



5th Annual Report
2011-2012

KARMA ENERGY LIMITED ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS

Shri Dharmendra G. Siraj	–	Chairman
Shri Chetan D. Mehra		
Shri Neelkamal V. Siraj		
Shri Upkar Singh Kohli		
Shri Vinesh N. Davda		
Shri Kishore N. Vussonji		
Shri Vishnu P. Kamath		
Shri Ganesh N. Kamath	–	Managing Director
Shri T V Subramanian	–	Head - Finance and Company Secretary

BANKERS

Axis Bank Ltd
State Bank of India
Uco Bank

AUDITORS

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

REGISTERED OFFICE

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

WIND POWER PLANTS

Anantpur	-	Andhra Pradesh
Satara	-	Maharashtra
Coimbatore	-	Tamil Nadu
Tirunelveli	-	Tamilnadu
Theni	-	Tamil Nadu

DIRECTORS' REPORT

TO THE MEMBERS OF KARMA ENERGY LIMITED

The Directors are pleased to present this fifth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2012.

1. FINANCIAL RESULTS

(Rs. in lakh)

Particulars	2011-2012	2010-2011
Total Income including exceptional items	2982.78	1761.37
Profit Before Depreciation	1188.86	833.16
Less : Depreciation	793.44	760.77
Profit Before Tax	395.42	72.39
Less : Income Tax	160.91	27.00
Less : Deferred Tax	(0.38)	(34.16)
Profit After Tax	234.89	79.55
Add : Balance brought forward from previous year	11.81	(0.53)
Additions on amalgamation	(67.98)	
Balance Available for appropriation	178.72	79.02

Director's Recommendation for Appropriation :		
Transfer to General Reserve	--	-
Proposed Dividend on Equity Shares @ 5% (2010- 2011: 5 %)	57.82	57.82
Dividend Tax	9.38	9.38
Surplus Carried to Balance Sheet	111.52	11.82

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

2. DIVIDEND

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

3 PERFORMANCE

During the year the Total Income of the Company was Rs.2982.78 Lakh as compared to Rs.1761.37 Lakh in the previous year. The Profit before depreciation achieved was Rs.1188.86 Lakh (Previous year - Rs.833.16 Lakh). The Profit after Tax registered was Rs.234.89 Lakh (Previous year Rs.79.55 Lakh).

4. SUBSIDIARY 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 Hydro Power Ltd commissioned its 3.5 MW small hydro power project in June, 2012.

In accordance with the Circular No. 5/12/2007-CL-III dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India has granted general exemption from attaching the Balance Sheet, Statement of Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered office of the Company and that of the respective subsidiary companies. The Consolidated Financial statements presented by the company include the financial results of its subsidiary companies.

The statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the Company's subsidiaries as at 31st March, 2012, is attached to the Annual Accounts.

5. MERGER OF AVIRODH FINANCIAL SERVICES LTD WITH THE COMPANY :

Avirodh Financial Services Ltd amalgamated with the Company with effect from appointed date 1st April 2011 pursuant to the sanction of Scheme of Amalgamation by the Hon'ble High Court of Bombay vide their order dated 13th April, 2012. Consequently the Financials of said Avirodh Financial Services Limited have been incorporated in the financials of the company for 2011-12.

6. DIRECTORS

Shri Upkarsingh Kohli was appointed as a Additional Director on 9th November, 2011 in accordance with Section 260 of the Companies Act, 1956 and Article 46 of the company's Articles of Association and will cease to hold office at this Annual General Meeting and is eligible for appointment. During the year under review M/s. IREDA withdrew the nomination of their nominee Director Shri. Sumant Chadha with effect from 24th October, 2011 in view of repayment of entire term loan facility availed by the Company. Your Board places on record their appreciation of the valuable contribution made by Shri. Sumant Chadha during his tenure as Nominee Director on the Board of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri. Neelkamal V. Siraj and Shri. Dharmendra G. Siraj retire by rotation and, being eligible have offered themselves for re-appointment.

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

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended on that date ;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the annual accounts on a going concern basis.

8. PARTICULARS OF THE EMPLOYEES

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

9. DISCLOSURE OF PARTICULARS

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

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

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

10. FIXED DEPOSITS

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

11. AUDITORS

Messrs. U.B. Sura & Co. Chartered Accountants and Messrs. Shyam C. Agrawal & Co., Chartered Accountants, Statutory Auditors of the Company retire as Auditors at the forthcoming Annual General Meeting and have given their consent for re-appointment. The members will be required to appoint Auditors for the current year and fix their remuneration.

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

12. COST AUDITORS

The Central Government had approved the appointment of M/s. K N Satyanarayan for conducting Cost Audit for the financial year 2011-12. As per the requirement of the central Government and pursuant to Section 233B of the Act, the audit of the cost accounts of Electricity companies are required to be audited from financial year beginning April 2011. Therefore pursuant to the approval of Ministry of Corporate affairs, M/s. K. N. Satyanarayan having registration no. 7004 has been appointed as Cost Auditor for auditing the company's cost accounting records maintained as per Cost Accounting Records (Electricity Industry) Rules, 2011, relating to power generated for the financial year ended March 31, 2012. Pursuant to the recommendation of the Audit committee, the Board of Directors have appointed M/s. K. N. Satyanarayan as the cost Auditors of the Company for conducting the Cost Audit Records of the Company for the financial year 2012-13 which has been approved by the Central Government.

13. AUDITORS' REPORT

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

14. CORPORATE GOVERNANCE

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

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

16. ACKNOWLEDGEMENT

Your Directors express their grateful appreciation for the assistance and co-operation received from Government Authorities, Bankers, Lending Institutions, Suppliers and Customers during the year under review. Your Directors place on record their appreciation for the committed services of the executives and staff of the Company.

For and on behalf of the Board



D G Siraj
Chairman

Place : Mumbai

Date : 13th August, 2012

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 Eight. Since the Company has a Non Executive Chairman who is part of the promoter group of the company, the Board meets the stipulated requirement of at least one-half of the Board comprising of Independent Directors.

The composition of and the category of directors on the Board of the Company as at March 31, 2012 were as under.

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

As per Articles of Association of the Company all the Directors except Nominee Directors, if any, 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 2011-2012 the Board held four meetings on June 28, 2011, August 11, 2011, November 09, 2011 and February 8, 2012

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 2011-2012 and the last AGM held on September 30, 2011.

Directors	Meetings held during the tenure of Directors	Meetings Attended	Attendance at last AGM	No. of other Directorship held #	No. of other Committee Memberships held
Shri D G Siraj	4	3	Yes	12	4
Shri C D Mehra	4	3	Yes	9	1
Shri N V Siraj	4	3	Yes	5	
Shri V P Kamath	4	3	Yes	9	6
Shri G N Kamath	4	3	Yes	13	1
Shri Upkarsingh Kohli §	2	2	N.A	8	
Shri K N. Vussonji	4	3	Yes	6	
Shri V. N. Davda	4	1	Yes	4	
Shri Sumant Chadha **	2	1	No	2	

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

§ appointed w.e.f 09-11-2011, ** Resigned w.e.f 24-10-2011 (persons holding Directorship for part of the year)

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

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

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

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

Details of Shareholding of Non-Executive Directors

Sr. No.	Name of Directors	No. of shares held as on 31 st March, 2012
1.	Shri Dharmendra G. Siraj	11,12,060
2.	Shri Chetan D. Mehra	14,64,010
3.	Shri Neelkamal V. Siraj	Nil
4.	Shri Vishnu P. Kamath	Nil
5.	Shri Kishore M. Vussonji	Nil
6.	Shri Sumant Chadha	Nil
7.	Shri Vinesh N. Davda	2,07,366

3. Audit Committee

The Audit Committee 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 Clause 49 of the Listing Agreement read in conjunction with Section 292A of the Companies Act, 1956. The Audit Committee presently comprises of Shri Vishnu P. Kamath as the Chairman, Shri Dharmendra G. Siraj and Shri Vinesh N. Davda as members of the Committee. The Managing Director and Auditors are invited to attend the meetings of the Audit Committee. The Audit committee discharges such duties and functions indicated in Clause 49 of the Listing Agreement with the stock exchanges and also such other functions as may be specifically delegated to it by the Board from time to time. The Audit Committee held its meeting on August 11, 2011, November 09, 2011 and February 08, 2012 subsequent to the listing of the equity shares on the bourses.

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 2011-12	
		Held	Attended
Shri V. P. Kamath	Non-Executive Independent	3	3
Shri D G. Siraj	Non-Executive	3	3
Shri V. N. Davda	Non-Executive Independent	3	3

4. Remuneration Committee

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

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

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

The details of remuneration paid to Managing Director from 1st April, 2011 to 31st March, 2012 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	12.99	-	4.21	1.44

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

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

5. Shareholders / Investors' Grievance Committee

The Company has constituted Investors Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreement. The Shareholders / Investors Grievance Committee comprise of Shri Vishnu P. Kamath as the Chairman and Shri Dharmendra G. Siraj and Shri Vinesh N. Davda as members of the Committee. The said Committee looks into redressing investors' complaints pertaining to transfer/ transmission of shares, non- receipt of dividend/ annual report of the Company. The Committee met twice during the financial year on 11th August, 2011 and 08th February, 2012 respectively. Shri T. V. Surbramanian, Company Secretary acts as the Company's Compliance Officer.

The composition of the investors grievance committee and the details of the meetings attended by its members are given below :

Name	Category	Number of Meetings during the year 2011-12	
		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	2

Number of shareholders complaints received during the year was 8. All the 8 complaints received during the financial year were resolved to the satisfaction of the investors. There were no complaints pending to be resolved as on 31st March, 2012.

6. Sub-Committee of Board of Directors

Composition:

Shri D.G. Siraj, Chairman

Shri C. D. Mehra

Shri G. N. Kamath, Managing Director

The sub-committee normally deals with the following matters :

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

The sub-committee meeting is normally held twice a month. 18 sub-committee meetings were held during the financial year ended 31st March, 2012.

7. General Body Meetings

Details of the last three Annual General Meetings (AGMs)

<i>Date & Year</i>	<i>Time</i>	<i>Location where AGM held in the last 3years.</i>
30/09/2011; 2010-2011	3.30 p.m	M C Ghia Hall 4 th Floor, Hargovindas Bldg, 18/20, K. Dubash Marg, Kala Ghoda Mumbai – 400 001
30/09/2010; 2009-2010	11.45 a.m.	Empire House, 214, Dr. D. N. Road, Ent. A. K. Nayak Marg Fort, Mumbai- 400 001.
25/09/2009; 2008-2009	11.45 a.m	26, Gobind Mahal, 86B, N. S. Road Marine Drive, Mumbai – 400 002

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

8. Disclosures

Related party transactions as required to be complied under Accounting Standard 18 (AS-18) are furnished under Serial no 12 of Note 23 forming part of the Financial Statement for Financial Year ended 31/3/2012.

