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

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

Remuneration Policy for the Senior Management Employees

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

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

The details of remuneration paid to Managing Director from 1st April, 2015 to 31st March, 2016 is given below

| Name of the Managing Director | Salary (Rs. in Lacs) | Commission | Perquisites and Allowances (Rs. in Lacs) | Retiral Benefits* (Rs. in Lacs) |
|---|---|---|---|---|
| Ganesh N. Kamath | 17.28 | - | 4.56 | 2.07 |

Notes : The agreement with Managing Director is for a period of 1 year from 1st December, 2015.

* 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 Shareholders / Investors Grievance Committee comprise of Shri Dharmendra G. Siraj as the Chairman, Shri V P. Kamath and Shri Vinesh N. Davda as members of the Committee. The said Committee looks into redressing investors' complaints pertaining to transfer/ transmission of shares, non- receipt of dividend/ annual report of the Company. The Committee met twice during the financial year on 6th November, 2015 and 09th February, 2016 respectively. 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 2015-16 | |
|---|---|---|---|
| | | Held | Attended |
| Shri V. P. Kamath | Non-Executive Independent | 2 | 2 |
| Shri D G. Siraj | Non-Executive | 2 | 2 |
| Shri V. N. Davda | Non-Executive Independent | 2 | 1 |

There were 9 complaints received from the shareholders during the financial year ended 31st March, 2016 and all stood resolved.

**6. Risk Management Committee**

The company has formed a business risk evaluation / Management Committee consisting of the following members.

| Name | Category | Number of Meetings during the year 2015-16 | |
|---|---|---|---|
| | | Held | Attended |
| Shri D. G. Siraj | Non-Executive | 1 | 1 |
| Shri C. D. Mehra | Non Executive | 1 | 1 |
| Shri V. N. Davda | Non-Executive | 1 | 1 |

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

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of

1. Overseeing of risk management performed by the executive management;
2. Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

**7. Independent Directors Meeting**

During the year under review, the Independent Directors met on 09th February, 2016, inter alia, to discuss:

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

All the independent Directors were present at the meeting.

Management discussion and analysis report forms part of this Annual Report

**8. 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

During F. Y. 2015-16 no new independent directors have been appointed by the Company.

**9. 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 for sitting fees for the Board and Committee Meetings attended.

**10. General Body Meetings**

Details of the last three Annual General Meetings (AGMs)

| Date & Year | Time | Location where AGM held in the last 3years. |
|---|---|---|
| 14/09/2015; 2014-2015 | 3.00 p.m | Maharashtra Chamber of Commerce, Oricon House, 6th Floor, Maharashtra Chamber of Commerce path, Kalaghoda, Mumbai – 400 001 |
| 11/09/2014; 2013-2014 | 3.00 p.m | Maharashtra Chamber of Commerce, Oricon House, 6th Floor, Maharashtra Chamber of Commerce path, Kalaghoda, Mumbai – 400 001 |
| 29/07/2013; 2012-2013 | 2.00 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: No

**11. 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 Accounting Standard18 (AS-18) are furnished under Note no. 9 of the Notes to Accounts attached to the annual accounts for the financial year ended 31st March, 2016. 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

**Insider Trading**

The Company has the Insider Trading Code, framed by the Management, in accordance with the SEBI Regulations. The code is posted on the Website of the Company www.karmaenergy.co

**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 behaviour. The said policy has been also put up on the website of the Company at www.karmaenergy.co

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

**Directors seeking appointment / reappointment**

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

**12. 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) 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, 2016.

Sd/-

Date : 25th May, 2016 Ganesh N. Kamath

Mumbai Managing Director

**13. 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.

**14. Subsidiary Companies**

Batot Hydro Power Ltd is a material non-listed Indian Subsidiary company in terms of SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015. Shri Vishnu P. Kamath – Independent Director is a director on the board of Batot Hydro Power Ltd.

**15. Means of Communication**

| | | |
|---|---|---|
| Half yearly report sent to each household of Shareholders | - | No |
| Quarterly results usually published in (Proposed) | - | Mint/Business Standard (English daily) |
| | - | Tarun Bharat (Marathi daily) |
| Any website where displayed | - | www.karmaenergy.co<br>www.nseindia.com<br>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 |

**16. General Shareholder Information**

**a) 9th Annual General Meeting- Day, Date, Time and Venue**

| Day | Date | Time | Venue |
|---|---|---|---|
| Friday | 02/09/2016 | 3.45 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, 2016 to 31st March 2017 |
| Adoption of Quarterly Results for the quarter ending | | |
| June, 2016 | : | August, 2016 |
| September, 2016 | : | November, 2016 |
| December, 2016 | : | February, 2017 |
| March, 2017 | : | May, 2017 |
| Book Closure / Record Date | : | 26th August, 2016 |
| Dividend Payment | : | Not Applicable |
| **c) Listing on Stock Exchanges** | : | BSE & NSE |
| **d) Stock Exchange Codes** | : | |
| BSE Limited | : | 533451 |
| The National Stock Exchange of India Ltd. | : | KARMAENG |
| ISIN NO. | : | INE725L01011 |

**e) Market Price Data/Performance** :

| Month | BSE | | INDEX-SENSEX | |
|---|---|---|---|---|
| | High (Rs.) | Low (Rs.) | High | Low |
| April, 2015 | 29.00 | 19.20 | 29094.61 | 26897.54 |
| May, 2015 | 26.10 | 16.15 | 28071.16 | 26423.99 |
| June, 2015 | 24.45 | 14.90 | 27968.75 | 26307.07 |
| July, 2015 | 23.40 | 17.80 | 28578.33 | 27416.39 |
| August, 2015 | 28.80 | 16.00 | 28417.59 | 25298.42 |
| September, 2015 | 22.85 | 15.30 | 26471.82 | 24833.54 |
| October, 2015 | 22.95 | 16.50 | 27618.14 | 26168.71 |
| November, 2015 | 24.25 | 17.05 | 26824.30 | 25451.42 |
| December, 2015 | 28.00 | 22.55 | 26256.42 | 24867.73 |
| January, 2016 | 29.85 | 20.55 | 26197.27 | 23839.76 |
| February, 2016 | 24.90 | 15.65 | 25002.32 | 22494.61 |
| March, 2016 | 21.75 | 16.60 | 25479.62 | 23133.18 |

| Month | NSE | | NIFTY MIDCAP FIFTY | |
|---|---|---|---|---|
| | High (Rs.) | Low (Rs.) | High | Low |
| April, 2015 | 27.10 | 20.00 | 3581.70 | 3171.90 |
| May, 2015 | 22.70 | 15.75 | 3380.00 | 3110.90 |
| June, 2015 | 24.95 | 16.70 | 3384.95 | 3058.75 |
| July, 2015 | 22.85 | 17.00 | 3483.20 | 3224.10 |
| August, 2015 | 29.00 | 17.40 | 3563.60 | 2851.55 |
| September, 2015 | 21.40 | 16.80 | 3205.75 | 2911.70 |
| October, 2015 | 21.35 | 16.50 | 3423.40 | 3188.55 |
| November, 2015 | 24.00 | 16.50 | 3423.00 | 3128.60 |
| December, 2015 | 28.90 | 22.35 | 3436.65 | 3194.10 |
| January, 2016 | 27.45 | 20.40 | 3498.90 | 2880.00 |
| February, 2016 | 22.85 | 15.30 | 3121.25 | 2633.10 |
| March, 2016 | 23.25 | 16.50 | 3209.10 | 2736.25 |

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:28470652, Fax : 28475207
Email : investor@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. 1,09,98,653 Equity Shares representing 95.06 % of the share capital of the Company stands dematerialised as on 31st March, 2016. 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 2016 :**

| Sr. No | Category | No. of Equity Shares | Percentage of Shareholding |
|---|---|---|---|
| **A** | **Promoters Holding** | | |
| | Indian Promoters | 8633002 | 74.62 |
| **B** | **Non Promoter Holding** | | |
| a | Mutual Funds & UTI | - | - |
| b | Banks, Financial Institutions | 199 | 0.001 |
| | Insurance Companies (Central / State Govt. Institutions/ Non Government Institutions) | Nil | Nil |
| c | FIIs | Nil | Nil |
| **C** | **Others** | | |
| a. | Private Corporate Bodies | 102075 | 0.88 |
| b. | Indian Public | 2727936 | 23.58 |
| d. | NRIs/OCBs | 101174 | 0.87 |
| e. | Any other (Demat Transit) | 5532 | 0.05 |
| | **GRAND TOTAL** | **11569918** | **100.00** |

j) **Distribution of Shareholding as on 31st March 2016:**

| Range (In Rs) | Total Holders | Total Holdings in Rupees |
|---|---|---|
| 1 – 5000 | 7931 | 8190320 |
| 5001-10000 | 326 | 2304110 |
| 10001 – 20000 | 142 | 1918160 |
| 20001 – 30000 | 33 | 814150 |
| 30001 - 40000 | 21 | 732800 |
| 40001 – 50000 | 12 | 549210 |
| 50001 – 100000 | 19 | 1373970 |
| 100001 – 999999999 | 35 | 99816460 |
| **Total** | **8519** | **115699180** |

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

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

m) **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:40430200,Fax:28475207
Email : info@bigshareonline.com
Website : www.bigshareonline.com

n) **Dedicated email id for investor complaints** - investorshelpdesk@weizmann.co.in

## COMPLIANCE CERTIFICATE

**TO THE MEMBERS OF**
**KARMA ENERGY LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Karma Energy Limited** ("the Company") for the year ended March 31, 2016 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

We 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 U. B. Sura & Co.,**
**Chartered Accountants**

**U. B. Sura**
**Proprietor**
**Membership No: 32026**
**FRN 110620W**

**For Shyam C. Agrawal & Co.,**
**Chartered Accountants**

**S. C. Agrawal**
**Proprietor**
**Membership No: 31774**
**FRN 110243W**

**Place: Mumbai** **Dated: May 25, 2016**

# ANNEXURE - III

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

### BUSINESS REVIEW

#### General Economy

Global economy is apparently having one of the longest crisis periods and for almost last 7 to 8 years, the Central Banks across Europe, Japan have been in an accommodative mode which is a clear indication that growth and inflation have yet to recover to a sustainable level. Though US economy has been limping back to normalcy, the other giant China is witnessing falling equity market, depreciation in its currency. The prolonged slow down in the developed economies continue to be a cause of concern.

In the above gloomy scenario, Indian economy appears to be the brightest star. Both IMF and the World Bank in their January 2016 outlook project India to grow at the highest rate among major economies in 2016 and 2017. Though certain sectors like exports are not faring well, overall growth trajectory remains on the upswing and such growth is combined with macro-economic stability, healthy balance of payment position and inflation under check.

The worrying factor of Indian economy has been successive drought years being faced. Hitherto we had cyclic drought years but the consecutive two monsoons failure is having its extreme adverse impact on agricultural sector. As per the prediction 2016-17 is expected to be a good monsoon season and resultantly economy could be expected to be on a buoyant mood.

Though the Central Government has been setting ambitious goals and in line with the same proposing policies, the difference of view points between the ruling and the opposition has not been auguring well for the country as a whole.

The power sector has been witnessing huge encouragement from the present Central Government with generating capacity of utilities making a quantum jump to 26.5 GW from an average of 19 GW in the last 5 years. The Central and State governments have joined hands to address problems faced by distribution companies, and a debt overhang problem via the Ujwal DISCOM Assurance Yojana (UDAY) has been framed to bring electricity distribution back on track.

On the renewable energy sector too targets have been revised from 32 GW to 175 GW by 2022. However, implementation is still a daunting task with all stakeholders not moving forward in unison.

#### Company Business

The focus of the company is in the business areas of power generation from renewable energy sources primary wind and through subsidiary companies which are Special Purpose Companies (SPCs) in both wind and small hydro. The company invests in projects directly or invests in equities of SPCs who are in the business of development of renewable energy projects.

The aggregate capacity of the installed wind farms is about 34.95 MW as at 31.03.2016.

The Financial Year 2015-2016 recorded a total income of Rs. 1435.50 lakh (P.Y. Rs. 1665.21 Lakh); Cash profit of Rs.355.90 lakh (P.Y. Rs. 67.30 Lakh); Loss before Tax of Rs. 144.26 lakh (P.Y. Loss of Rs. 422.70 Lakh) ; and Loss after Tax of Rs.154.22 lakh (P.Y. Loss of Rs. 313.03 Lakh).

### OUTLOOK, OPPORTUNITIES AND THREATS

Though the Central Government has been all for achieving a level of sustenance in renewable energy sector as a supplementary to the power generation from fossil fuel and over a period to ensure renewable energy forms a substantial portion of the total power generated in the company so as to combat not only the depletion of fossil fuel but also the climate change. However, on account of number of Regulatory issues, state utilities not wholeheartedly accepting the renewable energy sector into their fold and whatever little has been achieved have been forced on them by Electricity Act, 2003 through the Electricity Regulatory Commissions.

