



(Corporate Identity Number : L31101MH2007PLC168823)

16th Annual Report
2022-2023

KARMA ENERGY LIMITED ANNUAL REPORT 2022-2023

BOARD OF DIRECTORS

| | | |
|--|---|---------------------------|
| Shri Dharmendra G. Siraj | – | Chairman |
| Shri Chetan D. Mehra | – | Managing Director |
| Shri Neelkamal V. Siraj | | |
| Shri Kishore N. Vussonji | | |
| Smt. Smita V. Davda | | |
| Shri Balady S. Shetty | | |
| Shri Ganesh N Kamath (Managing Director till 30.11.2022) | | |
| Shri T V Subramanian | – | CFO and Company Secretary |

BANKERS

State Bank of India

AUDITORS

M/s Batliboi and Purohit, Chartered Accountants

REGISTERED OFFICE

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

WIND POWER PLANTS

Andhra Pradesh - Anantapuramu
Maharashtra - Beed, Satara
Tamil Nadu - Theni, Tirunelveli

“Shareholders are requested to be part of the green initiative and avail copies of Annual Report and other intimations electronically through email and hence request to share your email ID along with Folio number to investorshelpdesk@weizmann.co.in”

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16th Annual Report 2022-23 NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of KARMA ENERGY LIMITED will be held on Thursday, July 27, 2023 at 2.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2023 on standalone and consolidated basis together with the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dharmendra Gulabchand Siraj (holding DIN 00025543), who retires by rotation and, being eligible, offers himself for re- appointment.

SPECIAL BUSINESS

3. Re-appointment of Shri Chetan Durgadas Mehra (DIN : 00022021) as Managing Director and revision in the remuneration.

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

"RESOLVED THAT in partial modification to the resolution passed by the members through Postal Ballot on January 12, 2023 and subject to the approval of the members at the ensuing General Meeting of the members of the company in pursuance of applicable provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee, consent of the Board of Directors of the Company be and is hereby accorded for revision in the remuneration payable to Shri Chetan D. Mehra (DIN: 00022021), Managing Director effective 1st April, 2023 on terms and conditions including remuneration as mentioned below :

| Particulars | Amount |
|--|--|
| Fixed Remuneration | Rs.26.00 Lakh per annum With effect from 01 st April, 2023 |
| Commission (based on recommendation of Nomination & Remuneration Committee) | @ 10 % of Profit before Tax |

Other Terms and Conditions:

The terms and conditions of appointment of Managing Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.

No sitting fees will be paid to the Managing Director for attending meeting of the Board of Directors or any committee thereof.

Total Remuneration of Mr. Chetan Durgadas Mehra in any financial year shall not exceed 5% of the net profit of the Company during that year.

The appointment may be terminated by either party by giving three months' notice of such termination or salary in lieu thereof or by mutual consent.

"RESOLVED THAT pursuant to the provisions of Schedule V, Section 196, 197, 198, 203, and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force, if any) and other applicable laws and provisions, if any, and pursuant to such approvals and permissions, as may be required, Shri Chetan Durgadas Mehra [DIN: 00022021], be is hereby re-appointed as Managing Director of the Company for a period of 3 years with effect from December 01, 2023 to November 30, 2026 (not liable to retire by rotation) at the overall remuneration as per table above:

RESOLVED FURTHER THAT notwithstanding anything contained herein above, if in any financial year during the currency of his appointment, the Company has no profits or its profits are inadequate, the remuneration as detailed in the above resolutions shall continue to be paid to Shri Chetan Durgadas Mehra, in accordance with the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. T V Subramanian, CFO & Company Secretary be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution."