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

9. Code of Conduct

The Code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company www.karmaenergy.co. All Directors and Senior management personnel have affirmed compliance with the code for 2011-12. The Declaration of the Managing Director is given below:

To the Shareholders of Karma Energy Ltd

Sub : Compliance with code of Conduct

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

Date : 13th August, 2012

Place : Mumbai

Sd/-
G. N. Kamath
Managing Director

10. Means of Communication

Half yearly report sent to each household of Shareholders

- No

Quarterly results usually published in (Proposed)

- Business Standard (English daily)

Any website where displayed

- Tarun Bharat (Marathi daily)
www.karmaenergy.co
www.nseindia.com
www.bseindia.com

Whether any advertisement also displayed official news releases and presentations made to institutions or investors / analysts

- No presentation made

Whether management discussions and analysis forms part of Annual Report

- Yes

Whether shareholders information section forms part of Annual Report

- Yes

11. General Shareholder Information

a) 5th Annual General Meeting- Day, Date, Time and Venue

Day	Date	Time	Venue
Wednesday	26/09/2012	3.15 p.m	Textile Committee Auditorium P. Balu Road, Off. Veer Savarkar Marg Prabhadevi Chowk Prabhadevi Mumbai – 400 025.

b) Financial Calendar

Financial Year	:	1 st April, 2012 to 31 st March 2013
Adoption of Quarterly Results for the quarter ending June, 2012	:	13 August, 2012
September, 2012	:	on or before 14 th November, 2012
December, 2012	:	on or before 14 th February 2013
March, 2012	:	on or before 15 th May, 2013
Book Closure Date	:	25/09/2012 to 26/09/2012 (Both days inclusive)
Dividend Payment	:	On or before 15/10/2012

c) Listing on Stock Exchanges : BSE & NSE

d) Stock Exchange Codes :

The Stock Exchange, Mumbai	:	533451
National Stock Exchange of India	:	KARMAENG
ISIN NO.	:	INE725L01011

e) Market Price Data/Performance:

Since the company's equity shares got listed on 28th June, 2011 on BSE and NSE the market price data for the company's equity shares for the financial year 2011-12 are provided from June 2011

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

Month	BSE		INDEX-SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
June,2011	48.65	15.15	18873	17,314
July,2011	19.20	13.00	19131	18131
August,2011	15.31	10.30	18440	15765
September, 2011	13.45	10.40	17211	15801
October, 2011	13.84	11.09	17908	15745
November,2011	18.50	12.60	17702	15478
December, 2011	17.40	13.60	17003	15135
January, 2012	17.32	14.05	17258	15358
February, 2012	17.55	13.70	18523	17061
March, 2012	15.55	13.24	18040	16920

Month	NSE*		INDEX-CNX MID CAP	
	High (Rs.)	Low (Rs.)	High	Low
June,2011	49.40	17.20	8103	7632
July,2011	19.40	12.45	8215	8005
August,2011	14.30	9.20	8007	7044
September, 2011	14.00	11.00	7513	7072
October, 2011	14.25	11.00	7267	6824
November,2011	18.70	12.05	7323	6467
December, 2011	17.10	13.20	6835	6037
January, 2012	16.80	14.55	8377	6096
February, 2012	16.90	14.00	7981	7188
March 2012	15.95	12.55	7886	7468

- 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 : info@bigshareonline.com

g) **Share Transfer System :**

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

h) Dematerialisation of Shares and Liquidity of Shares:

The Shares of the Company are permitted for trading in dematerialisation form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. 1,06,52,496 Equity Shares representing 92.11 % of the share capital of the Company stands dematerialised as on 31st March, 2012. This includes dematerialization of 100% of the Promoter Group's holding in the company. 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 2012 :

<i>Sr. No</i>	<i>Category</i>	<i>No. of Equity Shares</i>	<i>Percentage of Shareholding</i>
A	Promoters Holding		
	Indian Promoters	8627441	74.60
B	Non Promoter Holding		
a	Mutual Funds & UTI	-	-
b	Banks, Financial Institutions Insurance Companies (Central / State Govt. Institutions/ Non Government Institutions)	199	0.001
c	FII's	Nil	Nil
C	Others		
a.	Private Corporate Bodies	174586	1.51
b.	Indian Public	2651306	22.93
c.	NRIs/OCBs	110373	0.95
d.	Any other (Demat Transit)	452	0.00
	GRAND TOTAL	11564357	100.00

j) Distribution of Shareholding as on 31st March 2012 :

<i>Range (In Rs)</i>	<i>Total Holders</i>	<i>Total Holdings in Rupees</i>
1 – 5000	8560	8884630
5001-10000	314	2163600
10001 – 20000	133	1804410
20001 – 30000	30	721610
30001 - 40000	20	706420
40001 – 50000	7	316270
50001 – 100000	28	2091350
100001 – 999999999	45	98955280
Total	9137	115643570

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	-	Anantpur - Andhra Pradesh Coimbatore - Tamil Nadu Tirunelveli - Tamil Nadu Theni - Tamil Nadu Satara - Maharashtra
m)	Address for Correspondence	-	<u>Head Office</u> Empire House, 214, Dr. D.N.Road, Fort, Ent. A.K. Nayak Marg, Mumbai - 400 001. Tel Nos. 22071501-06
	Dedicated email id for investor complaints	:	investorshelpdesk@weizmann.co.in
	Registrar & Share Transfer Agent	-	Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Saki Vihar Road,Saki Naka, Andheri (East), Mumbai - 400 072. Tel : 40430200, Fax, 28475207 Email : info@bigshareonline.com . Website : www.bigshareonline.com

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

BUSINESS REVIEW

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 33.25 MW as at 31.03.2012.

The Financial Year 2011-2012 recorded a total income of Rs.2982.78 lakh (P.Y. Rs.1761.37 Lakh); Cash Profits Rs.1188.86 lakh (P.Y. Rs. 833.16 Lakh); PBT of Rs.395.42 lakh (P.Y. Rs.72.39 Lakh) ; and PAT of Rs.234.89 lakh (P.Y. Rs.79.55 Lakh).

A 3.5 MW Small Hydro Project at Chamba, Himachal Pradesh of the subsidiary company Batot Hydro Power Limited was commissioned on 16th June 2012.

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

OUTLOOK, OPPORTUNITIES AND THREATS

The growth of renewable energy development in India over the past decade has been quite significant. The country's aim is to achieve minimum 15% generation from renewable energy sources contributing to the total generation from all sources by 2020. In line with this objective the Central Government, State Government, the Nodal Agencies, The Electricity Regulatory Commissions having laying down clear path for the renewable energy developers to harness the renewable energy sources for sustained growth in the sector.

The growth in renewable energy is now a compulsion rather than a business venture. The Global Warming phenomenon is already playing havoc in the nature across the world. There have been unprecedented floods, extreme hot temperature, inadequacy of rains, faster melting of snow, rise in water levels in the seas. The cause for such events as per expertise is on account of fast paced industrialization, high usage of fossil fuel contributing to greater pollution across nature whether it is atmosphere, land or water. One of the solutions to arrest the above is to reduce the dependency on fossil fuel which is anyway depleting day by day and increase the usage of renewable energy by generating more power from such sources for the benefit of the world today and tomorrow.

As far as India is concerned, though there have been encouraging policies and guidelines from Government and other Regulatory authorities the issues that are at times seen as impediments to the growth are reduced availability of good sites for setting up wind farms and now more wind potential sites are in the forest domain wherein approval is required from forest authorities at the highest level in the Government. Since safeguarding the forest wealth and wild life is also an equally important duty of not only the Government but every citizen of the country for the benefits which we reap from the same, there has been ongoing conflicts between making available the forest land for renewable energy development like wind power or hydro power and at the same time ensuring reduction in deforestation.

The second more important barrier for development of renewable energy has been the implementation of rules and regulations by State Power Utilities. In this regard as far as your company is concerned, in respect of the plants in Tamil Nadu there has been considerable delay of more than one year in releasing the value of power generation by State Power Board, in Andhra Pradesh on account of the Board insisting on revised tariff for purchase of wind power and the matter pending with State Regulatory Commission for the past six years, the Board has been releasing only 50% of the payment for the last one year and in Maharashtra though payments are regular, there has been slackness in timely granting of open access approvals and incorporating many a conditions wherein the local utility do not have any mandate to do so.

As far as new projects are concerned especially in Karnataka there has been an issue of the entire West Coast belt being declared as heritage site however, the State Government taking up the matter with the appropriate authorities for permitting development of renewable energy. Hence unless there is a clear policy on the matter, the approvals to be given is being processed at a low pace. In Gujarat where the Group has certain wind farm projects granted, evacuation of power has been the biggest issue.

Despite all the aforesaid obstacles, there is no alternative to develop renewable energy as the said energy is for the posterity and one of the essential tools to combat greenhouse effects and climate change.

For new projects the revenues are from wind power, renewable energy certificates which can be traded freely in the market and also from Carbon Emission Reduction Certificates (CERs). However as far as CERs are concerned there has been a little ambiguity on account of the expiry of Kyoto Protocol in 2012 and the World Forum still deliberating on the new set of policies. Adding to the woes on this matter is the economic downturn in most of the European countries and hence they shying away from purchasing the CERs and the values thereof have been plummeted to new lows.

RISKS AND CONCERNS

On Renewable Energy Sector, the proper implementation of the policies by the State Utilities as well as clear cut directions from State Electricity Regulatory Commissions have become a must considering the experience in the last couple of years in the states where your Company is having wind farms and the Group is developing wind farms and Small Hydro Projects.

The ambiguity on various aspects that exist in the State of Maharashtra, Andhra Pradesh and Tamil Nadu have been detailed above. Also there has been a withdrawal of accelerated depreciation of 80% with effect from 01.04.2012 by the Central Government on account of amendment of Depreciation rules. This could be a dampening factor for profitable entities developing new wind farm projects since they would be deprived of savings in financial costs by deferring the tax on the accelerated depreciation component.

The delay in release in payments for wind power generation in Tamil Nadu and Andhra Pradesh and inordinate delays in issuance of open access approval in Maharashtra and further stipulating conditions not having the stamp of State Regulatory authorities is resulting in avoidable lengthy litigations taking place under different judicial forums.

Shortage of good wind farm sites, many local issues in the form of local population insisting on job security to the members of their family in lieu of their giving their land even for a good consideration, delays in approval from forest authorities for release of forest land, the environmental protection lobbies are some of the concerns. Unfortunately there is little realization that renewable energy from wind power or small hydel power are in fact contributing immensely to the society.

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.

U.B SURA & CO

CHARTERED ACCOUNTANTS
14, KRISHNA KUNJ, 144/45, M. G. ROAD
GHATKOPAR (EAST), MUMBAI-400 077
Tel. 21022735, 21022095

To
The Members of
Karma Energy Limited
Mumbai

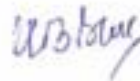
We have examined the compliance of conditions of Corporate Governance by Karma Energy Limited for the year ended March 31, 2012, as stipulated in clause 49 of Listing Agreement of the said company with Stock Exchanges, with relevant records and documents maintained by the Company and furnished to us.

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

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

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

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



U.B.SURA
PROPRIETOR
MEMBERSHIP NO: 32026

PLACE: MUMBAI
DATED: 13.08.2012



Shyam C. Agarwal & Co

CHARTERED ACCOUNTANTS
3/910-L, NAVJIVAN SOCIETY,
LAMINGTON ROAD, MUMBAI-400 008
Tel. (Off) 23073538, (Res) 26844931, Fax. 26835699

To
The Members of
Karma Energy Limited
Mumbai

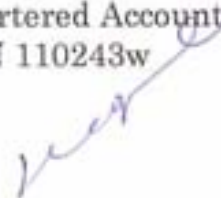
We have examined the compliance of conditions of Corporate Governance by Karma Energy Limited for the year ended March 31, 2012, as stipulated in clause 49 of Listing Agreement of the said company with Stock Exchanges, with relevant records and documents maintained by the Company and furnished to us.

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

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

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

For Shyam C. Agarwal & Co.,
Chartered Accountants
FRN 110243w



Place: Mumbai
Dated: 13.08.2012

Shyam C. Agarwal
Proprietor
Membership No: 31774



U.B SURA & CO

CHARTERED ACCOUNTANTS
14, KRISHNA KUNJ, 144/45, M. G. ROAD
GHATKOPAR (EAST), MUMBAI-400 077
Tel. 21022735, 21022095

AUDITORS' REPORT

TO THE MEMBERS OF KARMA ENERGY LIMITED

1. We have audited the attached Balance Sheet of **KARMA ENERGY LIMITED** as at March 31, 2012 and the Statement of Profit and Loss and also the Cash Flow statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India and as amended by notification dated 25th November 2004, in terms of Section 227 (4A) of the Companies Act, 1956 we set out in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above we report that:
 - i. We have obtained all the information and explanation, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of such books.
 - iii. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with this report are in agreement with the books of accounts as submitted to us;



KARMA ENERGY LIMITED

- iv. In our opinion, and to the best of our information the Balance Sheet and Statement of Profit & Loss comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
- v. On the basis of written representations received from the Directors as on 31.03.2011 and taken on record by Board of Directors we report that none of the Directors of the Company are disqualified as on March 31, 2012 from being appointed as a Director under section 274 (1) (g) of the Companies Act, 1956.
- vi. In our opinion, and to the best of our information and according to the explanations submitted to us, the said accounts and read together with the notes thereon gives information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 - a. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012 and
 - b. In the case of the Statement of Profit and Loss of the Profit of the Company for the year ended on that date.
 - c. In the case of Cash Flow statement, of the Cash Flows for the year ended on that date.