Though infirm power like wind power and solar power are required to be treated differently the tendency of the state utilities as well as different agencies in the states is to equate them with conventional power and consequently many a times a deficit in the policy or directions at state level is quite apparent. Added to the woes is the grid maintenance calling for scheduling and forecasting which is yet to be achieved in the infirm power sector even though recently in Tamil Nadu the wind power association with Government agencies covering a large group of wind farms have achieved a reasonable success in prediction of generation of wind power. The complete success of this exercise would be better known in 1 to 2 seasons of wind power.

As far as company's wind farm projects are concerned they are situated in state of Tamil Nadu, Andhra Pradesh and Maharashtra. In Tamil Nadu, the wind power from its 7.7 MW wind farm is being sold to the state utility TANGEDCO. However, payment for generation proceeds have been lagging behind by almost ten months.

As far as Andhra Pradesh is concerned, after a long period of litigation of 8 years from 2006, the State Electricity Regulatory Commission APERC issued the order sustaining the tariff at Rs.3.37 per unit. However, the bifurcation of the state in Andhra Pradesh and Telangana effective from 02.06.2014 has resulted in an imbroglio as to who should settle the payment dues from 7.5 MW wind farm to the company for the period January 2011 to May 2014 during which period the payments have been effected only at 50% of the final tariff rate sustained by APERC. Despite vigorous follow up at the highest level, the imbroglio continues and recovery through legal process has been considered as a last resort on account of legal systems of the country taking unduly a long time to settle the disputes.

As far as Maharashtra is concerned, the year witnessed a number of ups and downs. For financial year 2014-15 the grant of open access was under litigation before MERC which has been finally decided in favour of the developers and hence realization of the proceeds for the entire financial year is expected to take place in current financial year 2016-17. For financial year 2015-16, as MERC issued a new Distribution Open Access Regulations which was detrimental to the interest of the developers and open access consumers, its challenge before Hon'ble High Court of Bombay was not successful and writ petition was rejected on technical grounds forcing the company to sell power to the state utility at an approved preferential tariff which is low as compared to tariff that could be fetched under open access. As far as 2016-17 is concerned, at the fag end of the financial year March 2016, MERC announced a progressive and proactive new Distribution Open Access Regulations virtually accepting a number of suggestions of the developers. Hence the company stands benefitted as sale could be to third parties fetching relatively better tariff.

As far as new projects are concerned, with potential land becoming scarce, forest land need to be tapped and here too environmental issues and the long process of receiving approval for alienation of forest land for wind power generation is proving to be an impediment in setting up of new projects.

Despite all the impediments every effort by the company has been to obtain all requisite approvals for developing new wind and hydro power projects.

### RISKS AND CONCERNS

On Renewable Energy Sector, the lack of consistency in the policies in the states, inordinate delays in disposal of petitions and appeals, lack of friendliness from state utilities continue to be a matter of concern. In Maharashtra despite large number of projects already commissioned, the projects are languishing for want of Power Purchase Agreement with state utility.

Scarce potential land or land cost having become exorbitant and more importantly many potential land falling in forest area where obtaining approvals from various agencies starting from Gram Panchayat to the Ministry of Environment has been a daunting task.

As far as company is concerned on account of favourable Distribution Open Access Regulations issued by MERC, sale of power to third parties is ensured for financial year 2016-17 and future years unless there is a change in policy again. In other states like Tamil Nadu and Andhra Pradesh too it is hoped that pending litigation matters would stand resolved and realization of generation proceeds would stand expedited. It is expected that the state utilities would take advantage of “Uday Scheme” of the Central Government to augment their resources and support the renewable energy sector.

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.

## ANNEXURE - IV

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

**The Members,**

**Karma Energy Limited**

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, 2016, 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, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) 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;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - 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 (Listing Obligations & Disclosure Requirement) Regulations, 2015;

(g) 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.

(h) 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

(i) 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.

(vi) 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.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges

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 authorised 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
Dated: 11th May, 2016

## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF**
**KARMA ENERGY LIMITED**

1. We have audited the accompanying standalone financial statements of **KARMA ENERGY LIMITED** which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and also the cash flow statement of the company for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 with respect to preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standard specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the 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 the 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.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operative effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its Profit and Loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. As required by "The Companies (Auditors Report) Order, 2016", issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in Paragraphs 3 and 4 of the Order.

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

    (g) 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 knowledge and belief and according to the explanations given to us:

        i. There were no pending litigations against the company that impacts on its financial position as at March 31, 2016.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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**For U. B. Sura & Co.,**
**Chartered Accountants**

**U. B. Sura**
**Proprietor**
**Membership No: 32026**
**FRN 110620W**

**For Shyam C. Agrawal & Co.,**
**Chartered Accountants**

**S. C. Agrawal**
**Proprietor**
**Membership No: 31774**
**FRN 110243W**

**Place: Mumbai**
**Dated: May 25, 2016**

## ANNEXURE A TO THE AUDITORS' REPORT

(Referred to in paragraph 9 of the standalone Independent Auditors' Report of even date to the Shareholders of **KARMA ENERGY LIMITED** on the standalone financial statements as of and for the year ended on March 31, 2016)

(i) (a) In our opinion the Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) Fixed assets of the Company have been physically verified by the management on phase-wise manner during the year under audit. According to the information and explanations given to us no material discrepancies have been noticed on such verification. In our opinion having regard to the size of the company and the nature of its assets the program of verification of fixed assets is reasonable.

(c) As per the information provided to us, the title deeds of immovable properties are in the name of the company.

(ii) The inventories have been physically verified during the year by the management. According to the information and explanations provided to us no material discrepancies were noticed on verification between the physical stocks and the book records.

(iii) In respect of the loans granted by the company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act')

a. In our opinion the rate of interest and other terms and conditions on which the loans had been granted were not, prima facie, prejudicial to the interest of the Company.

b. In our opinion the borrowers have been regular in the payment of the principal and interest as stipulated.

c. There are no overdue amounts in respect of the loans granted to body corporate.

(iv) Based on the information provided to us, records as furnished to us, to the best of our knowledge the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

(v) The company has not accepted any deposit from the public within meaning of Section 73 to 76 of the Act or any relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules 2015 with respect to the deposits accepted from the public.

(vi) Maintenance of cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act is not applicable to the company during the year under audit

(vii) (a) As per the records examined by us, explanations provided to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. According to information and explanations provided to us no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues were in arrears as on 31st March 2016 for a period more than six months from the date they became payable.

According to the information and explanations given to us, the following disputed amounts in respect of dues of income tax have not been deposited:

| Nature of dues | Amount (Rs. in Lakh) | Forum where dispute is pending |
|---|---|---|
| Income Tax–A.Y. 2012-13 | 1.24 | CIT (Appeals) |
| Income Tax–A.Y. 2013-14 | 103.86 | CIT (Appeals) |

(viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or banks as at the balance sheet date.

(ix) The company has not raised monies by way of Public issue/follow on offer during the year. In our opinion and as per the information provided to us, term loans were applied for the purpose for which said loans were taken.

(x) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The company is not a "Nidhi Company" and therefore clause (xii) of CARO is not applicable.

(xiii) As per the information and explanations in respect of Related Parties provided to us, in our opinion the company has generally disclosed Related Party Transactions in accordance with the applicable accounting standard.

(xiv) Based upon the procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non – cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) In our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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**For U. B. Sura & Co.,**
**Chartered Accountants**

**U. B. Sura**
**Proprietor**
**Membership No: 32026**
**FRN 110620W**

**For Shyam C. Agrawal & Co.,**
**Chartered Accountants**

**S. C. Agrawal**
**Proprietor**
**Membership No: 31774**
**FRN 110243W**

**Place: Mumbai**
**Dated: May 25, 2016**

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

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

We have audited the internal financial controls over financial reporting of **KARMA ENERGY LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone 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 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 2016, 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.

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**For U. B. Sura & Co.,**
**Chartered Accountants**

**U. B. Sura**
**Proprietor**
**Membership No: 32026**
**FRN 110620W**

**For Shyam C. Agrawal & Co.,**
**Chartered Accountants**

**S. C. Agrawal**
**Proprietor**
**Membership No: 31774**
**FRN 110243W**

**Place: Mumbai**
**Dated: May 25, 2016**

# BALANCE SHEET AS AT 31.03.2016

₹ in Lakh

| Particulars | Note No. | As At 31.03.2016 | As At 31.03.2015 |
|---|---|---|---|
| **I EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 1 | 1,156.99 | 1,156.99 |
| Reserves and Surplus | 2 | 2,998.45 | 3,152.68 |
| Money received against share warrants | | - | - |
| | | **4,155.44** | **4,309.67** |
| **Share application money pending allotment** | | - | - |
| **Non-Current Liabilities** | | | |
| Long term borrowings | 3 | 2,002.02 | 3,304.71 |
| Deferred tax liabilities (Net) | | 1,672.86 | 1,767.90 |
| Other Long term Liabilities | | - | - |
| Long term Provisions | 4 | 58.39 | 71.22 |
| | | **3,733.27** | **5,143.83** |
| **Current Liabilities** | | | |
| Short-term borrowings | 5 | 4,032.10 | 522.94 |
| Trade payables | 6 | 247.23 | 144.47 |
| Other current liabilities | 7 | 1,385.56 | 1,533.94 |
| Short-term provisions | 8 | 111.23 | 7.67 |
| | | **5,776.12** | **2,209.02** |
| **TOTAL** | | **13,664.83** | **11,662.52** |
| **II ASSETS** | | | |
| **Non-current assets** | | | |
| Fixed Assets | | | |
| Tangible assets | | 5,310.27 | 5,810.43 |
| Intangible assets | - | - | |
| Capital work in-progress | | 34.30 | 32.33 |
| Intangible assets under development | | - | - |
| Fixed assets held for sale | | - | - |
| Non-current investments | 10 | 4,420.75 | 3,435.86 |
| Deferred tax assets (net) | | - | - |
| Long-term loans and advances | 11 | 85.55 | 85.91 |
| Other non-current assets | 12 | 203.65 | 203.65 |
| | | **10,054.52** | **9,568.10** |
| **Current assets** | | | |
| Current investments | | - | - |
| Inventories | | 57.19 | 63.71 |
| Trade receivables | 13 | 3,055.95 | 1,557.50 |
| Cash and cash equivalents | 14 | 389.75 | 391.35 |
| Short-term loans and advances | 15 | 107.42 | 81.78 |
| Other current assets | | - | - |
| | | **3,610.31** | **2,094.34** |
| **TOTAL** | | **13,664.83** | **11,662.52** |

See accompanying notes to the financial statements 22

As per our report of even date attached

For and on behalf of the Board

**For U. B. Sura & Co.,**
**Chartered Accountants**

**For Shyam C Agrawal & Co.,**
**Chartered Accountants**

**D. G. Siraj**
Chairman
DIN : 00025543

**G. N. Kamath**
Managing Director
DIN : 00040805

**U. B. Sura**
**(Proprietor)**
**Membership No: 32026**
**Firm Regn. No. 110620W**
**Mumbai, Dated : 25.05.2016**

**S. C. Agrawal**
**(Proprietor)**
**Membership No: 31774**
**Firm Regn. No. 110243W**
**Mumbai, Dated : 25.05.2016**

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

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2016

₹ in Lakh

| | Particulars | Note No. | Current Year 31.03.2016 | Previous Year 31.03.2015 |
|---|---|---|---|---|
| I | Revenue from Operations | 16 | 1,397.41 | 1,532.49 |
| II | Other Income | 17 | 38.09 | 132.72 |
| **III** | **Total Revenue (I + II)** | | **1, 435.50** | **1,665.21** |
| **IV** | **Expenses** | | | |
| | Cost of materials consumed | | - | - |
| | Purchases of stock-in-trade | | - | - |
| | Changes in inventories | | - | - |
| | Operating & Maintenance Cost | 18 | 394.35 | 456.72 |
| | Employee benefits expense | 19 | 321.12 | 387.83 |
| | Finance costs | 20 | 699.45 | 713.38 |
| | Depreciation and amortization expense | 9 | 500.16 | 489.99 |
| | Other expenses | 21 | 184.28 | 179.28 |
| | **Total Expenses** | | **2,099.36** | **2,227.21** |
| **V** | **Profit / (Loss) before exceptional & extraordinary items and tax (III - IV)** | | **(663.85)** | **(592.00)** |
| VI | Exceptional Items (Net) | 22.12 | (519.59) | (139.30) |
| **VII** | **Profit / (Loss) before extraordinary items and tax (V - VI)** | | **(144.26)** | **(422.70)** |
| VIII | Extraordinary Items | | - | - |
| **IX** | **Profit / (Loss) before tax (VII - VIII)** | | **(144.26)** | **(422.70)** |
| **X** | **Tax Expense** | | | |
| | (1) Current tax | | 105.00 | - |
| | (2) Prior Year tax | | - | 8.94 |
| | (3) Deferred tax | | (95.04) | (118.61) |
| | (4) MAT Credit entitlement | | - | - |
| **XI** | **Profit / (Loss) for the year from continuing operations (IX - X)** | | **(154.22)** | **(313.03)** |
| XII | Profit / (Loss) from discontinuing operations | | - | - |
| XIII | Tax Expense of discontinuing operations | | - | - |
| XIV | Profit / (Loss) from discontinuing operations (after tax) (XII - XIII) | | - | - |
| XV | Profit / (Loss) for the year (XI + XIV) | | **(154.22)** | **(313.03)** |
| XVI | Earnings per equity share: | | | |
| | 1. Basic | | (1.33) | (2.71) |
| | 2. Diluted | | (1.33) | (2.71) |