By Order of the Board

Place : Mumbai

Date : 25th May, 2023

T. V. Subramanian
CFO & Company Secretary

NOTES :

- 1) In view of, the Ministry of Corporate Affairs (MCA), Government of India, has vide its Circular No. 2/2022 dated 05th May 2022, and 28th December, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 and further extension vide circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 of 5th January, 2023, in relation to "relaxation from compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Circular") have permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), as amended from time to time, read with the MCA Circulars, SEBI Circular and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Annual General Meeting ("AGM") of the Company is scheduled to be held on Thursday, July 27, 2023, 02:00 p.m.(IST) through VC/OAVM and the voting for items to be transacted in the Notice to this AGM only through remote electronic voting process ("e-Voting").
- 2) As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated 5th May 2020, the matters of Special Business as appearing at Item Nos. 3 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
- 3) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto
- 4) PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE

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AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

- 5) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 7) The Members can join the AGM in the VC / OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited's ("NSDL") e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.
- 8) In terms of the MCA Circulars and the SEBI Circular, the Company is sending this AGM Notice along with the Annual Report for FY23 in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the AGM and the Annual Report for FY23 has been uploaded on the website of the Company at www.karmaenergy.co and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.
- 9) In terms of Section 152 of the Companies Act, 2013, Shri Dharmendra Gulabchand Siraj (DIN : 00025543) Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
The Board of Directors of the Company recommends re-appointment of Shri Dharmendra Gulabchand Siraj
- 10) Information of Directors recommended for re-appointment at the Annual General Meeting in terms of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms integral part of the notice. The Directors have furnished the requisite declarations for their re-appointment. Information on Directors recommended for appointment / re-appointment at the Annual General Meeting in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
- 11) The Register of Members and Share Transfer Books of the Company will be closed on July 20, 2023 for the purpose of Annual General Meeting.
- 12) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent, Bigshare Services Private Limited for assistance in this regard.
- 13) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Bigshare Services Private Ltd in case the shares are held in physical form.
- 14) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, have been transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends have also been transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends /

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Shares, if any from the Authority by following due process. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members / Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

- 15) Members desiring inspection of statutory registers during the AGM may send their request in writing to the Company at investorshelpdesk@weizmann.co.in
- 16) Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to investorshelpdesk@weizmann.co.in up to the date of the AGM.
- 17) This AGM Notice is being sent by e-mail only to those eligible Members who have already registered their e-mail address with the Depositories/the DP/the Company's RTA/the Company or who will register their e-mail address with Bigshare Services Private Ltd, on or before 5:00 p.m. (IST) on Friday day, 21st July, 2023.
- 18) To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangement with Bigshare Services Pvt. Ltd for registration of e-mail addresses in terms of the MCA Circulars. Eligible Members who have not submitted their e-mail address to Bigshare, are required to provide their e-mail address to the RTA, on or before 5:00 p.m. (IST) on Friday, 20th July, 2023 pursuant to which, any Member may receive on the e-mail address provided by the Member the Annual Report for FY23 and the procedure for remote e-Voting along with the login ID and password for remote e-Voting. The process for registration of e-mail address is as under:
 - a. For Members who hold shares in Electronic form:
 - a) Visit the link <https://www.bigshareonline.com/InvestorRegistration.aspx>
 - b) Select Company name from drop down list
 - c) Enter the DP ID & Client ID and PAN.
 - d) Enter your e-mail address and mobile number.
 - e) An OTP would be sent on the mobile number and email id.
 - f) Once OTP is entered the email id would be registered.
 - b. For Members who hold shares in Physical form:
 - a) Visit the link <https://www.bigshareonline.com/InvestorRegistration.aspx>
 - b) Select Company name from drop down list
 - c) Enter the Folio No and PAN.
 - d) Enter your e-mail address and mobile number.
 - e) An OTP would be sent on the mobile number and email id.
 - f) Once OTP is entered the email id would be registered.
- 19) After successful submission of the e-mail address, NSDL will e-mail a copy of the Annual Report for FY23 along with the remote e-Voting user ID and password, within 48 hours of successful registration of the e-mail address by the Member. In case of any queries, Members may write to investor@bigshareonline.com or evoting@nsdl.co.in.
- 20) For permanent registration of their e-mail address, Members are requested to register their e-mail address, in respect of electronic holdings, with their concerned DP and in respect of physical holdings, with the RTA.
- 21) Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP/RTA to enable servicing of notices / documents/Annual Reports and other communications electronically to their e-mail address in future.