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

U.B.Sura

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

**PLACE: MUMBAI
DATED: 13.08.2012**



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of the Auditors' Report of even date to the Shareholders of **KARMA ENERGY LIMITED** on the accounts for the year ended on March 31, 2012)

- (i) (a) In our opinion the Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets, according to practice of the Company, are physically verified by the management at reasonable intervals in the phased verification program, which is in our opinion reasonable having regard to the size of the company and nature of its business. According to the information and explanations given to us no material discrepancies have been noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets so as to affect its going concern
- (ii) The company does not carry any inventories under the current assets and therefore provisions of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iii) (a) The Company has granted unsecured loans to one party, the amount involved during the year was Rs.0.94 Lakh and the year-end balance of loans granted to the party is Rs. NIL covered in the register maintained under section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
- (c) In our opinion the recovery of principal amounts and interest during the year have generally been regular as per the stipulations of such loans.
- (d) The company has taken loans from One party, the amount involved during the year was Rs.169.68 Lakh and the year-end balance of such loans taken from the party is Rs. NIL, covered in the register maintained under section 301 of the Act.
- (e) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
- (f) In our opinion the Company is regular in repayment of principal and payment of interest on the basis of stipulations of such loans.
- (g) There is no overdue amount of such loans taken from or granted to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

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KARMA ENERGY LIMITED

- (iv) In our opinion and according to the information and explanations given to us the internal control procedures commensurate with the size of the company and the nature of its business are generally adequate with regard to purchases of fixed assets and sale of power.
- (v) There are no transactions needed to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 therefore clause (v) is not applicable.
- (vi) The company has not accepted deposits from the public as envisaged in the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) The company has an in-house Internal Audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the Books of Accounts maintained by the company in respect of Wind Power generation pursuant to the Rules made by the Central Government for the maintenance of cost records U/s.209(1)(d) of the Companies Act, 1956. In our opinion the company has maintained the prescribed cost records in respect of the said activities; however we have not made detailed examination of the said record.
- (ix) (a) As per the records produced before us the company was regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, investors protection fund, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it. As at the last date of the financial year there were no arrears of such undisputed statutory dues outstanding for a period of more than six months from the date they become payable.
- (b) On the basis of the books and records, there were no disputed statutory dues which were payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty, service tax, cess were in arrears as on March 31, 2012.
- (x) The company does not have accumulated loss in excess of fifty percentage of its net worth at the end of the financial year. The company has made cash profit in the current financial year and in the immediate preceding financial year.



KARMA ENERGY LIMITED

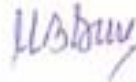
- (xi) Based on our Audit procedures and according to information and explanations given by the Management, the company has not defaulted in repayment of dues to financial institutions / banks.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xiv) The company is not dealing in shares and securities. However the company has made investments in the shares and the said shares are being held in the name of the company.
- (xv) The company has not given guarantees for loans taken by others from banks and financial institutions.
- (xvi) Based on the information and explanations provided to us, the term loans were applied for the purpose for which the said loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered under section 301 of the Act. Accordingly clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.



KARMA ENERGY LIMITED

- (xx) The company has not made any public issue of capital during the year under review. Accordingly clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR U. B. SURA & CO.,
CHARTERED ACCOUNTANTS
FR NO: 110620W**



**PLACE: MUMBAI
DATED: 13.08.2012**

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



Shyam C. Agarwal & Co

CHARTERED ACCOUNTANTS
3/910-L, NAVJIVAN SOCIETY,
LAMINGTON ROAD, MUMBAI-400 008
Tel. (Off) 23073538, (Res) 26844931, Fax. 26835099

To The Members of
Karma Energy Limited
Mumbai

1. We have audited the attached Balance Sheet of Karma Energy Limited as at March 31, 2012 and the Statement of Profit and Loss and also the Cash Flow statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India and as amended by notification dated 25th November 2004, in terms of Section 227 (4A) of the Companies Act, 1956 we set out in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above we report that:
 - i. We have obtained all the information and explanation, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of such books.
 - iii. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with this report are in agreement with the books of accounts as submitted to us;



Karma Energy Limited

- iv. In our opinion, and to the best of our information the Balance Sheet and Statement of Profit & Loss comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
- v. On the basis of written representations received from the Directors as on 31.03.2011 and taken on record by Board of Directors we report that none of the Directors of the Company are disqualified as on March 31, 2012 from being appointed as a Director under section 274 (1) (g) of the Companies Act, 1956.
- vi. In our opinion, and to the best of our information and according to the explanations submitted to us, the said accounts and read together with the notes thereon gives information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 - a. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012 and
 - b. In the case of the Statement of Profit and Loss of the Profit of the Company for the year ended on that date.
 - c. In the case of Cash Flow statement, of the Cash Flows for the year ended on that date.

For Shyam C. Agarwal & Co.,
Chartered Accountants
FRN 110243w



Place: Mumbai
Dated: 13.08.2012

Shyam C. Agarwal
Proprietor
Membership No: 31774



Annexure to the Auditors' Report

(Referred to in paragraph 3 of the Auditors' Report of even date to the Shareholders of Karma Energy Limited on the accounts for the year ended on March 31, 2012)

- (i) (a) In our opinion the Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets, according to practice of the Company, are physically verified by the management at reasonable intervals in the phased verification program, which is in our opinion reasonable having regard to the size of the company and nature of its business. According to the information and explanations given to us no material discrepancies have been noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets so as to affect its going concern
- (ii) The company does not carry any inventories under the current assets and therefore provisions of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iii) (a) The Company has granted unsecured loans to one party, the amount involved during the year was Rs.0.94 Lakh and the year-end balance of loans granted to the party is Rs. NIL covered in the register maintained under section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
- (c) In our opinion the recovery of principal amounts and interest during the year have generally been regular as per the stipulations of such loans.
- (d) The company has taken loans from One party, the amount involved during the year was Rs.169.68 Lakh and the year-end balance of such loans taken from the party is Rs. NIL, covered in the register maintained under section 301 of the Act.



Karma Energy Limited

- (e) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
- (f) In our opinion the Company is regular in repayment of principal and payment of interest on the basis of stipulations of such loans.
- (g) There is no overdue amount of such loans taken from or granted to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us the internal control procedures commensurate with the size of the company and the nature of its business are generally adequate with regard to purchases of fixed assets and sale of power.
- (v) There are no transactions needed to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 therefore clause (v) is not applicable.
- (vi) The company has not accepted deposits from the public as envisaged in the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) The company has an in-house Internal Audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the Books of Accounts maintained by the company in respect of Wind Power generation pursuant to the Rules made by the Central Government for the maintenance of cost records U/s.209(1)(d) of the Companies Act, 1956. In our opinion the company has maintained the prescribed cost records in respect of the said activities; however we have not made detailed examination of the said record.
- (ix) (a) As per the records produced before us the company was regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, investors protection fund, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it. As at the last date of the financial year there were no arrears of such undisputed statutory dues outstanding for a period of more than six months from the date they become payable.



Karma Energy Limited

- (b) On the basis of the books and records, there were no disputed statutory dues which were payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty, service tax, cess were in arrears as on March 31, 2012.
- (x) The company does not have accumulated loss in excess of fifty percentage of its net worth at the end of the financial year. The company has made cash profit in the current financial year and in the immediate preceding financial year.
- (xi) Based on our Audit procedures and according to information and explanations given by the Management, the company has not defaulted in repayment of dues to financial institutions / banks.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xiv) The company is not dealing in shares and securities. However the company has made investments in the shares and the said shares are being held in the name of the company.
- (xv) The company has not given guarantees for loans taken by others from banks and financial institutions.
- (xvi) Based on the information and explanations provided to us, the term loans were applied for the purpose for which the said loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.



Karma Energy Limited

- (xviii) The company has not made any preferential allotment of shares to parties and companies covered under section 301 of the Act. Accordingly clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xx) The company has not made any public issue of capital during the year under review. Accordingly clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Shyam C. Agarwal & Co.,
Chartered Accountants
FRN 110243w



Shyam C. Agarwal
Proprietor
Membership No: 31774

Place: Mumbai
Dated: 13.08.2012



Karma Energy Limited

Balance Sheet as at 31.03.2012

Rupees in Lakh

Particulars	Note No.	As At 31.03.2012	As At 31.03.2011
I EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1,156.44	1,156.44
Share Capital - Suspense	23.2	0.56	-
Reserves and Surplus	2	3,195.92	3,086.76
Money received against share warrants		-	-
		4,352.92	4,243.20
Share application money pending allotment			
		-	-
Non-Current Liabilities			
Long term borrowings	3	6,158.46	3,309.27
Deferred tax liabilities (Net)		2,312.33	2,312.71
Other Long term Liabilities		-	-
Long term Provisions	4	76.81	63.70
		8,547.60	5,685.68
Current Liabilities			
Short-term borrowings	5	341.45	1,627.88
Trade payables	6	124.56	93.12
Other current liabilities	7	1,158.53	1,880.78
Short-term provisions	8	268.85	105.45
		1,893.39	3,707.24
TOTAL		14,793.91	13,636.12
II ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets			
Tangible assets	9	7,527.06	7,759.94
Intangible assets		-	-
Capital work in-progress		5.98	2.17
Intangible assets under development		-	-
Fixed assets held for sale		-	-
Non-current investments	10	3,123.22	3,110.80
Deferred tax assets (net)		-	-
Long-term loans and advances	11	64.89	358.75
Other non-current assets	12	203.65	201.99
		10,924.80	11,433.65
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables	13	1,168.71	1,162.10
Cash and cash equivalents	14	175.16	47.06
Short-term loans and advances	15	2,144.73	970.48
Other current assets	16	380.51	22.84
		3,869.11	2,202.48
TOTAL		14,793.91	13,636.12

See accompanying notes to the financial statements

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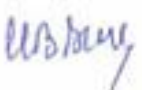
As per our report of even date attached

For and on Behalf of the Board


For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal & Co.
Chartered Accountants

D. G. Siraj
(Chairman)


U. B. Sura
Proprietor




Shyam C. Agarwal
Proprietor
Membership No. 31774
Firm Regn. No. 110243W



G. N. Kamath
(Managing Director)

T. V. Subramanian
(Head - Finance & Accounts)



Karma Energy Limited

Statement of Profit & Loss for the year ended 31.03.2012

Rupees in Lakh

Particulars	Note No.	Year Ended 31.03.2012	Year Ended 31.03.2011
I Revenue from Operations	17	2,535.63	1,536.81
II Other Income	18	447.15	224.56
III Total Revenue (I + II)		2,982.78	1,761.37
IV Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade		-	-
Changes in inventories		-	-
Operating & Maintenance Cost	19	485.71	292.95
Employee benefits expense	20	169.59	45.47
Finance costs	21	944.67	438.80
Depreciation and amortization expense	9	793.44	760.77
Other expenses	22	193.95	150.99
Total Expenses		2,587.36	1,688.98
V Profit / (Loss) before exceptional & extraordinary items and tax (III - IV)		395.42	72.39
VI Exceptional Items		-	-
VII Profit / (Loss) before extraordinary items and tax (V - VI)		395.42	72.39
VIII Extraordinary Items		-	-
IX Profit / (Loss) before tax (VII - VIII)		395.42	72.39
X Tax Expense			
(1) Current tax		175.00	27.00
(2) Deferred tax		(0.38)	(34.16)
(3) MAT Credit entitlement		(14.09)	-
XI Profit / (Loss) for the year from continuing operations (IX - X)		234.89	79.55
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)		234.89	79.55
XVI Earnings per equity share:			
1. Basic		2.03	0.69
2. Diluted		2.03	0.69

See accompanying notes to the financial statements

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As per our report of even date attached

For and on Behalf of the Board

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal & Co.
Chartered Accountants

D. G. Siraj
(Chairman)

U. B. Sura
Proprietor
Membership No. 32028
Firm Regn. No. 110620W
Mumbai, Dated : 13.08.2012



Shyam C. Agarwal
Proprietor
Membership No. 31774
Firm Regn. No. 110243W
Mumbai, Dated : 13.08.2012



G. N. Kamath
(Managing Director)

T. V. Subramanian
(Head - Finance &
Company Secretary)



Karma Energy Limited

Cash Flow Statement for the year ended 31.03.2012

Particulars	Rupees in Lakh		Rupees in Lakh	
	31.03.2012		31.03.2011	
Cash Flow from Operating Activities				
Net Profit / (Loss) before extraordinary items and tax		395.42		72.39
<i>Adjustments for:</i>				
Depreciation and Amortisation	793.44		760.77	
Miscellaneous Expenditure	0.01		0.10	
		793.45		760.87
Operating profit / (loss) before working capital changes		1,188.87		833.26
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets</i>				
Trade receivables	(12.23)		(1,021.12)	
Short-term loans and advances	(1,157.50)		(896.19)	
Long-term loans and advances	295.52		(358.75)	
Other current assets	(359.30)		(17.08)	
Other non-current assets	(1.86)		(201.99)	
Bank Deposits	142.45		(231.82)	
		(1,092.72)		(2,726.95)
		96.15		(1,893.69)
<i>Adjustments for increase / (decrease) in operating liabilities</i>				
Trade payables	31.43		93.12	
Other current liabilities	(722.82)		202.92	
Short-term provisions	2.83		11.25	
Long-term provisions	13.11		63.70	
		(675.44)		371.00
Cash generated from operations		(579.29)		(1,522.69)
Net Income Tax Paid / (Refund)		(17.06)		(12.58)
Net cash flow from / (used in) operating activities (A)		(596.35)		(1,535.27)
Investments in Fixed Assets				
Additions to Fixed Assets on De-merger	-		(140.90)	
Additions to Investments on De-merger	-		(338.59)	
Capital Expenditure on Fixed Assets	(560.57)		-	
Capital Work In Progress	(3.81)		(1.73)	
Purchase of long-term investments				
- Joint ventures	(10.00)		-	
- Others	0.94		-	
		(573.44)		(481.22)
Net cash flow from Investing activities (B)		(1,169.79)		(2,016.49)
Financing				
Dividend Paid	-		-	
Tax on Dividend	-		-	
Increase / (Decrease) in Long Term Borrowings	2,849.19		52.24	
Increase / (Decrease) in Short Term Borrowings	(1,348.99)		1,625.66	
Net cash flow from Financing activities (C)		1,500.20		1,677.90
Total (A + B + C)		330.41		(338.59)
Cash and Cash Equivalent at the Beginning of the year	(184.76)		0.46	
Add on Amalgamation / De-merger	5.72		153.36	
	(179.04)		153.82	
Cash and Cash Equivalent at the End of the year	84.16	263.21	(184.76)	(338.59)
(a) Cash on Hand	0.14		-	
(b) Cheques on hand	-		12.85	
(c) Balances with banks in current accounts	84.02		(197.61)	
	84.16		(184.76)	