See accompanying notes to the financial statements 22
As per our report of even date attached

For and on behalf of the Board

**For U. B. Sura & Co.,**
**Chartered Accountants**

**For Shyam C Agrawal & Co.,**
**Chartered Accountants**

**D. G. Siraj**
Chairman
DIN : 00025543

**G. N. Kamath**
Managing Director
DIN : 00040805

**U. B. Sura**
**(Proprietor)**
**Membership No: 32026**
**Firm Regn. No. 110620W**
**Mumbai, Dated : 25.05.2016**

**S. C. Agrawal**
**(Proprietor)**
**Membership No: 31774**
**Firm Regn. No. 110243W**
**Mumbai, Dated : 25.05.2016**

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

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

₹ in Lakh

| Particulars | As At 31.03.2016 | | As At 31.03.2015 | |
|---|---|---|---|---|
| **Cash Flow from Operating Activities** | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | **(144.26)** | | **(422.70)** |
| Adjustments for: | | | | |
| Depreciation and Amortisation | 500.16 | | 490.00 | |
| Loss on Sale / Discard of Fixed Assets | | | | |
| | | 500.16 | | 490.00 |
| **Operating profit / (loss) before working capital changes** | | **355.90** | | **67.30** |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets | | | | |
| Inventories | 6.52 | | 5.00 | |
| Trade receivables | (1,498.45) | | (1,220.44) | |
| Short-term loans and advances | (22.45) | | 1,856.02 | |
| Long- term loans and advances | 0.36 | | 200.37 | |
| Other current assets | 0.07 | | (1.65) | |
| Bank Deposits | - | | (29.84) | |
| | | (1,513.95) | | 809.45 |
| | | **(1,158.06)** | | **876.75** |
| Adjustments for increase / (decrease) in operating liabilities | | | | |
| Trade payables | 102.76 | | 48.71 | |
| Other current liabilities | (148.39) | | 450.41 | |
| Short-term provisions | (1.44) | | 1.33 | |
| Long-term provisions | (12.83) | | 17.83 | |
| | | (59.89) | | 518.28 |
| **Cash generated from operations** | | **(1,217.95)** | | **1,395.03** |
| Net Income Tax Paid / (Refund) | | (3.20) | | (331.98) |
| **Net cash flow from / (used in) operating activities (A)** | | **(1,221.14)** | | **1,063.05** |
| **Investments in Fixed Assets** | | | | |
| Capital Expenditure on Fixed Assets | - | | (319.00) | |
| Capital Work In Progress | (1.97) | | (3.06) | |
| Purchase of long-term investments | | | | |
| - Subsidiaries | (984.89) | | (0.01) | |
| - Others | - | | (0.04) | |
| **Net cash flow from Investing activities (B)** | | (986.86) | | (322.11) |
| | | **(2,208.00)** | | **740.94** |
| **Financing** | | | | |
| Dividend Paid | - | | (57.82) | |
| Tax on Dividend | - | | (9.38) | |
| Increase / (Decrease) in Long Term Borrowings | (1,302.68) | | (1,178.06) | |
| Increase / (Decrease) in Short Term Borrowings | 3,509.16 | | (494.47) | |
| **Net cash flow from Financing activities (C)** | | (2,206.47) | | (751.24) |
| **Total (A + B + C)** | | **(1.53)** | | **(10.30)** |
| Cash and Cash Equivalent at the Beginning of the year | **44.23** | | **54.53** | |
| | 44.23 | | 54.53 | |
| Cash and Cash Equivalent at the End of the year | **42.70** | **(1.53)** | **44.23** | **(10.30)** |
| (a) Cash on Hand | 0.28 | | 0.16 | |
| (b) Balances with banks in current accounts | 42.41 | | 44.07 | |
| | **42.70** | | **44.23** | |

See accompanying notes to the financial statements
As per our report of even date attached

For and on behalf of the Board

**For U. B. Sura & Co.,**
**Chartered Accountants**

**For Shyam C Agrawal & Co.,**
**Chartered Accountants**

**D. G. Siraj**
Chairman
DIN : 00025543

**G. N. Kamath**
Managing Director
DIN : 00040805

**U. B. Sura**
**(Proprietor)**
**Membership No: 32026**
**Firm Regn. No. 110620W**
**Mumbai, Dated : 25.05.2016**

**S. C. Agrawal**
**(Proprietor)**
**Membership No: 31774**
**Firm Regn. No. 110243W**
**Mumbai, Dated : 25.05.2016**

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

## Notes forming part of the Financial Statements

₹ in Lakh

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---|---|---|
| **NOTE [1] - SHARE CAPITAL** | | |
| **Authorised Share Capital** | | |
| 1,80,00,000 Equity Shares of Rs.10/-each (Prev.Year 1,80,00,000 Equity Shares of Rs.10/- each) | **1,800.00** | **1,800.00** |
| **Issued, Subscribed & Paid-up Share Capital** | | |
| 1,15,69,918 Equity Shares of Rs.10/- each fully Paid-up (Prev.Year 1,15,69,918 Equity Shares of Rs.10/- each) | 1,156.99 | 1,156.99 |
| **Total** | **1,156.99** | **1,156.99** |

NOTE [1.1]

| Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---|---|---|---|
| | In Nos. | ₹ in Lakh | In Nos. | ₹ in Lakh |
| Equity Shares At the beginning of the Year | 11569918 | 1,156.99 | 11569918 | 1,156.99 |
| Issued during the Year | - | - | - | - |
| **Outstanding at the end of the Year** | **11569918** | **1,156.99** | **11569918** | **1,156.99** |

**NOTE [1.2]**

**Terms / rights attached to equity shares**

a. The Company has only one class of equity shares having a par value of Rs.10/- per share.

b. Each holder of equity shares is entitled to one vote per share.

c. 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

d. The company has not issued any bonus shares or bought back the equity shares in the last 5 years immediately preceding the balance sheet date.

e. With respect to amalgamation of the Transferor company Avirodh Financial Services Ltd, the Company alloted 5561 equity shares of Rs.10/- each in the ratio of 1 Equity share of Rs10/- of the Company for every 18 equity shares of Rs10/- each held by the Equity shareholders in the Transferor company.

NOTE [1.3]

| **Details of shares held by each shareholder holding more than 5% shares Equity shares of Rs.10/- fully paid up** | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---|---|---|---|
| | In Nos | Holding (%) | In Nos | Holding (%) |
| Chetan Mehra on behalf of Tanraj Enterprises | 1093765 | 9.45% | 1093765 | 9.45% |
| Prabhanjan Multitrade Pvt Ltd on behalf of Suhami Power and Finance Corporation | 827071 | 7.15% | 827071 | 7.15% |
| Prabhanjan Multitrade Pvt Ltd | 647033 | 5.59% | 647033 | 5.59% |
| Dharmendra Siraj | - | - | 637408 | 5.51% |
| Anju D. Siraj | 828734 | 7.16% | - | - |
| Inspeed Power Pvt Ltd | 1652835 | 14.29% | 1478805 | 12.78% |
| Kotta Enterprises Ltd | 2294026 | 19.83% | 2294026 | 19.83% |

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---|---|
| **NOTE [2] - RESERVES & SURPLUS** | | |
| **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** |
| **Surplus / (Deficit) in the Statement of Profit & Loss** | | |
| Opening Balance | 38.28 | 375.30 |
| Add / (Less) : Depreciation Adjustment as per Schedule II of Co's Act | - | 6.01 |
| Add : Profit / (Loss) for the Year | (154.22) | (313.03) |
| Closing Balance | **(85.95)** | **68.28** |
| **Total** | **2,998.45** | **3,152.68** |
| **NOTE [3] - LONG TERM BORROWINGS** | | |
| **Term Loans** | | |
| Secured | | |
| From Banks | 1,998.04 | 3,299.08 |
| From Financial Institution | 3.98 | 5.63 |
| **Total** | **2,002.02** | **3,304.71** |

**NOTE [3.1] - Secured Term Loan from Banks**

₹ in Lakh

| Name | Tenor | 31.03.2016 | 31.03.2015 |
|---|---|---|---|
| State Bank of India | 83 varied monthly installments Starting from June 2011 | 338.35 | 590.34 |
| Axis Bank Ltd | 85 varied monthly installments Starting from March 2011 | 390.54 | 638.43 |
| Axis Bank Ltd | 23 varied quarterly installments Starting from April 2012 | 523.48 | 1,106.41 |
| Uco Bank | 40 varied quarterly installments Starting from January 2005 | 737.13 | 952.39 |
| The Saraswat Co-op Bank Ltd | 60 equal monthly installments Starting from June 2011 | - | 0.19 |
| The Saraswat Co-op Bank Ltd | 60 equal monthly installments Starting from October 2014 | 8.55 | 11.32 |
| | | **1,998.04** | **3,299.08** |

1. Security against Term Loan from State Bank of India is charged on specific wind farm of 3.6 mw and guaranteed by Weizmann Ltd and Weizmann Forex Ltd
2. Security against Term Loans from Axis Bank Ltd is charged on receivable from specific wind farm of 18.0 MW
3. Security against Term Loan from Uco Bank is charged on receivable from specific wind farm of of 7.0 MW
4. Security against Term Loan from Saraswat Co-op Bank Ltd is charged on specific vehicle

**NOTE [3.2] - Secured Term Loan from Financial Institutions**

₹ in Lakh

| Name | Tenor | 31.03.2016 | 31.03.2015 |
|---|---|---|---|
| Volkswagen Finance Pvt Ltd | 59 equal monthly installments Starting from May 2014 | 3.98 | 5.63 |
| | | 3.98 | 5.63 |

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

₹ in Lakh

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---|---|
| **NOTE [3.3]** | | |
| For the current maturities of long-term borrowings, refer item (a) in Note 7 of Other Current Liabilities | | |
| . | | |
| **NOTE [4] - LONG TERM PROVISIONS** | | |
| Provision for Employee Benefits | | |
| Leave encashment | 58.39 | 71.22 |
| **Total** | **58.39** | **71.22** |
| **NOTE [5] - SHORT TERM BORROWINGS** | | |
| Unsecured | | |
| Loans Repayable on Demand | | |
| From Corporates | 4,032.10 | 522.94 |
| **Total** | **4,032.10** | **522.94** |
| **NOTE [6] TRADE PAYABLES** | | |
| Due to Micro,small and medium enterprises | - | - |
| Others | 247.23 | 144.47 |
| **Total** | **247.23** | **144.47** |

₹ in Lakh

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---|---|
| **NOTE [7] - OTHER CURRENT LIABILITIES** | | |
| (a) Current Maturities of Long Term Debt | 1,306.78 | 1,216.45 |
| (b) Statutory Obligations | 51.22 | 35.83 |
| (c) Payable against Purchases of Fixed Assets | - | 3.73 |
| (d) Unclaimed Dividend | 6.21 | 6.27 |
| (e) Others | 21.35 | 271.67 |
| **Total** | **1,385.56** | **1,533.94** |
| **NOTE [7.1]** | | |
| Current maturities of long term debts included in current liabilities (Refer Note 3) | | |
| **NOTE [8] - SHORT TERM PROVISIONS** | | |
| **Provision : Employee Benefits** | | |
| Leave Encashment | 6.23 | 7.67 |
| | **6.23** | **7.67** |
| **Provision : Others** | | |
| Provisions For Taxation | 105.00 | - |
| | **105.00** | **-** |
| **Total** | **111.23** | **7.67** |

**NOTE [9] - FIXED ASSETS**

₹ in Lakh

| | Nature of Asset | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As at 01.04.2015 | Additions During the Year | Deletion / Adj.Upto During the Year | As at 31.03.2016 | Upto 31.03.2015 | For the Year | Withdrawals /Adjustments | Upto 31.03.2016 | As on 31.03.2016 | As on 31.03.2015 |
| 1 | **TANGIBLE ASSETS** | | | | | | | | | | |
| | Land | | | | | | | | | | |
| | (a) Free Hold | 34.57 | - | - | 34.57 | - | - | - | - | 34.57 | 34.57 |
| | (b) Lease Hold | 44.08 | - | - | 44.08 | 18.83 | 1.76 | - | 20.59 | 23.49 | 25.25 |
| | Plant & Machinery | | | | | | | | | | |
| | Own | 15,252.13 | - | - | 15,252.13 | 9,599.07 | 480.54 | - | 10,079.61 | 5,172.52 | 5,653.06 |
| | Road - Non RCC | 61.37 | - | - | 61.37 | 2.91 | 11.66 | - | 14.57 | 46.79 | 58.46 |
| | Office Equipment | 4.90 | - | - | 4.90 | 1.71 | 1.12 | - | 2.83 | 2.07 | 3.19 |
| | Vehicles | 41.79 | - | - | 41.79 | 5.89 | 5.08 | - | 10.97 | 30.82 | 35.90 |
| | **Schedule (1)** | **15,438.85** | **-** | **-** | **15,438.85** | **9,628.41** | **500.16** | **-** | **10,128.57** | **5,310.27** | **5,810.43** |
| 2 | **INTANGIBLE ASSETS** | | | | | | | | | | |
| | Schdeule (2) | - | - | - | - | - | - | - | - | - | - |
| | **Total Assets** | **15,437.85** | **-** | **-** | **15,438.85** | **9,628.41** | **500.16** | **-** | **10,128.57** | **5,310.27** | **5,810.43** |
| | Previous Year | 15,119.85 | 319.00 | - | 15,438.85 | 9,144.43 | 489.99 | 6.01 | 9,628.41 | 5,810.43 | 5,975.42 |