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22) Process and manner for Members opting for e-Voting is, as under:-

- a. In compliance with the provisions of Sections 108 and other applicable provisions of the Act, read with Rule 20 of the Rules and Regulation 44 of the Listing Regulations, the Company is offering only e-Voting facility to all the Members of the company and the business will be transacted only through the electronic voting system. The Company has engaged the services of NSDL for facilitating e-Voting to enable the Members to cast their votes electronically as well as for e-Voting during the AGM.

Resolution(s) passed by Members through e-Voting is / are deemed to have been passed as if it / they have been passed at the AGM.

- b. Members are provided with the facility for voting through Voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, are eligible to exercise their right to vote at the AGM.
- c. Members who have already cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the Member has already cast the vote through remote e-Voting.
- d. **Members of the Company holding shares either in physical form or electronic form as on the cut-off date of Thursday, 20th July, 2023, may cast their vote by remote e-Voting. The remote e-Voting period commences on Monday 24th July, 2023 at 9:00 a.m. (IST) and ends on Wednesday, 26th July, 2023 at 5:00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.**
- e. The instructions for Members attending the AGM through VC/OAVM are as under:
 1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 2/2022 dated May 05, 2022, Circular of December 28, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
 2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
 3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
 4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.karmaenergy.co. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.
7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021, Circular No.2/2022 dated May 5, 2022 and Circular dated December 28, 2022.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, July 24, 2023 at 09:00 A.M. and ends on Wednesday, July 26, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 20, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 20, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system





A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1.Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e- |

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| | <p>Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3.Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> |
|--|---|

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|---|--|
| | <p>NSDL Mobile App is available on</p>     |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| | |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33. |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

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

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |

| | |
|--|---|
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 124397 then user ID is 124397001*** |

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

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- 1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investorshelpdesk@weizmann.co.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investorshelpdesk@weizmann.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

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1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorshelpdesk@weizmann.co.in. The same will be replied by the company suitably.
6. If you wish to speak or express your views or ask questions during the AGM, then you may register yourself as speaker by sending an email to investorshelpdesk@weizmann.co.in with the subject "Speaker Registration" during the period from Friday, 21st July, 2023 to Monday 24th July, 2023. Only those members who have registered as Speakers will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mferraocs@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e- voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in
- f. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 20th July, 2023.
- g. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e.20th July, 2023 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company/RTA.

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- h. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e- Voting, as well as voting at the meeting.
- i. The Board of Directors has appointed Mr. Martinho Ferrao (FCS 6221) of M/s. Martinho Ferrao & Associates, Company Secretaries as Scrutinizer to scrutinize the voting at the AGM and remote e- Voting process, in a fair and transparent manner.
- j. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
- k. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the AGM and, thereafter, unblock the votes cast through remote e-Voting and shall make, not later than 48 hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- l. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.karmaenergy.co and on the website of NSDL www.evoting.nsdl.com, immediately after the declaration of the result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE and NSE and be made available on their respective websites viz. www.bseindia.com and www.nseindia.com.
- m. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. July 20, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 20, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

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

The following explanatory statement sets out all the material facts relating to the Special Business under item No. 3 of the accompanying notice dated 25th May 2023.

In respect of item No.3 : Re-appointment of Shri Chetan Durgadas Mehra (DIN : 00022021) as Managing Director and revision in the remuneration.

Based on the approval and recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 25, 2023, had approved the re-appointment of Shri Chetan Durgadas Mehra as Managing Director of the Company for a period of 3 years with effect December 01, 2023 on a remuneration payable with effect from 01st April, 2023 and other terms and conditions, as mentioned in the resolution, subject to the approval of the members of the Company.