As per our report of even date attached

For and on Behalf of the Board

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal & Co.
Chartered Accountants

D. G. Siraj
(Chairman)

U.B. Sura
U. B. Sura
Proprietor



Shyam C. Agarwal
Shyam C. Agarwal
Proprietor



G. N. Kamath
G. N. Kamath
(Managing Director)

Membership No. 32026
Firm Regn. No. 110620W

Membership No. 31774
Firm Regn. No. 110243W

T. V. Subramanian
T. V. Subramanian
(Head - Finance & Company Secretary)



Karma Energy Limited

Notes forming part of the Financial Statements

Rupees in Lakh

Particulars	As at 31.03.2012	As at 31.03.2011		
NOTE [1] - SHARE CAPITAL				
Authorised Share Capital				
1,80,00,000 Equity Shares of Rs. 10/- each (Prev. Year 1,50,00,000 Equity Shares of Rs. 10/- each)	1,800.00	1,500.00		
Issued, Subscribed & Paid-up Share Capital				
1,15,64,357 Equity Shares of Rs. 10/- each fully Paid-up (Prev. Year 1,15,64,357 Equity Shares of Rs. 10/- each)	1,156.44	1,156.44		
Total	1,156.44	1,156.44		
NOTE [1.1]				
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year Equity Shares At the beginning of the Year Issued during the Year Outstanding at the end of the Year	As at 31.03.2012	As at 31.03.2011		
	In Nos.	Rs. In Lakh	In Nos.	Rs. In Lakh
	11564357	1,156.44	50000	5.00
	-	-	11514357	1,151.44
	11564357	1,156.44	11564357	1,156.44
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. The dividend on equity shares proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. d. 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. e. 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. f. The company in FY 2010-11 had issued 11514357 Equity Shares of face value of Rs. 10/- each pursuant to composite scheme of arrangement u/s 391 to 394 of the Companies Act 1956, sanctioned by the Hon'ble High Court of Bombay on 29.10.2010, pursuant to which the power business undertaking of the de-merged Company Weizmann Ltd stood vested in the Company with effect from de-merger Appointed date 01.04.2010 and the Shares were issued in the proportion of 2 Equity Shares of face value of Rs. 10/- each of the Company for every 3 Equity Shares held by the shareholders in the de-merged Company Weizmann Ltd.				
NOTE [1.3]				
Details of shares held by each shareholder holding more than 5% Equity shares of Rs.10/- fully paid up Chetan D. Mehra Dharmendra Siraj Sitex India Private Limited Windia Infrastructure Finance Limited Purvaja Projects Limited	As at 31.03.2012	As at 31.03.2011		
	In Nos	Holding (%)	In Nos	Holding (%)
	1464010	12.66%	1464010	12.66%
	1112060	9.62%	1112060	9.62%
	1220859	10.56%	1220859	10.56%
	2180470	18.86%	2180470	18.86%
	840000	7.26%	840000	7.26%



Karma Energy Limited

Notes forming part of the Financial Statements

Rupees in Lakh

	As at 31.03.2012	As at 31.03.2011	
NOTE [2] - RESERVES & SURPLUS			
Capital Reserve			
Opening Balance	-	-	
Additions : On Amagamation (refer note no. 23.2)	9.45	-	
Closing Balance	9.45	-	
General Reserve			
Opening Balance	3,074.95		
Additions : On De-merger	-	3,074.95	
Closing Balance	3,074.95	3,074.95	
Surplus / (Deficit) in the Statement of Profit & Loss			
Opening Balance	11.81	(0.53)	
Additions / (Deletions) : On Amagamation (refer note no. 23.2)	(67.98)	-	
Add : Profit / (Loss) for the Year	234.89	79.55	
Allocations and appropriations			
Transfer to General Reserve	-	-	
Proposed Dividend	57.82	57.82	
Dividend Distribution Tax	9.38	9.38	
Closing Balance	111.52	11.81	
Total	3,195.92	3,086.76	
NOTE [3] - LONG TERM BORROWINGS			
Term Loans			
Secured			
From Banks	6,158.46	3,309.27	
Total	6,158.46	3,309.27	
NOTE [3.1] - Secured Term Loan from Banks			
Name	Tenor	31.03.2012	31.03.2011
State Bank of India	83 varied monthly installments Starting from June 2011	1,220.00	570.00
Axis Bank Ltd	85 varied monthly installments Starting from March 2011	1,200.92	1,359.63
Axis Bank Ltd	23 varied quarterly installments Starting from April 2012	2,520.00	-
Uco Bank	40 varied quarterly installments Starting from January 2005	1,212.29	1,379.64
The Saraswat Co-operative Bank Ltd	60 equal monthly installments Starting from June 2011	5.25	-
		6,158.46	3,309.27
<p>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</p> <p>2. Security against Term Loans from Axis Bank Ltd is charged on receivable from specific wind farm of 18.0 MW</p> <p>3. Security against Term Loan from Uco Bank is charged on receivable from specific wind farm of 7.0 MW</p> <p>4. Security against Term Loan from Saraswat Co-op Bank Ltd is charged on specific vehicle</p>			
NOTE [3.2]			
For the current maturities of long-term borrowings, refer item (a) in Note 7 of Other Current Liabilities.			



Karma Energy Limited

Notes forming part of the Financial Statements

Rupees in Lakh

	As at 31.03.2012	As at 31.03.2011
NOTE [4] - LONG TERM PROVISIONS		
Provision for Employee Benefits		
Leave encashment	30.38	24.27
Gratuity	46.42	39.43
Total	76.81	63.70
NOTE [5] - SHORT TERM BORROWINGS		
<u>Unsecured</u>		
(a) Loans Repayable on Demand From Corporates	341.36	1,627.88
(b) Loans and advances from Related Parties	0.09	-
Total	341.45	1,627.88
NOTE [6] TRADE PAYABLES		
Due to Micro,small and medium enterprises	-	-
Others	124.56	93.12
Total	124.56	93.12
NOTE [7] - OTHER CURRENT LIABILITIES		
(a) Current Maturities of Long Term Debt	979.59	654.40
(b) Interest accrued but not due	35.59	27.65
(c) Statutory Obligations	111.81	26.62
(d) Expenses Reimbursable	-	34.46
(e) Payable against Purchases of Fixed Assets	3.38	1,131.02
(f) Unpaid Dividend	1.61	-
(g) Others	26.54	6.63
Total	1,158.53	1,880.78
NOTE [7.1]		
1. Current maturities of long term debts included in current liabilities (Refer Note 3)		
2. Term Loan from IREDA included in current maturities of long term debts stands repaid		
NOTE [8] - SHORT TERM PROVISIONS		
<u>Provision : Employee Benefits</u>		
Leave Encashment	14.08	11.25
	14.08	11.25
<u>Provision : Others</u>		
Provisions For Taxation	187.57	27.00
Provisions For Dividend	57.82	57.82
Provisions For Dividend Tax	9.38	9.38
	254.77	94.20
Total	268.85	105.45



Karma Energy Limited

Notes forming part of the Financial Statements

NOTE [9] - FIXED ASSETS

Nature Of Asset	Rupees in Lakh											
	As at 01.04.2011	Additions on Merger / De- Merger	Additions During the Year	Deletion / Adj. During the Year	As at 31.03.2012	Upto 31.03.2011	Additions on Merger / De- Merger	For the Year	Withdra wals	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
TANGIBLE ASSETS												
Land												
(a) Free Hold	4.43	-	22.62	-	27.05	-	-	-	-	-	27.05	4.43
(b) Lease Hold	42.83	-	-	-	42.83	11.96	-	1.71	-	13.67	29.16	30.88
Plant & Machinery												
Own	14,513.32	-	528.28	-	15,041.60	6,788.69	-	790.99	-	7,579.68	7,461.92	7,724.63
Furniture & Fixtures												
	-	-	0.83	-	0.83	-	-	0.08	-	0.08	0.75	-
Vehicles												
	-	-	8.84	-	8.84	-	-	0.66	-	0.66	8.18	-
Schedule (1)	14,560.58	-	560.57	-	15,121.15	6,800.65	-	793.44	-	7,594.09	7,527.06	7,759.94
INTANGIBLE ASSETS												
Schedule (2)												
Total Assets	14,560.58	-	560.57	-	15,121.15	6,800.65	-	793.44	-	7,594.09	7,527.06	7,759.94
Previous Year	-	14,419.68	140.90	-	14,560.58	-	6,039.88	760.77	-	6,800.65	7,759.93	-



Karma Energy Limited

Notes forming part of the Financial Statements

Particulars	Rupees in Lakh	
	As at 31.03.2012	As at 31.03.2011
NOTE [10] - NON CURRENT INVESTMENTS, at cost		
Non Trade, Unquoted investments		
<u>In subsidiary company</u>		
Fully paid-up Equity Shares	<u>CY - Nos</u>	<u>PY - Nos</u>
Almi Hydro-Electric Projects Ltd	50000	50000
Baledh Energy Projects Ltd	50000	50000
Batot Hydro Power Ltd	6965500	6965500
Bramanvel Energy Ltd	50000	50000
Greenweiz Projects Ltd	273290	273290
Joiner Hydro Power Projects Ltd	50000	50000
Khandesh Energy Projects Ltd	50000	50000
		125.00 125.00
		525.00 525.00
		696.10 696.10
		785.80 785.80
		335.47 335.47
		155.00 155.00
		440.94 440.94
<u>In Joint Venture</u>		
Fully paid-up Equity Shares		
Weizmann Energy Ltd	574950	474950
		57.50 47.50
<u>In Associate</u>		
Fully paid-up Equity Shares		
Parmatma Power Projects Pvt Ltd	5000	Nil
		0.53 -
Non Trade, Quoted investments		
Fully paid-up Equity Shares		
Weizmann Forex Ltd	3440	Nil
Weizmann Ltd	5160	Nil
(Aggregate Market Value Rs.2.49 Lakh)		
		0.95 -
		0.73 -
Trade, Unquoted investments		
Fully paid-up Equity Shares		
The Saraswat Co-op Bank Ltd	2122	Nil
		0.21 -
Total		3,123.22 3,110.80
NOTE [11] - LONG TERM LOANS AND ADVANCES		
<u>Unsecured, considered good</u>		
Capital Advances		15.54 308.55
Deposits		49.35 50.20
Total		64.89 358.75
NOTE [12] - OTHER NON-CURRENT ASSETS		
<u>Unsecured, considered good</u>		
Interest accrued on trade receivables		201.99 201.99
Other Receivables		1.66 -
Total		203.65 201.99
NOTE [13] - TRADE RECEIVABLES		
<u>Unsecured, considered good</u>		
Receivables outstanding for a period exceeding six months from the date they are due for payment		132.01 6.56
Other debts		1,036.69 1,155.54
Total		1,168.71 1,162.10



Karma Energy Limited

Notes forming part of the Financial Statements

Rupees in Lakh

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE [14] - CASH AND BANK BALANCES		
<u>(A) Cash and Cash Equivalent</u>		
(a) Cash on hand	0.14	-
(b) Cheques on hand	-	12.85
(c) Balance with banks : In current accounts	84.02	(197.61)
Sub Total	84.16	(184.76)
<u>(B) Other Bank Balance</u>		
(a) Fixed Deposit with maturity more than 12 months	89.37	231.82
(b) Balance with banks In Unpaid Dividend accounts	1.63	-
Sub Total	91.00	231.82
Total	175.16	47.06
NOTE [15] - SHORT TERM LOANS AND ADVANCES		
<u>Unsecured, considered good</u>		
Loans and advances to related parties	2,077.45	906.39
Income Tax and Tax Deducted at Source	29.31	12.59
Advances Recoverable in cash or in kind	12.16	20.95
Prepaid Expenses	25.81	19.38
Other loans and advances	-	11.17
Total	2,144.73	970.48
NOTE [16] - OTHER CURRENT ASSETS		
<u>Unsecured, considered good</u>		
Expense Reimbursable	88.51	22.84
Other Receivables	292.00	-
Total	380.51	22.84