₹ in Lakh

| Particulars | CY - Nos | PY - Nos | As at 31.03.2016 | As at 31.03.2015 |
|---|---|---|---|---|
| **NOTE [10] - NON CURRENT INVESTMENTS, at cost** | | | | |
| **Non Trade, Unquoted investments** | | | | |
| In subsidiary company | | | | |
| Fully paid-up Equity Shares | | | | |
| Almi Hydro-Electric Projects Ltd | 50000 | 50000 | 125.00 | 125.00 |
| Baledh Energy Projects Ltd | 50000 | 50000 | 525.00 | 525.00 |
| Batot Hydro Power Ltd | 7748250 | 5165500 | 774.38 | 516.10 |
| Bramanvel Energy Ltd | 6000 | 25500 | 94.31 | 400.80 |
| Greenweiz Projects Ltd | 495000 | 495000 | 651.03 | 651.03 |
| Joiner Hydro Power Projects Ltd | 50000 | 50000 | 155.00 | 155.00 |
| Khandesh Energy Projects Ltd | 25500 | 25500 | 224.94 | 224.94 |
| In Associate | | | | |
| Fully paid-up Equity Shares | | | | |
| Weizmann Corporate Services Ltd | 15960 | 15960 | 145.08 | 145.08 |
| In Others | | | | |
| Fully paid-up Equity Shares | | | | |
| Windia Infrastructure Finance Ltd | 3638913 | 3638913 | 441.40 | 441.40 |
| Tapi Energy Projects Ltd | 1439105 | 1439105 | 250.84 | 250.84 |
| **Non Trade, Quoted investments** | | | | |
| Fully paid-up Equity Shares | | | | |
| Weizmann Forex Ltd | 1000 | 1000 | 0.28 | 0.28 |
| Weizmann Ltd | 1000 | 1000 | 0.14 | 0.14 |
| (Aggr Mkt Val Rs.3.02 Lakh - Prev.Yr - Rs.0.78 Lakh) | | | | |
| **Trade, Unquoted investments** | | | | |
| Fully paid-up Equity Shares | | | | |
| The Saraswat Co-op Bank Ltd | 2500 | 2500 | 0.25 | 0.25 |
| Share Application Money | | | 1,033.10 | - |
| **Total** | | | **4,420.75** | **3,435.36** |
| **NOTE [11] - LONG TERM LOANS AND ADVANCES** | | | | |
| Unsecured, considered good | | | | |
| Capital Advances | | | - | - |
| Deposits | | | 85.55 | 85.91 |
| **Total** | | | **85.55** | **85.91** |
| **NOTE [12] - OTHER NON-CURRENT ASSETS** | | | | |
| Unsecured, considered good | | | | |
| Interest accrued on trade receivables | | | 201.99 | 201.99 |
| Other Receivables | | | 1.66 | 1.66 |
| **Total** | | | **203.65** | **203.65** |
| **NOTE [13] - TRADE RECEIVABLES** | | | | |
| Unsecured, considered good | | | | |
| Receivables outstanding for a period exceeding six months from the date they are due for payment | | | 2,246.47 | 633.38 |
| Other debts | | | 809.48 | 924.12 |
| **Total** | | | **3,055.95** | **1,557.50** |
| **NOTE [14] - CASH AND BANK BALANCES** | | | | |
| (A) Cash and Cash Equivalent | | | | |
| (a) Cash on hand | | | 0.28 | 0.16 |
| (b) Balance with banks : | | | | |
| In current accounts | | | 42.41 | 44.07 |
| Sub Total | | | **42.70** | **44.23** |
| (B) Other Bank Balance | | | | |
| (a) Fixed Deposit with maturity more than 12 months | | | 340.85 | 340.85 |
| (b) Balance with banks | | | | |
| In Unclaimed Dividend accounts | | | 6.21 | 6.27 |
| Sub Total | | | 347.06 | 347.12 |
| **Total** | | | **389.75** | **391.35** |
| **NOTE [15] - SHORT TERM LOANS AND ADVANCES** | | | | |
| Unsecured, considered good | | | | |
| Loans and advances to related parties | | | - | 26.18 |
| Income Tax and Tax Deducted at Source | | | 12.76 | 9.57 |
| Advances Recoverable in cash or in kind | | | 45.03 | 16.17 |
| Prepaid Expenses | | | 22.56 | 22.17 |
| Other loans and advances | | | 27.07 | 7.69 |
| **Total** | | | **107.42** | **81.78** |

₹ in Lakh

| Particulars | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|---|---|---|
| **NOTE [16] - REVENUE FROM OPERATION** | | |
| Sales of Products | 1,298.06 | 1,412.76 |
| Other Operating Income | 99.35 | 119.73 |
| **Total** | **1,397.41** | **1,532.49** |
| **NOTE [16.1]** | | |
| Sales of Products comprises | | |
| Sale of Power | 1, 298.06 | 1,412.76 |
| **Total** | **1,298.06** | **1,412.76** |
| NOTE [16.2] | | |
| Other Operating Income comprises | | |
| Sale of Entitlement from Wind Power | 99.35 | 119.73 |
| **Total** | **99.35** | **119.73** |
| **NOTE [17] - OTHER INCOME** | | |
| Interest | 32.85 | 97.25 |
| Dividend | 0.20 | 0.10 |
| Others | 5.04 | 35.37 |
| **Total** | **38.09** | **132.72** |
| **NOTE [17.1]** | | |
| Interest Income comprises | | |
| Interest on Loans and Advances | 0.05 | 64.65 |
| Interest on Fixed Deposits in Banks | 32.49 | 32.28 |
| Interest on Others | 0.31 | 0.32 |
| **Total** | **32.85** | **97.25** |
| **NOTE [18] - OPERATING & MAINTENANCE COST** | | |
| Energy / Open Access Charges | 16.45 | 17.95 |
| Operations & Maintenance | 356.26 | 416.60 |
| Others | 9.06 | 11.69 |
| Stores and Spares Consumed | 12.58 | 10.49 |
| **Total** | **394.35** | **456.72** |
| **NOTE [19] - EMPLOYEE BENEFITS** | | |
| Salaries, Wages and Bonus | 298.08 | 337.93 |
| Contribution to Provident Funds & Other Funds | 16.38 | 42.35 |
| Staff Welfare Expenses | 6.66 | 7.55 |
| **Total** | **321.12** | **387.83** |
| **NOTE [20] - FINANCE COSTS** | | |
| (a) Interest Expense on | | |
| Secured Loans | 513.71 | 668.28 |
| Unsecured Loans | 184.49 | 1.92 |
| Others | 0.01 | 42.08 |
| (b) Other Borrowing Cost | 1.24 | 1.10 |
| **Total** | **699.45** | **713.38** |
| **NOTE [21] - OTHER EXPENSES** | | |
| Audit Fees | 3.66 | 3.79 |
| Conveyance & Travelling Expense | 10.15 | 12.78 |
| Donation | - | 1.53 |
| Electricity Expense | 0.83 | 2.32 |
| Insurance Charges | 41.77 | 40.12 |
| Legal & Professional Charges | 37.12 | 24.79 |
| Rent | 33.15 | 34.52 |
| Rates & Taxes | 6.62 | 4.85 |
| Repairs & Maintenance | 0.57 | 1.40 |
| Miscellaneous Expenses | 50.41 | 53.18 |
| **Total** | **184.28** | **179.28** |
| **NOTE [21.1]** | | |
| Payments to the Auditors | | |
| For Audit | 3.60 | 3.48 |
| For other Services | 0.06 | 0.31 |
| **Total** | **3.66** | **3.79** |

**Notes forming part of the Financial Statements**

**1) Significant Accounting Policies:**

**a) Accounting Convention :**

The accounts have been prepared under the historical cost convention and on accrual system based on the principle of going concern.

**b) Income & Expenditure:**

- Income from Sale of Power is recognized on the basis of meter reading recorded and confirmed by the Electricity Board authorities upto the last month meter reading of the financial year.
- Income from Sale of Entitlements from Wind Farm Projects are accounted for as and when sold.
- Income on Inter Corporate Deposits is accounted for on time accrual basis.
- It is the policy of the company to provide for all income and expenses on accrual basis.

**c) Fixed Assets**

- Fixed assets are valued at cost less depreciation.
- Land - Leasehold is amortised over the tenure of lease.

**d) Depreciation :**

Effective from 01.04.2014 the Company depreciates it fixed assets on Straight Line Method over the usefull life in the manner prescribed in Schedule II of the Companies Act, 2013.

**e) Capital Work In Progress:**

All direct expenses incurred for acquiring and erecting fixed assets are shown under capital work in progress. Any purchases made on account of capital work in progress is charged to the capital work in progress irrespective of its consumption.

**f) Investments:**

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

**g) Borrowing Costs:**

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

**h) Retirement Benefits:**

- The Company has covered its gratuity liabilities with Life Insurance Corporation of India. Any amount payable to the employee in the year of separation in excess of amount received from LIC is charged off to revenue.
- The Company has made necessary provisions as per actuarial valuation for leave encashment and other retirement benefits wherever required as per Accounting Standard 15 under Companies (Accounting Standards) Rules.

**i) Amortization of Miscellaneous Expenditure:**

Preliminary expenses are amortized in the year of incurrence of expenditure.

**j) Impairment of Assets**

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

**k) Taxation:**

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

**l) Deferred Tax:**

Deferred income tax is accounted for by computing the tax

effect on timing differences which arise during the year and capable of reversal in subsequent periods.

**m) Foreign Currency Transaction:**

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

₹ in Lakh

| 2) Contingent Liabilities: | 31.03.2016 | 31.03.2015 |
|---|---|---|
| Disputed Income Tax Liabilities | 105.09 | Nil |

**3) Earnings in Foreign Exchange :**

Sale of Entitlement from Wind Power : Rs. Nil (P.Y. - Rs. Nil)

**Expenditure in Foreign Exchange** : Rs. Nil (P. Y. - Rs. Nil)

**4)** Disclosures required under Accounting Standard 15 "Employee Benefits as per Companies (Accounting Standards) Rules 2006

The Employee's Gratuity Fund Scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on acturial valuation using the projected unit credit method.

₹ in Lakh

| Assumptions | 31.03.2016 | 31.03.2015 |
|---|---|---|
| Discount Rate | 8.00% | 8.00% |
| Salary Escalation | 7.00% | 7.00% |

**Table Showing changes in present value of Obligation As on 31.03.2016**

| | | |
|---|---|---|
| Present value of obligations as at beginning of year | 177.07 | 127.00 |
| Interest cost | 14.17 | 10.16 |
| Current Service Cost | 9.66 | 8.10 |
| Benefits Paid | (2.47) | (0.72) |
| Actuarial (Gain) / Loss on obligations | (15.44) | 22.66 |
| Present value of obligations as at end of year | 182.99 | 167.20 |

**Table showing changes in the fair value of plan assets As on 31.03.2016**

| | | |
|---|---|---|
| Fair value of plan assets at beginning of year | 174.89 | 130.03 |
| Expected return on plan assets | 17.36 | 14.46 |
| Contributions | 20.28 | 31.11 |
| Benefits Paid | (2.47) | (0.72) |
| Actuarial Gain / (Loss) on Plan assets | - | - |
| Fair value of plan assets at the end of year | 210.06 | 174.88 |

**Table showing fair value of plan assets**

| | | |
|---|---|---|
| Fair value of plan assets at beginning of year | 174.89 | 130.03 |
| Actual return on plan assets | 17.36 | 14.46 |
| Contributions | 20.28 | 31.11 |
| Benefits Paid | (2.47) | (0.72) |
| Fair value of plan assets at the end of year | 210.06 | 174.88 |
| Funded status | 27.07 | 7.69 |
| Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March) | - | - |

**Actuarial (Gain) / Loss recognized as on 31.03.2016**

| | | |
|---|---|---|
| Actuarial (Gain) / Loss on obligations | 15.44 | (22.66) |
| Actuarial (Gain) / Loss for the year - plan assets | - | - |
| Actuarial (Gain) / Loss on obligations | (15.44) | 22.66 |
| Actuarial (Gain) / Loss recognized in the year | (15.44) | 22.66 |