Karma Energy Limited

Notes forming part of the Financial Statements

Particulars	Rupees in Lakh	
	Year Ended 31.03.2012	Year Ended 31.03.2011
NOTE [17] - REVENUE FROM OPERATION		
Sales of Products	2,354.49	1,339.43
Other Operating Income	181.14	197.38
Total	2,535.63	1,536.81
NOTE [17.1]		
<u>Sales of Products comprises</u>		
Sale of Power	2,354.49	1,339.43
	2,354.49	1,339.43
NOTE [17.2]		
<u>Other Operating Income comprises</u>		
Sale of Entitlement from Wind Power	181.14	153.38
Lease Rent	-	44.00
	181.14	197.38
NOTE [18] - OTHER INCOME		
Interest	153.41	223.26
Dividend	0.12	-
Liquidated Damages	292.00	-
Others	1.62	1.30
Total	447.15	224.56
NOTE [19] - OPERATING & MAINTENANCE COST		
Energy / Open Access Charges	110.36	27.02
Operations & Maintenance	347.44	239.14
Others	27.91	26.79
Total	485.71	292.95
NOTE [20] - EMPLOYEE BENEFITS		
Salaries, Wages and Bonus	159.15	42.44
Contribution to Provident Funds and Other Funds	7.46	1.91
Staff Welfare Expenses	2.97	1.12
Total	169.59	45.47



Karma Energy Limited

Notes forming part of the Financial Statements

Rupees in Lakh

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
NOTE [21] - FINANCE COSTS		
(a) Interest Expense on		
Secured Loans	633.14	386.33
Unsecured Loans	255.86	31.38
Others	1.11	-
(b) Other Borrowing Cost	54.56	21.09
Total	944.67	438.80
NOTE [22] - OTHER EXPENSES		
Audit Fees	2.54	2.21
Conveyance & Travelling Expense	14.49	8.38
Electricity Expense	1.94	2.19
Insurance Charges	67.48	38.59
Legal & Professional Charges	38.88	39.90
Rent	25.50	26.11
Rates & Taxes	3.56	3.82
Repairs & Maintenance	3.29	2.53
Miscellaneous Expenses	36.27	27.27
Total	193.95	151.00
NOTE [22.1]		
Payments to the Auditors		
For Audit	2.54	2.21
For other Services	-	-
Total	2.54	2.21



Karma Energy Limited

NOTE [23]

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) Leased Assets

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

e) Depreciation :

The company depreciates its assets on straight line method at the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.

f) 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.

g) Investments:

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

h) 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.

i) 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.

j) Amortization of Miscellaneous Expenditure:

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

k) Impairment of Assets

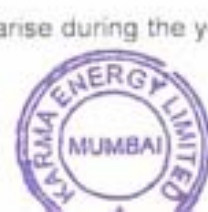
If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash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

l) 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

m) 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.



Karma Energy Limited

NOTE [23]

Notes forming part of the Financial Statements

n) Foreign Currency Transaction:

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

- 2) Pursuant to the scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956, sanctioned by The Honorable High Court of Bombay on 13.04.2012, the company Avirodh Financial Services Limited (Transferor Company) stands amalgamated with the company w.e.f. 01.04.2011. Accordingly, the Assets and Liabilities of the said Transferor Company stands vested in the Company and the transaction post 1st April,2011 have been incorporated in the accounts of the Company. Consequently, the figures for the year are not comparable with those of the previous year.

With respect to amalgamation of the Transferor company Avirodh Financial Services Limited, the Company proposes to issue and allot 5561 equity shares of Rs.10/- each computed in the ratio of 1 Equity shares of Rs.10/- each of the Company for every 18 equity shares of Rs.10/- each in the Transferor Company Avirodh Financial Services Limited held by the Equity shareholders of the Transferor company on the record date. The net increase in Paid up Capital after the proposed allotment as above is represented as "Share Capital Suspense" under Share Capital in the Accounts. The difference between the consideration to the shareholders of the Transferor Company and net assets of the Transferor Company acquired is represented as Capital Reserve on Amalgamation account at Rs.9.45 lakh as per the scheme approved by Honorable High Court of Bombay.

- 3) Contingent Liabilities: Rs Nil (Prev. Year - Rs. NIL)

- 4) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 15.54 lakh (Prev. Year - Rs.131.07 lakh)

- 5) Earnings in Foreign Exchange

Sale of Entitlement from Wind Power : Rs Nil (Prev. Year - Rs. 153.38 Lakh)

Expenditure in Foreign Exchange : Rs Nil (Prev. Year - Rs. NIL)

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

The company has covered its gratuity liabilities with Life Insurance Corporation of India w.e.f. 01.04.2011. On follow up with LIC for statement under AS 15, the company has been informed by them that as per their system though the company would be paying the premium annually on the Annual Renewal date as per their notice, the information as per AS 15 can be obtained from their system only after the fund subsists for minimum three years. Therefore, the disclosure required under AS 15 has not been given even though the liability has been provided for as per their Annual renewal notice.

- 7) 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.

- 8) Disclosure as per clause 32 of the Listing Agreement

a) Loans and Advances to Subsidiary Companies

Rupees in Lakh

Name of the subsidiary company	As at 31.03.2012	Maximum Balance O/s during the year
Almi Hydro Electric Projects Limited	56.78 (37.63)	56.78 (37.63)
Batot Hydro Power Limited	1,935.66 (760.59)	1,935.66 (760.59)
Joiner Hydro Power Projects Limited	46.59 (38.13)	46.59 (38.13)



Karma Energy Limited

NOTE [23]

Notes forming part of the Financial Statements

b) Loans and Advances to Associate Companies

Rupees in Lakh

Name of the associate company	As at 31.03.2012	Maximum Balance O/s during the year
Weizmann Energy Limited	3.90 (2.01)	7.51 (2.01)

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

Rupees in Lakh

Name of the company	As at 31.03.2012	Maximum Balance O/s during the year
Advitiya Power Ventures Private Limited	Nil (1.51)	2.26 (1.51)
Weizmann Limited	Nil (Nil)	Nil (37.23)
Windia Infrastructure Finance Limited	Nil (9.66)	9.66 (14.25)

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

Name of the company	Nos of shares held	
	31.03.2012	31.03.2011
Windia Infrastructure Finance Limited <i>In Subsidiary Company</i>	2180470	2180470
Windia Infrastructure Finance Limited (in Batot Hydro Power Ltd)	3034500	3034500
Windia Infrastructure Finance Limited (in Greenweiz Projects Ltd)	221500	221500

9) Deferred Tax

Rupees in Lakh

Particulars	31.03.2012	31.03.2011
Deferred Tax Liabilities		
Difference between Book and Tax Depreciation	2,366.40	2,396.17
Sub Total (a) ==>	2,366.40	2,396.17
Deferred Tax Assets		
Unabsorbed Depreciation	-	55.07
Brought Forward Business Loss	-	0.17
Others	54.07	28.22
Sub Total (b) ==>	54.07	83.46
Net Deferred Tax Liability (a - b)	2,312.33	2,312.71

10) Windmills had been given on operating lease for a tenure of 8 years and lease rentals are charged on the basis of agreed rate of interest - Lease Rental receivable as of 31.03.2012 is NIL as lease was to Avirodh Financial Services Ltd which has since been Amalgamated with the Company (refer note 23.2 above.)

Rupees in Lakh

Particulars	31.03.2012	31.03.2011
a) Receivable not later than one year	-	363.60
b) Receivable later than one year but not later than five years	-	1,452.24
c) Receivable later than five years	-	726.12



Karma Energy Limited

NOTE [23]

Notes forming part of the Financial Statements

	31.03.2012	31.03.2011
11) Earnings per Share		
A. Net Profit / (Loss) After Tax (Rs. in Lakh)	234.89	79.55
B. Weighted Average Number of Equity Shares	11569918	11564357
C. Nominal Value per Ordinary Shares	10.00	10.00
D. Basic & Diluted Earning Per Share	2.03	0.69

12) Related Party Disclosure for the year ended 31.03.2012

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

A Related Party and their Relationship

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

31.03.2012

Nature of Transaction	Subsidiaries	Associate	Key Management Personnel	Total
INCOME / RECIEPTS				
<u>Interest</u>	138.03 (3.16)	0.44 (0.01)	-	138.47 (3.17)
Almi Hydro Electric Projects Limited	4.45 (0.14)	-	-	4.45 (0.14)
Batot Hydro Power Limited	129.35 (2.88)	-	-	129.35 (2.88)
Joiner Hydro Power Projects Limited	4.23 (0.14)	-	-	4.23 (0.14)
Weizmann Energy Limited	-	0.44 (0.01)	-	0.44 (0.01)
EXPENDITURE / PAYMENTS				
<u>Interest</u>	0.10	-	-	0.10
Greenweiz Projects Limited	0.10	-	-	0.10
<u>Operation & Maintenance Expenses</u>	1,122.45 (64.36)	-	-	1,122.45 (64.36)
Greenweiz Projects Limited	1,122.45 (64.36)	-	-	1,122.45 (64.36)
<u>Remuneration</u>	-	-	18.64	18.64
G. N. Kamath	-	-	(5.86)	(5.86)
	-	-	18.64	18.64
	-	-	(5.86)	(5.86)



Karma Energy Limited

NOTE [23]

Notes forming part of the Financial Statements

Nature of Transaction	Subsidiaries	Associate	Key Manag- -ement Personnel	Total
FINANCE				
<u>Loans Given</u>	2,959.68	9.40	-	2,969.08
	(836.35)	(2.01)	-	(838.36)
Almi Hydro Electric Projects Limited	19.15	-	-	19.15
	(37.63)	-	-	(37.63)
Batot Hydro Power Limited	2,932.07	-	-	2,932.07
	(760.59)	-	-	(760.59)
Joiner Hydro Power Projects Limited	8.46	-	-	8.46
	(38.13)	-	-	(38.13)
Weizmann Energy Limited	-	9.40	-	9.40
	-	(2.01)	-	(2.01)
<u>Subscription to Equity</u>	-	10.00	-	10.00
	-	(45.00)	-	(45.00)
Weizmann Energy Limited	-	10.00	-	10.00
	-	(45.00)	-	(45.00)
<u>Purchase of Fixed Assets</u>	103.81	-	-	103.81
	-	-	-	-
Greenweiz Projects Limited	103.81	-	-	103.81
	-	-	-	-
<u>Advances Given</u>	-	-	-	-
	(78.00)	-	-	(78.00)
Greenweiz Projects Limited	-	-	-	-
	(78.00)	-	-	(78.00)
OUTSTANDINGS				
<u>Other Current Assets</u>	49.11	-	-	49.11
	(22.30)	-	-	(22.30)
Almi Hydro Electric Projects Limited	3.75	-	-	3.75
	(2.05)	-	-	(2.05)
Baledh Energy Projects Limited	0.59	-	-	0.59
	(0.18)	-	-	(0.18)
Batot Hydro Power Limited	27.02	-	-	27.02
	(13.45)	-	-	(13.45)
Brahmanvel Energy Limited	9.87	-	-	9.87
	(3.42)	-	-	(3.42)
Joiner Hydro Power Projects Limited	3.75	-	-	3.75
	(2.05)	-	-	(2.05)
Khandesh Energy Projects Limited	3.69	-	-	3.69
	(1.15)	-	-	(1.15)
Vajharpada Energy Limited	0.44	-	-	0.44
	-	-	-	0.00



Karma Energy Limited

NOTE [23]

Notes forming part of the Financial Statements

Nature of Transaction	Subsidiaries	Associate	Key Management Personnel	Total
<u>Creditors</u>	35.98	-	-	35.98
	(1.38)	-	-	(1.38)
Greenweiz Projects Limited	35.98	-	-	35.98
	(1.38)	-	-	(1.38)
<u>Loans & Advances</u>	2,073.55	3.90	-	2,077.45
	(904.38)	(2.01)	-	(906.39)
Almi Hydro Electric Projects Limited	56.78	-	-	56.78
	(37.63)	-	-	(37.63)
Batot Hydro Power Limited	1,935.66	-	-	1,935.66
	(760.59)	-	-	(760.59)
Joiner Hydro Power Projects Limited	46.59	-	-	46.59
	(38.13)	-	-	(38.13)
Weizmann Energy Limited	-	3.90	-	3.90
	-	(2.01)	-	(2.01)
Greenweiz Projects Limited	34.52	-	-	34.52
	(68.03)	-	-	(68.03)

13) Joint Venture Disclosure

Jointly Controlled entity by the Company.