**The amounts to be recognized in the balance sheet and statements of profit and loss**

| | | |
|---|---|---|
| Present value of obligations as at the end of year | 182.99 | 167.20 |
| Fair value of plan assets as at the end of the year | 210.06 | 174.88 |
| Funded status | 27.07 | 7.69 |
| Net Asset / (Liability) recognized in balance sheet | 27.07 | 7.69 |

**Expenses Recognised in statement of Profit and loss**

| | | |
|---|---|---|
| Current Service cost | 9.66 | 8.10 |
| Interest Cost | 14.17 | 10.16 |
| Expected return on plan assets | (17.36) | (14.46) |
| Net Actuarial (Gain) / Loss recognized in the year | (15.44) | 22.66 |
| Expenses recognised in statement of Profit and loss | (8.97) | 26.46 |

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

6) **DISCLOSURES AS PER REGULATION 34 (3) READ WITH SCHEDULE V OF SEBI LISTING REGULATIONS, 2015**

a) Loans and Advances to Subsidiary Companies

₹ in Lakh

| Name of the subsidiary company | As at 31.03.2016 | Max Bal O/s during the year |
|---|---|---|
| Almi Hydro Electric Projects Ltd. | Nil (Nil) | Nil (102.08) |
| Batot Hydro Power Ltd. | Nil (26.18) | 26.18 (1,063.80) |
| Brahmanvel Energy Ltd. | Nil (Nil) | Nil (81.74) |
| Joiner Hydro Power Projects Ltd. | Nil (Nil) | Nil (60.83) |

b) Loans and Advances to Associate Companies - NIL

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

d) Investment by the loanee in the shares of parent and subsidiary company - NIL

**7) Deferred Tax**

₹ in Lakh

| Particulars | 31.03.2016 | 31.03.2015 |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| Difference between Book and Tax Depreciation | 1,703.29 | 1,817.85 |
| **Sub Total (a) ==>** | **1,703.29** | **1,817.85** |
| **Deferred Tax Assets** | | |
| Others | 30.43 | 49.95 |
| **Sub Total (b) ==>** | **30.43** | **49.95** |
| **Net Deferred Tax Liability (a - b)** | **1,672.86** | **1,767.90** |

**8) Earnings per Share**

| | 31.03.2016 | 31.03.2015 |
|---|---|---|
| A. Net Profit / (Loss) After Tax (₹ in Lakh) | (154.22) | (313.03) |
| B. Weighted Average Number of Equity Shares | 11569918 | 11569918 |
| C. Nominal Value per Ordinary Shares | 10.00 | 10.00 |
| D. Basic & Diluted Earning Per Share | **(1.33)** | **(2.71)** |

**9) Related Party Disclosure for the year ended 31.03.2016**

In accordance with the "Accounting Standard 18 - Related Party Disclosure", the details are as follows:

**A Related Party and their Relationship**

| Subsidiaries | Associates |
|---|---|
| Almi Hydro Electric Projects Ltd.<br>Baledh Energy Projects Ltd.<br>Batot Hydro Power Ltd.<br>Brahmanvel Energy Ltd.<br>Greenweiz Projects Ltd.<br>Joiner Hydro Power Projects Ltd.<br>Khandesh Energy Projects Ltd.<br>Vajharpada Energy Ltd. | Weizmann Corporate Services Ltd. |

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

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

₹ in Lakh

| Nature of Transaction | Subsidiaries | Associate | Key Management Personnel | Total |
|---|---|---|---|---|
| **INCOME / RECIEPTS** | | | | |
| Interest | **0.05** | **-** | **-** | **0.05** |
| | (42.59) | - | - | (42.59) |
| Almi Hydro Electric Projects Ltd. | - | - | - | - |
| | (5.73) | - | - | (5.73) |
| Batot Hydro Power Ltd. | 0.05 | - | - | 0.05 |
| | (29.09) | - | - | (29.09) |
| Joiner Hydro Power Projects Ltd. | - | - | - | - |
| | (3.33) | - | - | (3.33) |
| Brahmanvel Energy Ltd. | - | - | - | - |
| | (4.44) | - | - | (4.44) |
| Sale of Investment in Securities | **306.49** | **-** | **-** | **306.49** |
| | - | - | - | - |
| Greenweiz Projects Ltd. | 306.49 | - | - | 306.49 |
| | - | - | - | - |
| **EXPENDITURE / PAYMENTS** | | | | |
| Rent | **-** | **1.80** | **-** | **1.80** |
| | **-** | (1.80) | - | (1.80) |
| Weizmann Corporate Services Ltd. | - | 1.80 | - | 1.80 |
| | - | (1.80) | - | (1.80) |
| Operation & Maintenance Expenses | **47.07** | **-** | **-** | **47.07** |
| | (42.64) | - | - | (42.64) |
| Greenweiz Projects Ltd. | 47.07 | - | - | 47.07 |
| | (42.64) | - | - | (42.64) |
| Remuneration | **-** | **-** | **23.91** | **23.91** |
| | - | - | (21.67) | (21.67) |
| G. N. Kamath | - | - | 23.91 | 23.91 |
| | - | - | (21.67) | (21.67) |
| **FINANCE** | | | | |
| Loans Given | **0.05** | **-** | **-** | **0.05** |
| | (48.82) | - | - | (48.82) |
| Almi Hydro Electric Projects Ltd. | - | - | - | - |
| | (7.15) | - | - | (7.15) |
| Batot Hydro Power Ltd. | 0.05 | - | - | **0.05** |
| | (34.68) | - | - | (34.68) |
| Joiner Hydro Power Projects Ltd. | - | - | - | - |
| | (2.99) | - | - | (2.99) |
| Brahmanvel Energy Ltd. | - | - | - | - |
| | (4.00) | - | - | (4.00) |
| **OUTSTANDINGS** | | | | |
| Creditors | **13.01** | **-** | **-** | **13.01** |
| | - | - | - | - |
| Greenweiz Projects Ltd. | 13.01 | - | - | 13.01 |
| | - | - | - | - |
| Loans & Advances | **-** | **-** | **-** | **-** |
| | **(26.18)** | - | - | **(26.18)** |
| Batot Hydro Power Ltd. | **-** | **-** | **-** | - |
| | (26.18) | **-** | **-** | (26.18) |

**10) Joint Venture Disclosure**

The company does not have any joint venture companies

**11) 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.

12) The company in respect of its 18 MW wind farm in the state of Maharashtra, as in past years had applied for open access approval to the state utility for sale of power to third parties in FY 2014-15. However the state utility unilaterally denied granting of open access to many wind farm developers including the company leading to a petition to be filed before State Electricity Regulatory Commission (MERC) through an Association of Wind Power Developers of which the Company is a member.

Pending disposal of the petition with MERC, the company as a conservative measure recorded the revenue for FY 2014-15 of the wind power generated and fed into the grid of the state utility, at a preferential tariff of Rs.2.52 per unit as fixed by MERC for sale of power to utilities from category of projects like that of the company.

Persuant to a favourable disposal of the petition of the Wind Power Association by MERC on 08.02.2016 permitting sale of power to third parties under Open Access for FY 2014-15 and thereafter the state utility issuing approval for Open Access, the Company recorded the diferrence in revenue between sale of wind power to third parties under Open Sccess and recording of revenue at preferential tariff and the same is reflected at Rs. 519.59 lacs Net of Open Access Expenses under Exceptional Items in the Profit & Loss Account.

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

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

Signatures to the Notes 1 to 22 forming part of the Balance Sheet as at 31.03.2016 and the Statement of Profit & Loss for the year ended 31.03.2016

**As per our report of even date attached** **For and on behalf of the Board**

**For U. B. Sura & Co.**
**Chartered Accountants**

**For Shyam C. Agrawal & Co.**
**Chartered Accountants**

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

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

**U. B. Sura**
**Proprietor**
**Membership No. 32026**
**Firm Regn. No. 110620W**
**Mumbai, Dated : 25.05.2016**

**S. C. Agrawal**
**Proprietor**
**Membership No. 31774**
**Firm Regn. No. 110243W**
**Mumbai, Dated : 25.05.2016**

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

# Independent Auditor's Report on the Consolidated Financial Statements

**To**
**The Board of Directors of**
**Karma Energy Limited**

1. We have audited the accompanying consolidated financial statements of **Karma Energy Limited** ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities , comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

7. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

**Other Matter**

8. We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of **Rs.576.86 Lac** as at March 31, 2016 and total revenues of **Rs.0.63 Lac** for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report to the extent applicable that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
   (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2016 taken on record by the Board of Directors of the holding company and from the directors of the subsidiaries taken on record by the board of directors, none of the directors of the respective companies are disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

**For U. B. Sura & Co.,**
**Chartered Accountants**

**U. B. Sura**
**Proprietor**
**Membership No: 32026**
**FRN 110620W**

**For Shyam C. Agrawal & Co.,**
**Chartered Accountants**

**S. C. Agrawal**
**Proprietor**
**Membership No: 31774**
**FRN 110243W**

**Place: Mumbai**
**Dated: May 25, 2016**

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

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

We have audited the internal financial controls over financial reporting of **KARMA ENERGY LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the 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 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 2016, 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.

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| | |
|---|---|
| **For U. B. Sura & Co.,**<br>**Chartered Accountants** | **For Shyam C. Agrawal & Co.,**<br>**Chartered Accountants** |
| **U. B. Sura**<br>**Proprietor**<br>**Membership No: 32026**<br>**FRN 110620W** | **S. C. Agrawal**<br>**Proprietor**<br>**Membership No: 31774**<br>**FRN 110243W** |

**Place: Mumbai**
**Dated: May 25, 2016**

# CONSOLIDATED BALANCE SHEET AS AT 31.03.2016

₹ in Lakh

| Particulars | Note No. | As At 31.03.2016 | As At 31.03.2015 |
|---|---|---|---|
| **I EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 1 | 1,156.99 | 1,156.99 |
| Reserves and Surplus | 2 | 1,778.80 | 2,233.55 |
| Money received against share warrants | | - | - |
| | | **2,935.79** | **3,390.54** |
| **Share application money pending allotment** | | - | - |
| Minority Interest | | 720.88 | (183.34) |
| **Non-Current Liabilities** | | | |
| Long Term Borrowings | 3 | 4,044.51 | 3,676.71 |
| Deferred Tax Liabilities (Net) | | 1,082.63 | 1,080.35 |
| Other Long Term Liabilities | | - | - |
| Long Term Provisions | 4 | 65.07 | 79.38 |
| | | **5,192.21** | **4,836.44** |
| **Current Liabilities** | | | |
| Short Term Borrowings | 5 | 5,230.94 | 5,461.08 |
| Trade Payables | 6 | 253.74 | 165.90 |
| Other Current Liabilities | 7 | 1,941.56 | 1,865.23 |
| Short Term Provisions | 8 | 119.35 | 11.81 |
| | | **7,545.59** | **7,504.02** |
| **TOTAL** | | **16,394.47** | **15,547.66** |
| **II ASSETS** | | | |
| **Non-current assets** | | | |
| Fixed Assets | | | |
| Tangible Assets | 9 | 9,024.89 | 9,680.30 |
| Intangible Assets | | 1,598.32 | 1,598.32 |
| Capital Work-in-Progress | | 376.46 | 345.36 |
| Intangible Assets under Development | | - | - |
| Fixed Assets held for Sale | | - | - |
| Non Current Investments | 10 | 773.64 | 769.58 |
| Deferred Tax Assets (Net) | | - | - |
| Long Term Loans and Advances | 11 | 95.44 | 96.72 |
| Other Non-Current Assets | 12 | 203.65 | 203.65 |
| | | **12,072.40** | **12,693.93** |
| **Current assets** | | | |
| Current Investments | | - | - |
| Inventories | 13 | 469.59 | 452.56 |
| Trade Receivables | 14 | 3,124.49 | 1,631.62 |
| Cash and Cash Equivalents | 15 | 550.08 | 484.37 |
| Short Term Loans and Advances | 16 | 146.57 | 259.49 |
| Other Current Assets | 17 | 31.34 | 25.71 |
| | | **4,322.07** | **2,853.74** |
| **TOTAL** | | **16,394.47** | **15,547.66** |

See accompanying notes to the financial statements 25

As per our report of even date attached

For and on behalf of the Board

**For U. B. Sura & Co.,**
**Chartered Accountants**

**For Shyam C Agrawal & Co.,**
**Chartered Accountants**

**D. G. Siraj**
Chairman
DIN : 00025543

**G. N. Kamath**
Managing Director
DIN : 00040805

**U. B. Sura**
**(Proprietor)**
**Membership No: 32026**
**Firm Regn. No. 110620W**
**Mumbai, Dated : 25.05.2016**

**S. C. Agrawal**
**(Proprietor)**
**Membership No: 31774**
**Firm Regn. No. 110243W**
**Mumbai, Dated : 25.05.2016**

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

## CONSOLIDATED STATEMENT PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2016

₹ in Lakh

| | Particulars | Note No. | Current Year 31.03.2016 | Previous Year 31.03.2015 |
|---|---|---|---|---|
| I | Revenue from Operations | 18 | 1, 897.98 | 1,943.81 |
| II | Other Income | 19 | 64.57 | 140.60 |
| III | **Total Revenue (I + II)** | | **1,962.56** | **2,084.41** |
| IV | **Expenses** | | | |
| | Cost of Materials Consumed | | - | - |
| | Purchases of Stock-in-Trade | 20 | 50.71 | 63.48 |
| | Changes in Inventories | | (13.11) | (36.99) |
| | Operating & Maintenance Cost | 21 | 411.33 | 488.08 |
| | Employee Benefits Expense | 22 | 487.49 | 550.10 |
| | Finance Costs | 23 | 1,250.06 | 1,221.30 |
| | Depreciation and Amortization Expense | 9 | 657.98 | 651.28 |
| | Other Expenses | 24 | 291.35 | 269.05 |
| | **Total Expenses** | | **3,135.81** | **3,206.30** |
| V | **Profit/(Loss) before Exceptional & Extraordinary Items & Tax (III-IV)** | | (1,173.26) | (1,121.89) |
| VI | Exceptional Items (Net) | 25.10 | (519.59) | (139.30) |
| VII | **Profit/(Loss) before Extraordinary Items and Tax (V - VI)** | | **(653.67)** | **(982.59)** |
| VIII | Extraordinary Items | | - | - |
| IX | **Profit/(Loss) Before Tax (VII - VIII)** | | **(653.67)** | **(982.59)** |
| X | **Tax Expense** | | | |
| | (1) Current Tax | | 111.58 | 2.43 |
| | (2) Deferred Tax | | 2.27 | (311.86) |
| | (3) MAT Credit entitlement | | (5.64) | (25.71) |
| | (4) Prior Year Taxation | | 1.30 | 7.43 |
| XI | **Profit/(Loss) for the year from Continuing Operations (IX - X)** | | **(763.18)** | **(654.89)** |
| XII | Profit/(Loss) from Discontinuing Operations | | - | - |
| XIII | Tax Expense of Discontinuing Operations | | - | - |
| XIV | Profit/(Loss) from Discontinuing Operations (after tax) (XII - XIII) | | - | - |
| XV | **Profit/(Loss) for the year before Minority Interest & Share of Associate** | | **(763.18)** | **(654.89)** |
| | Minority Interest | | (304.38) | (185.34) |
| | Share in Associates | | 4.05 | 3.06 |
| | **Profit/(Loss) for the year** | | **(454.75)** | **(466.49)** |
| | Earnings per Equity Share: | | | |
| | 1. Basic | | (3.93) | (4.03) |
| | 2. Diluted | | (3.93) | (4.03) |

See accompanying notes to the financial statements 25

As per our report of even date attached

For and on behalf of the Board

**For U. B. Sura & Co.,**
**Chartered Accountants**

**For Shyam C Agrawal & Co.,**
**Chartered Accountants**

**D. G. Siraj**
Chairman
DIN : 00025543

**G. N. Kamath**
Managing Director
DIN : 00040805

**U. B. Sura**
**(Proprietor)**
**Membership No: 32026**
**Firm Regn. No. 110620W**
**Mumbai, Dated : 25.05.2016**

**S. C. Agrawal**
**(Proprietor)**
**Membership No: 31774**
**Firm Regn. No. 110243W**
**Mumbai, Dated : 25.05.2016**

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

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

₹ in Lakh

| Particulars | As At 31.03.2016 | | As At 31.03.2015 | |
|---|---|---|---|---|
| **Cash Flow from Operating Activities** | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | **(653.67)** | | **(982.59)** |
| *Adjustments for:* | | | | |
| Depreciation and Amortisation | 657.98 | | 651.28 | |
| Loss on Sale / Discard of Fixed Assets | 0.14 | | 0.20 | |
| Profit on Sale of Fixed Assets | (0.04) | | (0.68) | |
| Prior Year Taxation | 0.04 | | - | |
| Premiminary Expenses | 23.75 | | - | |
| Miscellanoeus Expenses | (0.11) | | (0.01 ) | |
| | | 681.76 | | 650.79 |
| **Operating profit / (loss) before working capital changes** | | **28.09** | | **(331.80)** |
| Changes in working capital: | | | | |
| *Adjustments for (increase) / decrease in operating assets* | | | | |
| Inventories | (17.03) | | (34.97) | |
| Trade receivables | (1,492.76) | | (1,101.67) | |
| Short-term loans and advances | 109.75 | | 1,184.16 | |
| Long- term loans and advances | 1.28 | | 200.30 | |
| Other non-current assets | 0.06 | | - | |
| Bank Deposits | (57.93) | | (30.49) | |
| | | (1,456.64) | | 217.33 |
| | | **(1,428.55)** | | **(114.47)** |
| *Adjustments for increase / (decrease) in operating liabilities* | | | | |
| Trade payables | 87.84 | | 58.66 | |
| Other current liabilities | 76.39 | | 478.49 | |
| Short-term provisions | (1.61) | | 1.38 | |
| Long-term provisions | (14.31) | | 17.72 | |
| | | 148.31 | | 556.25 |
| **Cash generated from operations** | | **(1,280.24)** | | **441.77** |
| Net Income Tax (Paid) / Refund | | (0.57) | | (370.02) |
| **Net cash flow from / (used in) operating activities (A)** | | **(1,280.81)** | | **71.75** |
| **Investments in Fixed Assets** | | | | |
| Capital Expenditure on Fixed Assets | (2.74) | | (319.37) | |
| Capital Work In Progress | (31.10) | | (31.91) | |
| Sale of Fixed Assets | 0.07 | | 5.66 | |
| Sale of Investments | - | | 0.19 | |
| Purchase of long-term investments | | | | |
| - Subsidiaries | - | | (0.01) | |
| - Others | - | | (0.04) | |
| **Net cash flow from Investing activities (B)** | | (33.77) | | (345.47) |
| | | **(1,314.57)** | | **(273.72)** |
| **Financing** | | | | |
| Share Capital | 1,208.50 | | - | |
| Dividend Paid | - | | (57.84) | |
| Tax on Dividend | - | | (9.83) | |
| Share of Investments | (23.75) | | - | |
| Increase / (Decrease) in Long Term Borrowings | 367.80 | | (1,375.88) | |
| Increase / (Decrease) in Short Term Borrowings | (230.14) | | 1,776.60 | |
| **Net cash flow from Financing activities (C)** | | 1,322.41 | | 333.05 |
| **Total (A + B + C)** | | **7.84** | | **59.33** |
| Cash and Cash Equivalent at the Beginning of the year | 128.56 | | 69.23 | |
| | 128.56 | | 69.23 | |
| Cash and Cash Equivalent at the End of the year | **136.40** | **7.84** | **128.56** | **59.33** |
| (a) Cash on Hand | 0.31 | | 0.16 | |
| (b) Balances with banks in current accounts | 136.08 | | 128.40 | |

As per our report of even date attached

For and on behalf of the Board

**For U. B. Sura & Co.,**
**Chartered Accountants**

**For Shyam C Agrawal & Co.,**
**Chartered Accountants**

**D. G. Siraj**
Chairman
DIN : 00025543

**G. N. Kamath**
Managing Director
DIN : 00040805

**U. B. Sura**
**(Proprietor)**
**Membership No: 32026**
**Firm Regn. No. 110620W**
**Mumbai, Dated : 25.05.2016**

**S. C. Agrawal**
**(Proprietor)**
**Membership No: 31774**
**Firm Regn. No. 110243W**
**Mumbai, Dated : 25.05.2016**

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

## Notes forming part of the Consolidated Financial Statements

₹ in Lakh

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---|---|
| **NOTE [1] - SHARE CAPITAL** | | |
| **Authorised Share Capital** | | |
| 1,80,00,000 Equity Shares of Rs.10/-each (Prev.Year 1,80,00,000 Equity Shares of Rs.10/- each) | **1,800.00** | **1,800.00** |
| **Issued, Subscribed & Paid-up Share Capital** | | |
| 1,15,69,918 Equity Shares of Rs.10/- each fully Paid-up (Prev.Year 1,15,69,918 Equity Shares of Rs.10/- each) | 1,156.99 | 1,156.99 |
| **Total** | **1,156.99** | **1,156.99** |

NOTE [1.1]

| Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---|---|---|---|
| | In Nos. | Rs. In Lakh | In Nos. | Rs. In Lakh |
| Equity Shares At the beginning of the Year | 11569918 | 1,156.99 | 11569918 | 1,156.99 |
| Issued during the Year | - | - | - | - |
| **Outstanding at the end of the Year** | **11569918** | **1,156.99** | **11569918** | **1,156.99** |

**NOTE [1.2]**

**Terms / Rights attached to equity shares**

a. The Company has only one class of equity shares having a par value of Rs.10/- per Share.

b. Each holder of equity shares is entitled to one vote per share.

c. 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.

d. The company has not issued any bonus shares or bought back the equity shares in the last 5 years immediately preceding the balance sheet date.

e. With respect to the amalgamation of the transferor company Avirodh Financial Sevices Ltd, the company alloted 5561 equity shares of Rs.10/- each in the ratio of 1 equity share of Rs.10/- each of the company for every 18 equity shares of Rs.10/- each held by the equity shareholders in the transferor company

NOTE [1.3]

| **Details of shares held by each shareholder holding more than 5% shares Equity shares of Rs.10/- fully paid up** | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---|---|---|---|
| | In Nos | Holding (%) | In Nos | Holding (%) |
| Chetan Mehra on behalf of Tanraj Enterprises | 1093765 | 9.45% | 1093765 | 9.45% |
| Prabhanjan Multitrade Pvt Ltd on behalf of Suhami Power And Finance Corporation | 827071 | 7.15% | 827071 | 7.15% |
| Prabhanjan Multitrade Pvt Ltd | 647033 | 5.59% | 647033 | 5.59% |
| Dharmendra Siraj | - | - | 637408 | 5.51% |
| Anuj D. Siraj | 828734 | 7.16% | - | - |
| Inspeed Power Pvt Ltd | 1652835 | 14.29% | 1478805 | 12.78% |
| Kotta Enterprises Ltd | 2294026 | 19.83% | 2294026 | 19.83% |

**NOTE [1.4]**

Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates - NIL

₹ in Lakh

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---|---|
| **NOTE [2] - RESERVES & SURPLUS** | | |
| **Capital Reserve** | | |
| Opening Balance | 87.89 | 87.89 |
| Closing Balance | **87.89** | **87.89** |
| **General Reserve** | | |
| Opening Balance | 3,074.95 | 3,074.95 |
| Closing Balance | **3,074.95** | **3,074.95** |
| Surplus / (Deficit) in the Statement of Profit & Loss | | |
| Opening Balance | (929.29) | (468.60) |
| Add / (Less) : Depreciation Adjustment per Schedule II of Companies Act | - | 5.81 |
| Add : Profit / (Loss) for the Year | (454.75) | (466.49) |
| Closing Balance | **(1,384.03)** | **(929.29)** |
| **Total** | **1,778.80** | **2,233.55** |
| **NOTE [3] - LONG TERM BORROWINGS** | | |
| **Term Loans** | | |
| Secured | | |
| From Banks | 4,040.53 | 3,671.08 |
| From Financial Institution | 3.98 | 5.63 |
| **Total** | **4,044.51** | **3,676.71** |

**NOTE [3.1] - Secured Term Loan from Banks**

| Name | Tenor | 31.03.2016 | 31.03.2015 |
|---|---|---|---|
| State Bank of India | 83 varied monthly installments Starting from June 2011 | 338.35 | 590.34 |
| Axis Bank Ltd | 85 varied monthly installments Starting from March 2011 | 390.54 | 638.43 |
| Axis Bank Ltd | 23 varied quarterly installments Starting from April 2012 | 523.48 | 1,106.41 |
| Uco Bank | 40 varied quarterly installments Starting from January 2005 | 737.13 | 952.39 |
| The Saraswat Co-op Bank Ltd | 60 equal monthly installments Starting from June 2011 | - | 0.19 |
| State Bank of Patiala | 32 equal quarterly installments Starting from June 2010 | - | 372.00 |
| Ratnakar Bank Ltd | 120 equal monthly installments Starting from April 2016 | 1,799.60 | - |
| Ratnakar Bank Ltd | 9 equal quarterly installments Starting from April 2016 | 242.89 | - |
| The Saraswat Co-op Bank Ltd | 60 equal monthly installments Starting from October 2014 | 8.55 | 11.32 |
| | Total ===> | **4,040.53** | **3,671.08** |

1. Security against Term Loan from State Bank of India is charge on specific wind farm of 3.6 MW & guaranteed by Weizmann Ltd and Weizmann Forex Ltd.
2. Security against Term Loans from Axis Bank Ltd is charge on receivable from specific wind farm of 4.5 MW.
3. Security against Term Loans from Axis Bank Ltd is charge on receivable from specific wind farm of 13.5 MW.