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

Interests in Assets, Liabilities, Income & Expenses with respect to Jointly Controlled Entity 31.03.2012

Particulars	31.03.2012	31.03.2011
ASSETS		
Fixed Assets	55.78	46.01
Investments	-	-
Current Assets, Loans & Advances	1.87	1.72
Sundry Debtors	-	-
Cash and Bank Balances	1.01	1.67
Loans and Advances	0.86	0.05
Miscellaneous Expenditure	-	-
LIABILITIES		
Loan Funds	2.18	2.19
Long Term Borrowings	-	-
Short Term Borrowings	2.18	2.19
Current Liabilities and Provisions	0.36	0.13
Trade Payable	0.27	-
Other Current Liabilities	0.09	-
Provisions	-	0.13
Deferred Tax	-	-
INCOME		
Sales and Operating Income	-	-
Other Income	-	-
EXPENSES		
Operating Expenses	-	0.98
Finance Charges	-	-
Depreciation	0.17	0.20
Other Expenses	0.12	0.01
Preliminary Expenses written off	-	-
Provision for Taxation	-	-



Karma Energy Limited

NOTE [23]

Notes forming part of the Financial Statements

- 14) 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.
- 15) **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.
- 16) Previous year figures have been regrouped and / or reclassified wherever necessary to correspond with current year's classification / disclosure in consonance with the revised schedule VI of the Companies Act, 1956.

Signatures to the Notes 1 to 23 forming part of the **Balance Sheet** as at 31.03.2012 and the **Profit & Loss Account** for the year ended 31.03.2012

As per our report of even date attached

For and on behalf of the Board

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal & Co.
Chartered Accountants

D. G. Siraj
(Chairman)



G. N. Kamath
(Managing Director)

U. B. Sura
Proprietor
Membership No. 32026
Firm Regn. No. 110620W
Mumbai, Dated : 13.08.2012

Shyam C. Agarwal
Proprietor
Membership No. 31774
Firm Regn. No. 110243W
Mumbai, Dated : 13.08.2012

T. V. Subramanian
(Head - Finance &
Company Secretary)



Karma Energy Limited

(Formerly Karma Wind Power Limited)

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

Particulars	(Rs. in Lakh)											
	Almi Hydro Electric Projects Ltd	Baledh Energy Projects Ltd	Batot Hydro Power Ltd	Brahmanvel Energy Ltd	Joiner Hydro Power Projects Ltd	Khandesh Energy Projects Ltd	Greenweiz Projects Ltd	Vajharpada Energy Ltd	01.04.2010	31.03.2012	01.04.2010	31.03.2012
w.e.f. =>	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010
The Financial Year of the Subsidiary Company	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
Number of Shares in the Subsidiary Company held at the above date	50000	50000	6965500	50000	50000	50000	273290	27605				
Extent of Holding	100.00%	100.00%	69.66%	100.00%	100.00%	100.00%	55.21%	55.21%				
The net aggregate of Profits/(Losses) of the Subsidiary Companies for its financial year so far as they are concern to the members of Karma Energy Ltd dealt with in the accounts of Karma Energy Ltd for the year ended 31.03.2012.	NIL	NIL	NIL	NIL	NIL	NIL	(0.26)	(0.53)				
(a) Dealt with in the accounts of Karma Energy Ltd for the year ended 31.03.2012	(0.31)	(0.76)	(7.62)	(1.17)	(1.15)	(22.60)						
(b) Not dealt with in the accounts of Karma Energy Ltd for the year ended 31.03.2012	NIL	NIL	NIL	NIL	NIL	NIL						
The net aggregate of Profits/(Losses) of the Subsidiary Companies for its previous financial year so far as they are concern to the members of Karma Energy Ltd	NIL	NIL	NIL	NIL	NIL	NIL						
(a) Dealt with in the accounts of Karma Energy Ltd upto the year ended 31.03.2011	NIL	NIL	NIL	NIL	NIL	NIL						
(b) Not dealt with in the accounts of Karma Energy Ltd upto the year ended 31.03.2011	NIL	NIL	NIL	NIL	NIL	NIL						



Karma Energy Limited

Financial Particulars of Subsidiary Companies for Financial Year 2011-2012 requiring disclosure as per terms of exemption from attachment of Annual Accounts of the Subsidiaries granted by the Ministry of Corporate Affairs as per their circular

(Rs. in Lakh)

Particulars	Paid-up Share Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
Almi Hydro Electric Projects Ltd	5.00	-	69.10	69.10	-	0.22	(0.31)	-	(0.31)	-
Balech Energy Projects Ltd	5.00	-	50.16	50.16	-	-	(0.76)	-	(0.76)	-
Batot Hydro Power Ltd	1,000.00	-	4,456.27	4,456.27	-	0.06	(7.62)	-	(7.62)	-
Brahmanvel Energy Ltd	5.00	6.73	108.10	108.10	-	-	(1.17)	-	(1.17)	-
Joiner Hydro Power Projects Ltd	5.00	-	61.47	61.47	-	0.23	(0.26)	-	(0.26)	-
Khandesh Energy Projects Ltd	5.00	4.76	58.16	58.16	-	-	(1.16)	-	(1.16)	-
Greenweiz Projects Ltd	495.00	246.93	846.74	846.74	497.11	281.79	32.47	14.08	18.39	-
Vajnarpada Energy Ltd	5.00	-	14.29	14.29	-	-	(0.53)	-	(0.53)	-



U.B SURA & CO

CHARTERED ACCOUNTANTS
14, KRISHNA KUNJ, 144/45, M. G. ROAD
GHATKOPAR (EAST), MUMBAI-400 077
Tel. 21022735, 21022095

Auditor's Report on the Consolidated Financial Statements

To
The Board of Directors of
Karma Energy Limited

1. We have audited the attached 'Consolidated Balance Sheet' of Karma Energy Limited, its subsidiaries and Joint Venture as at 31st March 2012, the 'Consolidated Statement of Profit and Loss' and also the 'Consolidated Cash Flow statement' for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We have relied on the financial statements of certain subsidiaries and joint venture whose financial statement reflect total net assets of Rs. 187.31 Lakh as at March 31, 2012, total revenue of Rs. 0.45 Lakh for the year ended March 31, 2012, which have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.



KARMA ENERGY LIMITED

4. We report that the consolidated financial statements have been prepared by Karma Energy Limited in accordance with the requirements of Accounting Standard AS 21 - consolidated Financial Statements, Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements AS-27 – Financial Reporting of interests in Joint Ventures, issued under the Companies (Accounting Standards) Rules 2006.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us the attached consolidated financial statements give a true and fair view: in conformity with the accounting principals generally accepted in India:
 - a. In the case of the Consolidated Balance Sheet of the Consolidated state of affairs of the Karma Energy Limited Group as at 31st March 2012.

 - b. In the case of the Consolidated Statement of Profit and Loss of the Consolidated results of the Karma Energy Limited Group of the operations for the year ended on that date.

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

U.B.Sura

**PLACE: MUMBAI
DATED: 13.08.2012**

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



Shyam C. Agarwal & Co

CHARTERED ACCOUNTANTS
3910-L, NAVJIVAN SOCIETY,
LAMINGTON ROAD, MUMBAI-400 008
Tel. (Off) 23073538, (Res) 26844931, Fax. 26835699

Auditor's Report on the Consolidated Financial Statements

To
The Board of Directors of
Karma Energy Limited
Mumbai

1. We have audited the attached 'Consolidated Balance Sheet' of Karma Energy Limited, its subsidiaries and Joint Venture as at 31st March 2012, the 'Consolidated Statement of Profit and Loss' and also the 'Consolidated Cash Flow statement' for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We have relied on the financial statements of certain subsidiaries and joint venture whose financial statement reflect total net assets of Rs.187.31 Lakh as at March 31, 2012, total revenue of Rs.0.45 Lakh for the year ended March 31, 2012, which have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.



Karma Energy Limited

4. We report that the consolidated financial statements have been prepared by Karma Energy Limited in accordance with the requirements of Accounting Standard AS 21 - consolidated Financial Statements, Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements AS-27 - Financial Reporting of interests in Joint Ventures, issued under the Companies (Accounting Standards) Rules 2006.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us the attached consolidated financial statements give a true and fair view: in conformity with the accounting principals generally accepted in India:
 - a. In the case of the Consolidated Balance Sheet of the Consolidated state of affairs of the Karma Energy Limited Group as at 31st March 2012.

 - b. In the case of the Consolidated Statement of Profit and Loss of the Consolidated results of the Karma Energy Limited Group of the operations for the year ended on that date.

For Shyam C. Agarwal & Co.,
Chartered Accountants
FRN 110243w



Shyam C. Agarwal
Proprietor
Membership No: 31774

Place: Mumbai
Dated: 13.08.2012



Karma Energy Limited

Consolidated Balance Sheet as at 31.03.2012

Rs in Lakh

Particulars	Note No.	Amount 31.03.2012	Amount 31.03.2011
I EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1,156.44	1,156.44
Share Capital - Suspense	25.2	0.56	-
Reserves and Surplus	2	3,049.81	3,138.61
Money received against share warrants		-	-
		4,206.81	4,295.05
Share application money pending allotment		-	-
Minority Interest		623.68	617.98
Non-Current Liabilities			
Long Term Borrowings	3	7,101.86	4,415.95
Deferred Tax Liabilities (Net)		2,302.63	2,311.17
Other Long Term Liabilities		-	-
Long Term Provisions	4	76.98	67.20
		9,481.47	6,794.33
Current Liabilities			
Short Term Borrowings	5	797.80	2,012.16
Trade Payables	6	100.99	1,182.25
Other Current Liabilities	7	1,520.22	1,366.69
Short Term Provisions	8	292.38	113.78
		2,711.39	4,674.88
TOTAL		17,023.34	16,382.24
II ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets	9	7,616.42	7,946.84
Intangible Assets		2,191.68	2,191.68
Capital Work-in-Progress		4,337.36	3,614.47
Intangible Assets under Development		-	-
Fixed Assets held for Sale		-	-
Non Current Investments	10	320.42	318.11
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	11	81.46	127.10
Other Non-Current Assets	12	203.65	201.99
		14,751.00	14,400.19
Current assets			
Current Investments		-	-
Inventories	13	317.22	322.29
Trade Receivables	14	1,198.07	1,254.53
Cash and Cash Equivalents	15	199.33	70.27
Short Term Loans and Advances	16	226.50	334.42
Other Current Assets	17	331.23	0.54
		2,272.35	1,982.05
TOTAL		17,023.34	16,382.24

See accompanying notes to the financial statements

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As per our report of even date attached

For and on Behalf of the Board

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal & Co.
Chartered Accountants

D. G. Siraj
(Chairman)

U. B. Sura
Proprietor



Membership No. 32026
Firm Regn. No. 110620W

Shyam C. Agarwal
Proprietor



Membership No. 31774
Firm Regn. No. 110243W

G. N. Kamath
(Managing Director)

T. V. Subramanian
(Head - Finance & Company Secretary)



Karma Energy Limited

Consolidated Statement of Profit & Loss for the year ended 31.03.2012

Rs in Lakh

Particulars	Note No.	Amount 31.03.2012	Amount 31.03.2011
I Revenue from Operations	18	2,689.35	1,714.33
II Other Income	19	312.53	226.78
III Total Revenue (I + II)		3,001.88	1,941.11
IV Expenses			
Cost of Materials Consumed		-	-
Purchases of Stock-in-Trade	20	58.58	35.28
Changes in Inventories		(19.54)	(30.96)
Operating & Maintenance Cost	21	455.41	270.46
Employee Benefits Expense	22	283.11	162.76
Finance Costs	23	958.46	437.53
Depreciation and Amortization Expense	9	800.88	781.27
Other Expenses	24	247.65	234.64
Total Expenses		2,784.56	1,890.98
V Profit/(Loss) before Exceptional & Extraordinary Items & Tax (III-IV)		217.32	50.13
VI Exceptional Items		-	-
VII Profit/(Loss) before Extraordinary Items and Tax (V - VI)		217.32	50.13
VIII Extraordinary Items		-	-
IX Profit/(Loss) Before Tax (VII - VIII)		217.32	50.13
X Tax Expense			
(1) Current Tax		197.24	32.97
(2) Deferred Tax		(8.54)	(34.40)
(3) MAT Credit entitlement		(14.09)	-
XI Profit/(Loss) for the year from Continuing Operations (IX - X)		42.72	51.56
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		42.72	51.56
Minority Interest		5.69	(6.66)
Share in Associates		(0.10)	-
Profit/(Loss) for the year		36.93	58.22
Earnings per Equity Share:			
1. Basic		0.37	0.45
2. Diluted		0.37	0.45