4. Security against Term Loan from Uco Bank is charge on receivable from specific wind farm of 7.0 MW.
5. Security against Term Loan from Saraswat Co-op Bank Ltd is charge on specific vehicle.
6. Security against Term Loan from Ratnakar Bank Ltd is charge on specific hydro power project of 3.5 MW and guaranteed by Weizmann Forex Ltd

**NOTE [3.2] - Secured Term Loan from Financial Institutions**

₹ in Lakh

| Name | Tenor | 31.03.2016 | 31.03.2015 |
|---|---|---|---|
| Volkswagen Finance Pvt Ltd | 59 equal monthly installments Starting from May 2014 | 3.98 | 5.63 |
| | | 3.98 | 5.63 |

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

**NOTE [3.3]**

For the current maturities of long-term borrowings, refer item (a) in Note 7 of Other Current Liabilities

₹ in Lakh

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---|---|
| **NOTE [4] - LONG TERM PROVISIONS** | | |
| Provision for Employee Benefits | | |
| Leave encashment | 65.07 | 79.38 |
| **Total** | **65.07** | **79.38** |
| **NOTE [5] - SHORT TERM BORROWINGS** | | |
| Unsecured | | |
| (a) Loans Payable on Demand From Corporates | 4,736.07 | 5,448.43 |
| (b) Loans and Advances from Related Parties | 494.87 | 12.65 |
| **Total** | **5,230.94** | **5,461.08** |

₹ in Lakh

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---|---|
| **NOTE [6] TRADE PAYABLES** | | |
| Due to Micro, small and medium enterprises | - | - |
| Others | 253.74 | 165.90 |
| **Total** | **253.74** | **165.90** |
| **NOTE [7] - OTHER CURRENT LIABILITIES** | | |
| (a) Current Maturities of Long Term Debt | 1,695.18 | 1,404.45 |
| (b) Statutory Obligations | 117.23 | 84.54 |
| (c) Advances from Customers | - | 0.79 |
| (d) Payable against Purchases of Fixed Asset | 38.10 | 43.36 |
| (e) Unclaimed Dividend | 6.21 | 6.27 |
| (f) Others | 84.84 | 325.82 |
| **Total** | **1,941.56** | **1,865.23** |
| **NOTE [7.1]** | | |
| Current maturities of long term debts included in current liabilities (Refer Note 3) | | |
| **NOTE [8] - SHORT TERM PROVISIONS** | | |
| Provision : Employee Benefits | | |
| Leave Encashment | 7.77 | 9.38 |
| | **7.77** | **9.38** |
| Provision : Others | | |
| Provisions For Taxation | 111.58 | 2.43 |
| | **111.58** | **2.43** |
| **Total** | **119.35** | **11.81** |

**NOTE [9] - FIXED ASSETS**

₹ in Lakh

| | Nature of Asset | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As at 01.04.2015 | Additions During the Year | Deletion / Adj.Upto During the Year | As at 31.03.2016 | Upto 31.03.2015 | For the Year | Withdrawals /Adjustments | Upto 31.03.2016 | As on 31.03.2016 | As on 31.03.2015 |
| 1 | **TANGIBLE ASSETS** | | | | | | | | | | |
| | **Land** | | | | | | | | | | |
| | (a) Free Hold | 121.93 | - | - | 121.93 | - | - | - | - | 121.93 | 121.93 |
| | (b) Lease Hold | 44.08 | - | - | 44.08 | 18.83 | 1.76 | - | 20.59 | 23.49 | 25.25 |
| | (c) Lease Hold - Proj * | 24.42 | - | - | 24.42 | 0.67 | 0.67 | - | 1.34 | 23.08 | 23.75 |
| | (d) Lease Hold - TL * | 118.14 | - | - | 118.14 | 3.25 | 3.25 | - | 6.50 | 111.64 | 114.89 |
| | (e) Lease Hold - TL | 5.50 | - | - | 5.50 | 0.15 | 0.15 | - | 0.30 | 5.20 | 5.35 |
| | **Plant & Machinery** | | | | | | | | | | |
| | Own | 16,733.46 | 1.93 | 2.70 | 16,732.69 | 9,805.39 | 516.24 | 2.57 | 10,319.06 | 6,413.63 | 6,928.07 |
| | **Building & Civil Engg** | 2,698.20 | - | - | 2,698.20 | 285.44 | 126.76 | - | 412.20 | 2,286.00 | 2,412.76 |
| | **Office Equipment** | 9.66 | - | - | 9.66 | 3.96 | 1.85 | - | 5.81 | 3.85 | 5.70 |
| | **Computers** | 3.97 | 0.24 | - | 4.21 | 3.49 | 0.16 | - | 3.65 | 0.56 | 0.48 |
| | **Furniture & Fixtures** | 3.52 | - | - | 3.52 | 2.59 | 0.17 | - | 2.76 | 0.76 | 0.93 |
| | **Vehicles** | 78.32 | 0.57 | 0.37 | 78.52 | 37.14 | 6.97 | 0.34 | 43.77 | 34.75 | 41.18 |
| | **Schedule (1)** | **19,841.21** | **2.74** | **3.07** | **19,840.88** | **10,160.91** | **657.98** | **2.91** | **10,815.98** | **9,024.89** | **9,680.30** |
| 2 | **INTANGIBLE ASSETS** | | | | | | | | | | |
| | Goodwill | 1,598.32 | - | - | 1,598.32 | - | - | - | - | 1,598.32 | 1,598.32 |
| | **Schedule (2)** | **1,598.32** | **-** | **-** | **1,598.32** | **-** | **-** | **-** | **-** | **1,598.32** | **1,598.32** |
| | **Total Assets** | **21,439.53** | **2.74** | **3.07** | **21,439.20** | **10,160.91** | **657.98** | **2.91** | **10,815.98** | **10,623.21** | **11,278.62** |
| | Groups Interest in JV | - | - | - | - | - | - | - | - | - | - |
| | Previous Year | 21,137.69 | 319.37 | 17.53 | 21,439.53 | 9,527.79 | 651.28 | 18.16 | 10,160.91 | 11,278.61 | 11,609.88 |

Note : * Lease Hold Land agreements pending execution with forest authorities.

₹ in Lakh

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---|---|
| **NOTE [10] - NON CURRENT INVESTMENTS, at cost** | | |
| **Non-Trade, Unquoted investments** | | |
| In Associate | 152.67 | 148.61 |
| In Others | 620.04 | 620.04 |
| **Non Trade, Quoted investments** | | |
| Others | 0.43 | 0.43 |
| **Trade, Unquoted investments** | | |
| Others | 0.50 | 0.50 |
| **Total** | **773.64** | **769.58** |
| **NOTE [11] - LONG TERM LOANS & ADVANCES** | | |
| Unsecured, considered good | | |
| Capital Advances | 0.15 | 0.15 |
| Deposits | 95.29 | 96.57 |
| **Total** | **95.44** | **96.72** |
| **NOTE [12] - OTHER NON-CURRENT ASSETS** | | |
| Unsecured, considered good | | |
| Interest accrued on trade receivables | 201.99 | 201.99 |
| Other Receivables | 1.66 | 1.66 |
| **Total** | **203.65** | **203.65** |
| **NOTE [13] - INVENTORIES** | | |
| (At lower of cost and net realisable value) | | |
| (As taken, valued and certified by the management) | | |
| Contract Work in Progress | | |
| Wind Farm Development | 189.57 | 168.69 |
| Stores & Spares | | |
| Stock-in-Trade, Loose Tools, Stores & Spares | 280.02 | 283.87 |
| **Total** | **469.59** | **452.56** |
| **NOTE [14] - TRADE RECEIVABLES** | | |
| Unsecured, considered good | | |
| Receivables outstanding for a period exceeding six months from the date they are due for payment | 2,255.51 | 680.38 |
| Other debts | 868.98 | 951.24 |
| **Total** | **3,124.49** | **1,631.62** |
| **NOTE [15] - CASH AND BANK BALANCE** | | |
| (A) Cash and Cash Equivalents | | |
| (a) Cash on hand | 0.31 | 0.16 |
| (b) Balance with banks : | | |
| In Current accounts | 136.08 | 128.40 |
| Sub Total | **136.40** | **128.56** |
| (B) Other Bank Balances | | |
| (a) Fixed Deposit with maturity more than 12 months | 407.48 | 349.54 |
| (b) Balance with banks | | |
| In Unclaimed Dividend accounts | 6.21 | 6.27 |
| Sub Total | **413.68** | **355.81** |
| **Total** | **550.08** | **484.37** |
| **NOTE [16] - SHORT TERM LOANS AND ADVANCES** | | |
| Unsecured, considered good | | |
| Loans and advances to related parties | - | 155.88 |
| Income Tax and Tax Deducted at Source | 25.68 | 28.85 |
| Advances Recoverable | 54.11 | 25.28 |
| Prepaid Expenses | 33.83 | 32.37 |
| Other loans and advances | 32.96 | 17.11 |
| **Total** | **146.57** | **259.49** |
| **NOTE [17] - OTHER CURRENT ASSETS** | | |
| Unsecured, considered good | | |
| Other Receivables | 31.34 | 25.71 |
| **Total** | **31.34** | **25.71** |

₹ in Lakh

| Particulars | Curr. Year 31.03.2016 | Prev. Year 31.03.2015 |
|---|---|---|
| **NOTE [18] - REVENUE FROM OPERATION** | | |
| Sales of Products | 1,710.91 | 1,778.74 |
| Other Operating Income | 187.07 | 165.07 |
| **Total** | **1,897.98** | **1,943.81** |
| **NOTE [18.1]** | | |
| Sales of Products comprises | | |
| Sale of Power / Products | 1,616.16 | 1,689.71 |
| Sale of Services | 94.75 | 89.03 |
| | **1,710.91** | **1,778.74** |
| **NOTE [18.2]** | | |
| Other Operating Income comprises | | |
| Sale of Entitlement from Wind Power | 187.07 | 165.07 |
| | **187.07** | **165.07** |
| **NOTE [19] - OTHER INCOME** | | |
| Interest | 48.29 | 104.15 |
| Dividend | 0.24 | 0.13 |
| Others | 16.04 | 36.32 |
| **Total** | **64.57** | **140.60** |
| **NOTE [19.1]** | | |
| Interest Income comprises | | |
| Interest on loans and advances | 12.17 | 75.97 |
| Interest from banks on deposits | 32.49 | 32.28 |
| Interest on others | 3.26 | 0.41 |
| **Total** | **47.92** | **108.66** |
| **NOTE [20] - PURCHASES OF TRADED GOODS** | | |
| Components | | |
| Indigenous | 49.80 | 63.48 |
| Imported | 0.91 | - |
| **Total** | **50.71** | **63.48** |
| **NOTE [21] - OPERATING & MAINTENANCE COST** | | |
| Energy/Open Access Chgs/Stores & Spares | 19.45 | 20.73 |
| Operations & Maintenance | 358.55 | 433.83 |
| Others | 17.14 | 19.59 |
| Stores and Spares Consumed | 16.19 | 13.94 |
| **Total** | **411.33** | **488.08** |
| **NOTE [22] - EMPLOYEE BENEFITS** | | |
| Salaries, Wages and Bonus | 440.07 | 476.27 |
| Contribution to Provident Funds & Other Funds | 30.34 | 56.03 |
| Staff Welfare Expenses | 17.08 | 17.80 |
| **Total** | **487.49** | **550.10** |
| **NOTE [23] - FINANCE COSTS** | | |
| (a) Interest Expense on | | |
| Secured Loans | 589.80 | 766.84 |
| Unsecured Loans | 610.88 | 408.60 |
| Others | 0.05 | 44.76 |
| (b) Other Borrowing Cost | 49.33 | 1.10 |
| **Total** | **1,250.06** | **1,221.30** |
| **NOTE [24] - OTHER EXPENSES** | | |
| Audit Fees | 5.49 | 5.59 |
| Conveyance & Travelling Expense | 18.76 | 25.48 |
| Donation | 0.25 | 1.78 |
| Electricity Expense | 1.44 | 3.28 |
| Insurance Charges | 58.70 | 57.18 |
| Legal & Professional Charges | 50.06 | 39.58 |
| Loss on Sale / Discard of Asset | 0.09 | 0.17 |
| Rent | 41.36 | 42.45 |
| Rates & Taxes | 11.01 | 6.93 |
| Repairs & Maintenance | 2.17 | 2.73 |
| Security Services | 8.57 | 8.60 |
| Preliminary Expenses W/off | 23.75 | - |
| Miscellaneous Expenses | 69.71 | 75.27 |
| **Total** | **291.35** | **269.05** |
| **NOTE [24.1]** | | |
| Payments to the Auditors | | |
| For Audit | 5.33 | 5.17 |
| For other Services | 0.16 | 0.42 |
| | **5.49** | **5.59** |

**NOTE [25]**

**Notes forming part of the Consolidated Financial Statements**

**1 Significant Accounting Policies :**

**(a) Basis of Preparation**

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

**(b) Basis of Consolidation**

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

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

(c) **Income**

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

ii Interest Income is accounted for on time accrual basis.

(d) **Expenditure**

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

(e) **Fixed Assets**

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

(f) **Depreciation**

i Effective from 01.04.2014 the parent and its subsidiaries depreciates it fixed assets on Straight Line Method, except one of the subsidiary depreciates its fixed assets on written down value method over the usefull life in the manner prescribed in Schedule II of the Companies Act, 2013.