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. Agarwal & Co.
Chartered Accountants

D. G. Siraj
(Chairman)

U.B. Sura

U. B. Sura
Proprietor
Membership No. 32026
Firm Regn. No. 110620W
Mumbai, Dated : 13.08.2012

Shyam C. Agarwal
Proprietor
Membership No. 31774
Firm Regn. No. 110243W
Mumbai, Dated : 13.08.2012

G. N. Kamath
(Managing Director)

T. V. Subramanian
(Head - Finance &
Company Secretary)



Karma Energy Limited

Consolidated Cash Flow Statement for the year ended 31.03.2012

	Rs in Lakh	
	Year Ended	
	31.03.2012	
Cash Flow from Operating Activities		
Net Profit / (Loss) before extraordinary items and tax		217.32
<i>Adjustments for:</i>		
Depreciation and Amortisation	800.88	800.88
Operating profit / (loss) before working capital changes		1,018.20
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	5.07	
Trade receivables	95.03	
Short-term loans and advances	124.08	
Long-term loans and advances	47.30	
Other current assets	(330.69)	
Other non-current assets	(1.66)	
Bank Deposits	141.97	
		81.09
		1,099.30
<i>Adjustments for increase / (decrease) in operating liabilities</i>		
Trade payables	(1,125.45)	
Other current liabilities	152.97	
Short-term provisions	1.76	
Long-term provisions	9.78	
		(960.94)
Cash generated from operations		138.36
Net Income Tax Paid / (Refund)		(22.44)
Net cash flow from / (used in) operating activities (A)		115.92
Investments in Fixed Assets		
Capital Expenditure on Fixed Assets	(512.34)	
Capital Work In Progress	(722.89)	
Sale of Fixed Assets	41.86	
Purchase of long-term investments		
- Associate	(0.42)	
- Others	(0.21)	
Net cash flow from Investing activities (B)		(1,194.00)
		(1,078.08)
Financing		
Dividend Paid		
Tax on Dividend	(9.38)	
Increase / (Decrease) in Long Term Borrowings	2,685.90	
Increase / (Decrease) in Short Term Borrowings	(1,276.94)	
Net cash flow from Financing activities (C)		1,399.58
Total (A + B + C)		321.50
Cash and Cash Equivalent at the Beginning of the year	(167.95)	
Add on Amalgamation	5.72	
	(162.23)	
Cash and Cash Equivalent at the End of the year	101.45	263.68
(a) Cash on Hand	2.59	
(b) Balances with banks		
in current accounts	98.86	

As per our report of even date attached

For and on Behalf of the Board

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal & Co.
Chartered Accountants

D. G. Siraj
(Chairman)

U. B. Sura
Proprietor



Membership No. 32026
Firm Regn. No. 110620W
Mumbai, Dated : 13.08.2012

Shyam C. Agarwal
Proprietor
Membership No. 31774
Firm Regn. No. 110243W
Mumbai, Dated : 13.08.2012



G. N. Kamath
(Managing Director)

T. V. Subramanian
(Head - Finance &
Company Secretary)



Karma Energy Limited

Notes forming part of the Consolidated Financial Statements

Rs in Lakh

Particulars	Amount			
	31.03.2012	31.03.2011		
NOTE [1] - SHARE CAPITAL				
Authorised Share Capital				
1,80,00,000 Equity Shares of Rs.10/-each (Prev Year 1,50,00,000 Equity Shares of Rs.10/- each)	1,800.00	1,500.00		
Issued, Subscribed & Paid-up Share Capital				
1,15,64,357 Equity Shares of Rs.10/- each fully Paid-up (Prev Year 1,15,64,357 Equity Shares of Rs.10/- each)	1,156.44	1,156.44		
Total	1,156.44	1,156.44		
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 31.03.2012		As at 31.03.2011	
	In Nos.	Rs. in Lac	In Nos.	Rs. in Lac
Equity Shares				
At the beginning of the Year	11564357	1,156.44	50000	5.00
Issued during the Year	-	-	11514357	1,151.44
Outstanding at the end of the Year	11564357	1,156.44	11564357	1,156.44
NOTE [1.2]				
Terms / Rights attached to Equity Shares				
<p>a. The Company has only one class of equity shares having a par value of Rs. 10/- per Share.</p> <p>b. Each holder of equity shares is entitled to one vote per share.</p> <p>c. The dividend on equity shares proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.</p> <p>d. 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.</p> <p>e. 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.</p> <p>f. The company in FY 2010-11 had issued 11514357 Equity Shares of face value of Rs.10/- each pursuant to composite scheme of arrangement u/s 391 to 394 of the Companies Act 1956, sanctioned by the Hon'ble High Court of Bombay on 29.10.2010, pursuant to which the power business undertaking of the de-merged Company Weizmann Ltd stood vested in the Company with effect from de-merger appointed date 01.04.2010 and the Shares were issued in the proportion of 2 Equity Shares of face value of Rs.10/- each of the Company for every 3 Equity Shares held by the shareholders in the de-merged Company Weizmann Ltd.</p>				
NOTE [1.3]				
Details of shares held by each shareholder holding more than 5% shares:				
Equity shares of Rs.10/- fully paid up				
Chetan D. Mehra	1464010	12.66%	1464010	12.66%
Dharmendra Siraj	1112060	9.62%	1112060	9.62%
Sitex India Private Limited	1220859	10.56%	1220859	10.56%
Windia Infrastructure Finance Limited	2180470	18.86%	2180470	18.86%
Purvaja Projects Limited	840000	7.26%	840000	7.26%



Karma Energy Limited

Notes forming part of the Consolidated Financial Statements

Rs in Lakh

Particulars	Rs in Lakh		
	Amount 31.03.2012	Amount 31.03.2011	
NOTE [2] - RESERVES & SURPLUS			
Capital Reserve			
Opening Balance	67.51	-	
Additions : On Amagamation (refer note "24.2")	9.45	67.51	
Closing Balance	76.96	67.51	
General Reserve			
Opening Balance	3,074.95	-	
Additions : On De-merger	-	3,074.95	
Closing Balance	3,074.95	3,074.95	
Surplus / (Deficit) in the Statement of Profit & Loss			
Opening Balance	(3.85)	5.13	
Additions : On Amagamation (refer note "24.2")	(67.98)	-	
Add : Profit / (Loss) for the Year	37.21	60.32	
Group's share in Joint Ventures	(0.29)	(2.10)	
Allocations and appropriations			
Transfer to General Reserve	57.82	57.82	
Proposed Dividend	9.38	9.38	
Dividend Distribuion Tax			
Closing Balance	(102.10)	(3.85)	
Total	3,049.81	3,138.61	
NOTE [3] - LONG TERM BORROWINGS			
Term Loans			
Secured			
From Banks	7,101.86	4,415.95	
Total	7,101.86	4,415.95	
NOTE [3.1] - Secured Term Loan from Banks			
Name	Tenor	31.03.2012	31.03.2011
State Bank of India	83 varied monthly installments Starting from June 2011	1,220.00	570.00
Axis Bank Ltd	85 varied monthly installments Starting from March 2011	1,200.92	1,359.63
Axis Bank Ltd	23 varied quarterly installments Starting from April 2012	2,520.00	-
Uco Bank	40 varied quarterly installments Starting from January 2005	1,212.29	1,379.64
The Saraswat Co-operative Bank Ltd	60 equal monthly installments Starting from June 2011	5.25	-
State Bank of Patiala	32 equal quarterly installments Starting from June 2010	936.00	1,093.64
The Saraswat Co-operative Bank Ltd	60 equal quarterly installments Starting from December 2009	5.33	8.15
The Saraswat Co-operative Bank Ltd	60 equal quarterly installments Starting from December 2009	0.90	0.74
The Saraswat Co-operative Bank Ltd	60 equal quarterly installments Starting from July 2008	1.17	4.15
Total ==>		7,101.86	4,415.95



Karma Energy Limited

Notes forming part of the Consolidated Financial Statements

Rs in Lakh

Particulars	Amount	
	31.03.2012	31.03.2011
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 9.0 MW.		
3. Security against Term Loans from Axis Bank Ltd is charge on receivable from specific wind farm of 9.0 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 State Bank of Patiala is charge on specific hydro power project of 3.5 MW and guaranteed by Weizmann Ltd		
NOTE [3.2] For the Current Maturities of Long Term Borrowings, refer item (a) in Note 7 of Other Current Liabilities.		
	Amount	Amount
	31.03.2012	31.03.2011
NOTE [4] - LONG TERM PROVISIONS		
Provision for Employee Benefits		
Leave Encashment	30.56	29.81
Gratuity	46.42	37.39
Total	76.98	67.20
NOTE [5] - SHORT TERM BORROWINGS		
Unsecured		
(a) Loans Payable on Demand		
From Corporates	540.69	1,778.61
Group's share in Joint Venture	0.22	1.19
(b) Loans and Advances from Related Parties	256.88	232.36
Group's share in Joint Venture	-	-
Total	797.80	2,012.16
NOTE [6] TRADE PAYABLES		
Due to Micro, Small and Medium Enterprises	-	-
Others	100.72	1,182.14
Group's share in Joint Venture	0.27	0.11
Total	100.99	1,182.25
NOTE [7] - OTHER CURRENT LIABILITIES		
(a) Current Maturities of Long Term Debt	1,176.91	929.79
(b) Interest Accrued but not due	35.73	42.83
(c) Statutory Obligations	132.96	32.38
(d) Advances from Customers	11.55	5.86
(e) Expenses Reimbursable	9.86	150.38
(f) Payable against Purchases of Fixed Asset	130.05	183.12
(g) Unpaid Dividend	1.61	-
(h) Others	21.45	22.33
Group's share in Joint Venture	0.09	0.02
Total	1,520.22	1,366.69



Karma Energy Limited

Notes forming part of the Consolidated Financial Statements

Rs in Lakh

Particulars	Amount	
	31.03.2012	31.03.2011
NOTE [7.1]		
1. Current Maturities of Long Term Debts included in Current Liabilities (Refer Note 3).		
2. Term Loan from IREDA included in Current Maturities of Long Term Debts stands repaid.		
	Amount	Amount
	31.03.2012	31.03.2011
NOTE [8] - SHORT TERM PROVISIONS		
Provision : Employee Benefits		
Leave Encashment	15.37	13.61
	15.37	13.61
Provision : Others		
Provisions For Taxation	209.81	32.97
Provisions For Dividend	57.82	57.82
Provisions For Dividend Tax	9.38	9.38
	277.01	100.17
Total	292.38	113.78



Karma Energy Limited

Notes forming part of the Consolidated Financial Statements

NOTE [9] - FIXED ASSET

Rs in Lakh

Nature Of Asset	Depreciation										Net Block	
	As at 01.04.2011	Additions on Merger / De- Merger	Additions During the Year	Deletion / Adj. During the Year	As at 31.03.2012	Upto 31.03.2011	Additions on Merger / De- Merger	For the Year	Withdra wals	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
TANGIBLE ASSETS												
Land												
(a) Free Hold	85.83	-	28.57	-	114.41	-	-	-	-	-	114.41	85.83
(b) Lease Hold	67.25	-	-	-	67.25	11.96	1.71	-	-	13.67	53.58	55.29
Plant & Machinery												
(a) Own	14,724.58	-	473.46	171.06	15,026.98	6,947.79	-	791.48	129.20	7,610.07	7,416.91	7,776.79
(b) Lease	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment												
	1.78	-	-	-	1.78	0.96	0.07	-	-	1.02	0.76	0.82
Computers												
	2.92	-	0.64	0.25	3.30	2.15	0.33	0.24	-	2.25	1.05	0.77
Furniture & Fixtures												
	3.24	-	0.83	-	4.07	2.10	0.17	-	-	2.27	1.80	1.14
Vehicles												
	48.58	-	8.84	-	57.42	22.39	7.12	-	-	29.51	27.91	26.19
Schedule (1)	14,934.18	-	512.34	171.31	15,275.21	6,987.34	800.88	129.44	7,658.79	7,616.42	7,946.84	
INTANGIBLE ASSETS												
Goodwill	-	-	-	-	-	-	-	-	-	-	2,191.68	2,191.68
Schedule (2)											2,191.68	2,191.68
Total Assets	14,934.18	-	512.34	171.31	15,275.21	6,987.34	800.88	129.44	7,658.79	9,808.10	10,138.52	
Groups Interest in JV	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	371.85	14,419.68	141.02	0.02	14,932.53	166.00	6,039.88	0.02	6,986.93	7,945.60		



Karma Energy Limited

Notes forming part of the Consolidated Financial Statements

Rs in Lakh

Particulars	Amount 31.03.2012	Amount 31.03.2011
NOTE [10] - NON CURRENT INVESTMENTS, at cost		
Non-Trade, Unquoted investments		
In Associate	250.38	249.96
Others	67.90	67.90
Non Trade, Quoted investments		
Others	1.68	-
Trade, Unquoted investments		
Others	0.46	0.25
Total	320.42	318.11
NOTE [11] - LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	16.51	66.80
Deposits	64.95	60.30
Total	81.46	127.10
NOTE [12] - OTHER NON-CURRENT ASSETS		
Unsecured, considered good		
Interest accrued on trade receivables	201.99	201.99
Other Receivables	1.66	-
Miscellaneous Expenditure	-	0.12
Less : Written off during the year	-	(0.12)
Total	203.65	201.99
NOTE [13] - INVENTORIES		
(At lower of cost and net realisable value)		
(As taken, valued and certified by the management)		
Equity Shares		
Contract Work in Progress		
Wind Farm Development	126.95	105.31
Stores & Spares		
Stock-in-Trade, Loose Tools, Stores & Spares	190.26	216.97
Securities [Unquoted]		
Avinaya Resources Ltd	0.01	0.01
Total	317.22	322.29
NOTE [14] - TRADE RECEIVABLES		
Unsecured, considered good		
Receivables outstanding for a period exceeding six months from the date they are due for payment	144.03	25.92
Other debts	1,054.03	1,228.61
Total	1,198.07	1,254.53



Karma Energy Limited

Notes forming part of the Consolidated Financial Statements

Rs in Lakh

Particulars	Amount	
	31.03.2012	31.03.2011
NOTE [15] - CASH AND BANK BALANCE		
<u>(A) Cash and Cash Equivalents</u>		
(a) Cash on hand	2.59	7.96
(b) Cheques on hand		
(c) Balance with banks :		
In Current accounts	97.85	(177.58)
Group's share in Joint Venture	1.01	1.67
Sub Total	101.45	(167.95)
<u>(B) Other Bank Balances</u>		
(a) Fixed Deposit with maturity more than 12 months	96.25	238.22
(b) Balance with banks		
In Unpaid Dividend accounts	1.63	-
Sub Total	97.88	238.22
Total	199.33	70.27
NOTE [16] - SHORT TERM LOANS AND ADVANCES		
<u>Unsecured, considered good</u>		
Loans and advances to related parties	12.77	1.14
Income Tax and Tax Deducted at Source	44.97	28.84
Advances Recoverable	125.99	243.74
Prepaid Expenses	28.78	26.06
Other loans and advances	13.13	35.59
Group's share in Joint Venture	0.86	(0.96)
Total	226.50	334.42
NOTE [17] - OTHER CURRENT ASSETS		
<u>Unsecured, considered good</u>		
Expense Reimbursable	39.24	0.54
Other Receivables	292.00	-
Total	331.23	0.54



Karma Energy Limited

Notes forming part of the Consolidated Financial Statements

Rs in Lakh

Particulars	Rs in Lakh	
	Amount 31.03.2012	Amount 31.03.2011
NOTE [18] - REVENUE FROM OPERATION		
Sales of Products	2,508.21	1,516.95
Other Operating Income	181.14	197.38
Total	2,689.35	1,714.33
NOTE [18.1]		
<u>Sales of Products comprises</u>		
Sale of Power / Products	2,399.61	1,407.78
Sale of Services	108.60	109.17
Total	2,508.21	1,516.95
NOTE [18.2]		
<u>Other Operating Income comprises</u>		
Sale of Entitlement from Wind Power	181.14	153.38
Lease Rent	-	44.00
Total	181.14	197.38
NOTE [19] - OTHER INCOME		
Interest	18.70	223.44
Dividend	0.21	0.05
Liquidated Damages	292.00	-
Others	1.62	3.29
Total	312.53	226.78
NOTE [20] - PURCHASES OF TRADED GOODS		
<u>Components</u>		
Indigenous	44.79	29.05
Imported	13.79	6.23
Total	58.58	35.28
NOTE [21] - OPERATING & MAINTENANCE COST		
Energy / Open Access Charges / Stores & Spares	109.97	19.82
Operations & Maintenance	317.53	223.84
Others	27.91	26.80
Total	455.41	270.46
NOTE [22] - EMPLOYEE BENEFITS		
Salaries, Wages and Bonus	262.68	137.49
Contribution to Provident Funds and Other Funds	8.52	16.49
Staff Welfare Expenses	11.91	8.78
Total	283.11	162.76
NOTE [23] - FINANCE COSTS		
(a) Interest Expense on		
Secured Loans	635.10	390.54
Unsecured Loans	267.69	38.49
Others	1.11	-
(b) Other Borrowing Cost	54.56	8.50
Total	958.46	437.53



Karma Energy Limited

Notes forming part of the Consolidated Financial Statements

Rs in Lakh

Particulars	Amount	
	31.03.2012	31.03.2011
NOTE [24] - OTHER EXPENSES		
Audit Fees	3.91	3.64
Conveyance & Travelling Expense	17.58	12.20
Electricity Expense	3.35	2.63
Insurance Charges	75.50	48.70
Legal & Professional Charges	40.85	43.66
Rent	32.13	37.09
Rates & Taxes	3.86	4.22
Repairs & Maintenance	5.14	4.71
Security Services	7.04	5.79
Miscellaneous Expenses	58.18	71.07
Group's share in Joint Venture	0.12	0.93
Total	247.65	234.64
NOTE [24.1]		
Payments to the Auditors		
For Audit	3.91	3.58
For other Services	-	-
Group's share in Joint Venture	-	0.06
	3.91	3.64



Karma Energy Limited

NOTE [25]

Notes forming part of the Consolidated Financial Accounts

1 Significant Accounting Policies :

(a) Basis of Preparation

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

(b) Basis of Consolidation

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

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

(c) Income

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

ii Interest Income is accounted for on time accrual basis.

(d) Expenditure

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

(e) Fixed Assets

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

(f) Depreciation

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

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

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

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

(g) Investments

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

(h) Inventories

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

(i) Amortization of Miscellaneous Expenditure

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



Karma Energy Limited

NOTE [25]

Notes forming part of the Consolidated Financial Accounts

(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.

- 2 Pursuant to the scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956, sanctioned by The Honorable High Court of Bombay on 13.04.2012, the company Avirodh Financial Services Limited (Transferor Company) stands amalgamated with the company w.e.f. 01.04.2011. Accordingly, the Assets and Liabilities of the said Transferor Company stands vested in the Company and the transaction post 1st April, 2011 have been incorporated in the accounts of the Company. Consequently, the figures for the year are not comparable with those of the previous year.

With respect to amalgamation of the Transferor company Avirodh Financial Services Limited, the Company proposes to issue and allot 5561 equity shares of Rs.10/- each computed in the ratio of 1 Equity shares of Rs.10/- each of the Company for every 18 equity shares of Rs.10/- each in the Transferor Company Avirodh Financial Services Limited held by the Equity shareholders of the Transferor company on the record date. The net increase in Paid up Capital after the proposed allotment as above is represented as "Share Capital Suspense" under Share Capital in the Accounts. The difference between the consideration to the shareholders of the Transferor Company and net assets of the Transferor Company acquired is represented as Capital Reserve on Amalgamation account at Rs.9.45 lakh as per the scheme approved by Honorable High Court of Bombay.

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

The company has covered its gratuity liabilities with Life Insurance Corporation of India w.e.f. 01.04.2011. On follow up with LIC for statement under AS 15, the company has been informed by them that as per their system though the company would be paying the premium annually on the Annual Renewal date as per their notice, the information as per AS 15 can be obtained from their system only after the fund subsists for minimum three years. Therefore, the disclosure required under AS 15 has not been given even though the liability has been provided for as per their Annual renewal notice.

4 **Contingent Liabilities**

Rs in Lakh	
31.03.2012	31.03.2011
24.25	12.00

5 (a) **Earnings in Foreign Exchange**

Sale of Entitlement from Wind Power

(b) **Expenditure in Foreign Exchange**

31.03.2012	31.03.2011
-	153.38
-	-



Karma Energy Limited

NOTE [25]

Notes forming part of the Consolidated Financial Accounts

- 6 Estimated amount of contracts remaining to be executed on capital account not provided for [Net of Advances] Rs 42.26 Lakh [Previous Year Rs.322.50 Lakh]
- 7 Windmills have been given on operating lease for a tenure of 8 years and lease rentals are charged on the basis of agreed rate of interest - Lease Rental receivable as of 31.03.2012 is NIL as lease was to Avirodh Financial Services Ltd which has since been Amalgamated with the Company

(Rs. in Lakh)

Particulars	31.03.2012	31.03.2011
i) Receivable not later than one year	-	363.06
ii) Receivable later than one year but not later than five years	-	1,452.24
iii) Receivable later than five years	-	726.12

8 Investment in Subsidiaries

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 Limited	India	100.00
2	Baledh Energy Projects Limited	India	100.00
3	Batot Hydro Power Limited	India	69.66
4	Brahmanvel Energy Limited	India	100.00
5	Greenweiz Projects Limited	India	55.21
6	Joiner Hydro Power Projects Limited	India	100.00
7	Khandesh Energy Projects Limited	India	100.00
8	Vajharpada Energy Limited	India	55.21

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

Interest in Associates

The Group's associates are

Sr. No.	Name of the Entity	Country of Incorporation	% of Holding
1	Parmatma Power Projects Private Limited	India	50.00

Carrying cost of Investment in Associates

Sr. No.	Particulars	Parmatma Power Projects Pvt. Ltd.	
		31.03.2012	31.03.2011
1	No of Equity shares held	5000	Nil
2	% of holding	50.00%	Nil
3	Cost of Investment	0.53	Nil
4	Goodwill / (Capital Reserve) included in cost of Investment	0.19	Nil
5	Share in accumulated profit / (losses)	(0.10)	Nil
6	Share of increase in reserve during the year	-	Nil
7	Carrying cost	0.43	Nil



Karma Energy Limited

NOTE [25]

Notes forming part of the Consolidated Financial Accounts

Interest in Joint Ventures

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

Sr. No.	Name of the Entity	Country of Incorporation	% of Holding
1	Weizmann Energy Limited	India	50.00

9 Deferred Tax

The breakup of Net Deferred Tax Liability as on 31.03.2012 is as under:-

(Rs. in Lakh)

	31.03.2012	31.03.2011
Deferred Tax Liabilities		
Difference between Book and Tax Depreciation	2,366.40	2,418.06
Sub Total (a) ==>	2,366.40	2,418.06
Deferred Tax Assets		
Unabsorbed Depreciation	-	19.62
Brought Forward Business Loss	-	0.17
Others	54.07	37.73
Sub Total (b) ==>	54.07	57.52
Net Deferred Tax Liability (a - b)	2,312.33	2,360.54

10 Earnings Per Share

(Rs. in Lakh)

	31.03.2012	31.03.2011
Profit After Tax	42.72	51.56
Weighted Average number of Equity Shares	11569918	11564357
The Nominal Value Per Ordinary Share	10.00	10.00
Earnings Per Share (Basic & Diluted)	0.37	0.45

11 Related Party Disclosures for the year ended 31.03.2012

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

A. Related Party and their Relationship

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

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

(Rs. in Lakh)

Nature of Transaction	Key Management Personnel	
	31.03.2012	31.03.2011
Remuneration	18.64	5.86
G. N. Kamath	18.64	5.86

12 Segment Information

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



Karma Energy Limited

NOTE [25]

Notes forming part of the Consolidated Financial Accounts

13 Previous year figures have been regrouped and / or reclassified wherever necessary to correspond with current year's classification / disclosure in consonance with the revised schedule VI of the Companies Act, 1956.

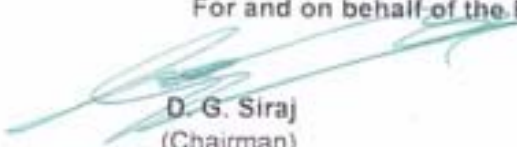
Signatures to the Notes 1 to 25 forming part of the Consolidated Balance Sheet as at 31.03.2012 and the Consolidated Profit & Loss Account for the year ended 31.03.2012

As per our report of even date attached

For and on behalf of the Board

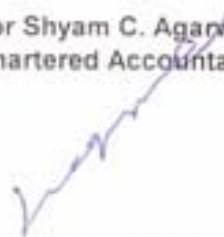
For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal & Co.
Chartered Accountants


D. G. Siraj
(Chairman)



U. B. Sura
Proprietor
Membership No. 32026
Firm Regn. No. 110620W
Mumbai, Dated : 13.08.2012


Shyam C. Agarwal
Proprietor
Membership No. 31774
Firm Regn. No. 110243W
Mumbai, Dated : 13.08.2012

G. N. Kamath
(Managing Director)

T. V. Subramanian
(Head - Finance &
Company Secretary)