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

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

(g) **Investments**

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

(h) **Inventories**

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

(i) **Amortization of Miscellaneous Expenditure**

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

(j) **Employee Benefits**

The Company has covered its gratuity liabilities with Life Insurance Corporation of India. Any amount payable to the employee in the year of separation in excess of amount received from LIC is charged off to revenue.

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

(k) **Taxation**

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

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

(l) **Foreign Currency Transaction:**

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

₹ in Lakh

| 2 | Contingent Liabilities | 31.03.2016 | 31.03.2015 |
|---|---|---|---|
| | Disputed Income Tax Liabilities | 105.09 | Nil |

3 a) Earnings in Foreign Exchange :
Sale of Entitlement from Wind Power : Rs Nil (P. Y. - Rs. Nil)

b) Expenditure in Foreign Exchange : Rs 0.91 Lac (P. Y. - Rs. Nil)

4 Estimated amount of contracts remaining to be executed on capital account not provided for [Net of Advances] Rs 22.37 [Previous Year Rs.22.37 Lakh]

5 **Investment in Subsidiaries**

The subsidiaries [which along with Karma Energy Limited, the parent, constitute the Group] considered in the presentation of these consolidated financial statements are

| Sr. No. | Name of the Entity | Country of Incorporation | % of Holding |
|---|---|---|---|
| 1 | Almi Hydro Electric Projects Ltd | India | 100.00 |
| 2 | Baledh Energy Projects Ltd | India | 100.00 |
| 3 | Batot Hydro Power Ltd | India | 51.66 |
| 4 | Brahmanvel Energy Ltd | India | 51.00 |
| 5 | Greenweiz Projects Ltd | India | 100.00 |
| 6 | Joiner Hydro Power Projects Ltd | India | 100.00 |
| 7 | Khandesh Energy Projects Ltd | India | 51.00 |
| 8 | Vajharpada Energy Ltd | India | 100.00 |

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

**Interest in Associates**

The Group's associates are

| Sr. No. | Name of the Entity | Country of Incorporation | % of Holding |
|---|---|---|---|
| 1 | Weizmann Corporate Services Ltd | India | 31.92 |

**Carrying cost of Investment in Associates**

| Sr. No. | Particulars | Weizmann Corporate Services Ltd | |
|---|---|---|---|
| | | 31.03.2016 | 31.03.2015 |
| 1 | No of Equity shares held | 15960 | 15960 |
| 2 | % of holding | 31.92% | 31.92% |
| 3 | Cost of Investment | 145.08 | 145.08 |
| 4 | Goodwill / (Capital Reserve) included in cost of Investment | 145.08 | 145.08 |
| 5 | Share in accumulated profit / (losses) | 7.58 | 3.53 |
| 6 | Share of increase in reserve during the year | - | - |
| 7 | Carrying cost | 152.66 | 148.61 |

**6 Deferred Tax**

The breakup of Net Deferred Tax Liability as on 31.03.2016 is as under:-

₹ in Lakh

| | 31.03.2016 | 31.03.2015 |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| Difference between Book and Tax Depreciation | 2,086.72 | 2,167.64 |
| **Sub Total (a) ==>** | **2,086.72** | **2,167.64** |
| **Deferred Tax Assets** | | |
| Unabsorbed Depreciation | 483.17 | 507.41 |
| Brought Forward Business Loss | 488.08 | 524.85 |
| Others | 32.84 | 55.03 |
| **Sub Total (b) ==>** | **1,004.09** | **1,087.29** |
| **Net Deferred Tax Liability (a - b)** | **1,082.63** | **1,080.35** |

**7. Earnings Per Share**

₹ in Lakh

| | 31.03.2016 | 31.03.2015 |
|---|---|---|
| Profit / (Loss) After Tax | (454.75) | (466.49) |
| Weighted Average no of Equity Shares | 11569918 | 11569918 |
| The Nominal Value Per Ordinary Share | 10.00 | 10.00 |
| Earnings Per Share (Basic & Diluted) | (3.93) | (4.03) |

**8.** Related Party Disclosures for the year ended 31.03.2016

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

A Related Party and their Relationship

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

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

| Nature of Transaction | Key Management Personnel | |
|---|---|---|
| | 31.03.2016 | 31.03.2015 |
| **Remuneration** | **23.91** | **21.67** |
| G. N. Kamath | 23.91 | 21.67 |

**9 Segment Information**

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

**10.** The company in respect of its 18 MW wind farm in the state of Maharashtra, as in past years had applied for open access approval to the state utility for sale of power to third parties in FY 2014-15. However the state utility unilaterally denied granting of open access to many wind farm developers including the company leading to a petition to be filed before State Electricity Regulatory Commission (MERC) through an Association of Wind Power Developers of which the Company is a member.

Pending disposal of the petition with MERC, the company as a conservative measure recorded the revenue for FY 2014-15 of the wind power generated and fed into the grid of the state utility, at a preferential tariff of Rs.2.52 per unit as fixed by MERC for sale of power to utilities from category of projects like that of the company.

Persuant to a favourable disposal of the petition of the Wind Power Association by MERC on 08.02.2016 permitting sale of power to third parties under Open Access for FY 2014-15 and thereafter the state utility issuing approval for Open Access, the Company has recorded the diferrence in revenue between sale of wind power to third parties under Open Sccess and recording of revenue at preferential tariff and the same is reflected at Rs. 519.59 lacs Net of Open Access Expenses under Exceptional Items in the Profit & Loss Account.

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

Signatures to the Notes 1 to 25 forming part of the Consolidated Balance Sheet as at 31.03.2016 and the Statement of Consolidated Profit & Loss for the year ended 31.03.2016

As per our report of even date attached

**For U. B. Sura & Co.,**
**Chartered Accountants**

**U. B. Sura**
**(Proprietor)**
**Membership No: 32026**
**Firm Regn. No. 110620W**
**Mumbai, Dated : 25.05.2016**

**For Shyam C Agrawal & Co.,**
**Chartered Accountants**

**S. C. Agrawal**
**(Proprietor)**
**Membership No: 31774**
**Firm Regn. No. 110243W**
**Mumbai, Dated : 25.05.2016**

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

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 | |
|---|---|---|---|---|
| | As % of Consolidated Net Assets | Amount | As % of Consolidated Profit or Loss | Amount |
| **PARENT** | | | | |
| Karma Energy Ltd | 141.54% | 4,155.44 | 33.91% | (154.22) |
| **SUBSIDIARIES** | | | | |
| Almi Hydro Electric Projects Ltd | 0.02% | 0.68 | 0.00% | - |
| Baledh Energy Projects Ltd | -0.01% | (0.38) | 0.09% | (0.42) |
| Batot Hydro Power Ltd | -17.80% | (522.71) | 138.34% | (629.11) |
| Brahmanvel Energy Ltd | 0.37% | 10.76 | 0.07% | (0.31) |
| Greenweiz Projects Ltd | 29.87% | 877.00 | -4.69% | 21.31 |
| Joiner Hydro Power Projects Ltd | 0.03% | 0.97 | -0.01% | 0.05 |
| Khandesh Energy Projects Ltd | 0.23% | 6.89 | 0.05% | (0.24) |
| Vajharpada Energy Ltd | 0.06% | 1.66 | 0.05% | (0.23) |
| **ASSOCIATES** | | | | |
| Weizmann Corporate Services Ltd | 5.20% | 152.67 | -0.89% | 4.05 |
| Minority Interest | 24.55% | 720.88 | 66.93% | (304.38) |
| Inter Company Adjustments | -84.07% | (2,468.07) | -133.87% | 608.76 |
| **Total** | **100.00%** | **2,935.79** | **100.00%** | **(454.74)** |

# Form AOC-I

(Pursuant to first provisio to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the Financial Statement af Subsidiaries / Associate Companies / Joint Ventures**

**Part "A" : Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs. Lacs)

| 1 | Sl. No. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|---|
| 2 | Name of the Subsidiary | Almi Hydro Electric Projects Ltd | Baledh Energy Projects Ltd | Batot Hydro Power Ltd | Brahmanvel Energy Ltd | Greenweiz Projects Ltd | Joiner Hydro Power Projects Ltd | Khandesh Energy Projects Ltd | Vajharpada Energy Ltd |
| 3 | Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period | No | No | No | No | No | No | 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 | INR | INR | INR | INR | INR | INR |
| 5 | Share Capital | 5.00 | 5.00 | 1,500.00 | 5.00 | 495.00 | 5.00 | 5.00 | 5.00 |
| 6 | Reserves & Surplus | (4.32) | (5.38) | (1,718.60) | 5.91 | 382.00 | (4.03) | 2.01 | (3.34) |
| 7 | Total Assets | 134.96 | 77.94 | 4,147.05 | 157.88 | 892.37 | 99.08 | 80.54 | 26.46 |
| 8 | Total Liabilities | 134.96 | 77.94 | 4,147.05 | 157.88 | 892.37 | 99.08 | 80.54 | 26.46 |
| 9 | Investments | - | - | - | - | - | - | - | - |
| 10 | Turnover | 0.30 | - | 372.88 | - | 213.24 | 0.33 | - | - |
| 11 | Profit before Taxation | - | 0.35 | (542.85) | (0.27) | 34.49 | 0.05 | (0.24) | (0.23) |
| 12 | Provision for Taxation | - | 0.07 | 86.26 | 0.04 | 13.18 | - | - | - |
| 13 | Profit after Taxation | - | (0.42) | (629.11) | (0.31) | 21.31 | (0.05) | (0.24) | (0.23) |
| 14 | Proposed Dividend | - | - | - | - | - | - | - | - |
| 15 | % of Shareholding | 100.00 | 100.00 | 51.66 | 51.00 | 100.00 | 100.00 | 51.00 | 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

2 Names of Subsidiaries which have been liquidated or sold during the year

**Part "B" : Associates and Joint Ventures**

| | Name of the Associates / ~~Joint Ventures~~ | Weizmann Corporate Services Ltd |
|---|---|---|
| 1 | Latest Audited Balance Sheet Date | |
| 2 | Shares of Associate / ~~Joint Ventures~~ held by the Company on the year end | |
| | No | 15960 |
| | Amount of Investment in Associates / ~~Joint Venture~~ | 14,508,220 |
| | Extend of Holding % | 31.92% |
| 3 | Description of how there is significant influence | More than 20% |
| 4 | Reason why the Associate / ~~Joint Venture~~ is not consolidated | Not Applicable |
| 5 | Networth attributable to Shareholding as per latest Audited Balance Sheet | 0.53 |
| 6 | Profit / (Loss) for the year | |
| | a) Considered in Consolidation | 4.05 |
| | b) Not Considered in Consolidation | 8.65 |

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

2 Names of Associate or Joint Ventures which have been liquidated or sold during the year

KARMA ENERGY LTD.

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

# PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)

| | |
|---|---|
| Name of the member(s) | : |
| Registered address | : |
| Email id | : |
| Folio No. / *Client ID | : |
| *DP ID | : |
| Number of Shares | : |

* Applicable to shareholders holding shares in electronic form

I/We being members of Karma Energy Ltd, hereby appoint :

1. Name : _____ Email id: _____

   Address : _____ signature : [ ]

   _____

   _____

   _____

   or failing him

2. Name : _____ Email id: _____

   Address : _____ signature : [ ]

   _____

   _____

   _____

   or failing him

3. Name : _____ Email id: _____

   Address : _____ signature : [ ]

   _____

   _____

   _____

   or failing him

as my / our proxy to attend and vote (on poll) for me and on my/our behalf at the 9th Annual General Meeting of the Company, to be held on Friday, the 2nd day of September, 2016 at 3.45 p.m or soon after the conclusion of the Annual General Meeting of Weizmann Forex Ltd whichever is later at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, 6th Floor, Oricon House, Kaala Ghoda, Mumbai – 400 001 and at any adjournment thereof in respect of such resolution 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, 2016. | | |
| 2. | Re-appointment of Shri Chetan D. Mehra as Director, who retires by Rotation | | |
| 3. | Re-appointment of Shri Vinesh N. Davda as Director, who retires by Rotation | | |
| 4. | Re-Appointment of Auditors | | |
| 5. | Re-appointment of Shri Ganesh N. Kamath as Managing Director | | |
| 6. | Adoption of New set of Articles of Association of the Company. | | |
| 7. | Approval on Related party transaction. | | |

Signed this _____ day of _____ 2016

Affix Revenue Stamp

_____ _____

Signature of shareholder Signature or proxy

Note :

1. 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.

2. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

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

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the 9th ANNUAL GENERAL MEETING of the Company being held at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, 6th Floor, Oricon House, Kala Ghoda, Mumbai – 400 001 on Friday, 2nd September, 2016 at 3.45 p.m or soon after the conclusion of the Annual General Meeting of Weizmann Forex Ltd whichever is later

Name(s) of the Shareholder/s
(in Block Letters)

_____

Address : _____

_____

_____

_____

Name(s) of the Proxyholder/s
(in Block Letters)

_____

Address : _____

_____

_____

_____

Folio No. _____

DP ID _____

Client ID _____

No. of Shares : _____

_____
Signature(s) of Shareholder(s) or Proxy

**Note : You are requested to bring your copy of the Annual Report to the meeting**

KARMA
ENERGY LTD.

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