In view of his leadership, strategic inputs, management skills as well as steering and responsibility of all the financial transactions and deals across the power sector, overall guidance towards the growth of the Company, it is proposed to re-appoint Shri Chetan Durgadas Mehra as Managing Director of the Company for a further term of 3 (three) years w.e.f. December 01, 2023 on a revised remuneration, it will be in the interest of the Company that Shri Chetan Durgadas Mehra is re-appointed as Managing Director of the Company.

| Particulars | Amount |
|---|---|
| Fixed Remuneration | Rs.26.00 Lakh per annum With effect from 01st April, 2023 |
| Commission (based on recommendation of Nomination & Remuneration Committee) | @ 10 % of Profit before Tax |

Other Terms and Conditions:

The terms and conditions of appointment of Managing Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.

No sitting fees will be paid to the Managing Director for attending meeting of the Board of Directors or any committee thereof.

Total Remuneration of Mr. Chetan Durgadas Mehra in any financial year can exceed 5% of the net profit of the Company during that year since approval of revision in remuneration is through special Resolution.

The appointment may be terminated by either party by giving three months' notice of such termination or salary in lieu thereof or by mutual consent.

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As required under the provisions of Section 196, 197, Schedule V of the Companies Act, 2013 (Act) and any other applicable provisions of the Act, the special resolution is being placed before the members/shareholders for approval.

Except Shri Chetan Mehra, none other Director and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No. 3.

The Board of Directors of the Company recommends the resolution set forth at item no. 3 of the Notice for approval of the members as a Special Resolution.

By Order of the Board

Place : Mumbai

Date : 25th May 2023

T. V. Subramanian
CFO & Company Secretary

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

| Particulars | Shri Dharmendra Gulabchand Siraj | Shri Chetan Durgadas Mehra |
|--|--|--|
| Date of Birth | 28 th December, 1951 | 02 nd October, 1966 |
| Date of Appointment | 26 th August, 2010 | 15 th March, 2007 |
| Qualifications | Bachelors Degree in Business Administration, Diploma in Management studies, London UK | Graduate in Science |
| Expertise in specific functional areas | D. G. Siraj has rich and varied management experience of over 40 years in financial services, including Money Exchange and Remittance Services, besides Housing and Consumer Finance. He has been closely associated with the promotion of Renewable Energy and Exports, and has repeatedly served on the Export Promotion Panel of the Cotton Textile Export Promotion Council, and been on the Committee of the All India Exporters Chamber. | <p>A Science graduate with over 33 years' experience in Textile exports, full-fledged Money Changing, Housing and Consumer Finance, and Wind-farm / Hydro-power development, Chetan Mehra has overseen the Weizmann Group's steady growth and ensured its profitable business record. Active for over a decade in mentoring other Weizmann companies who are engaged in the renewable energy sector, he has also engineered financial and technical JVs with leading business houses for wind-farm development and manufacture of wind-electric generators. He has been responsible for financial tie-ups in the form of capital-infusion in housing finance by international financial institutions and public sector banks. Mehra has also successfully promoted Weizmann Homes Ltd. till the divestment of its stake in favour of AIG, the world's largest insurance group as well as the sale of Weizmann Forex, the money changing business to Nasdaq listed Ebix.</p> <p>He is the President of the Renewable Energy Developers Association of Maharashtra (REDAM), Secretary of the National Council of Indian Wind-power Association and a Governing Member of the World Institute of Sustainable Energy (WISE). With his considerable experience in the financial services and renewable energy sectors, Chetan Mehra has served on the financial services and energy sub-committees of the CII and was the Chairman of Laxmi Finance and Leasing Companies Commercial Premises Co-operative Society Ltd. which implemented the commercial project in the prestigious Bandra-Kurla complex in Mumbai. He is also an ex-Chairman of the CII-GBC Sub-Committee for Development of Wind Energy</p> |
| Directorships held on other Public Companies (Excluding foreign companies and Section 8 companies) | <ul style="list-style-type: none"> • Brahmanvel Energy Ltd • Joiner Hydro Power Projects Ltd • RHMM Enterprises Ltd • Weizmann International Ltd • Weizmann Corporate Services Ltd • Weizmann Digital Ltd • Weizmann Ltd | <ul style="list-style-type: none"> • Batot Hydro Power Ltd • Weizmann Digital Ltd • Weizmann Corporate Services Ltd • Weizmann Ltd |

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| | | |
|---|--|--|
| Name of Listed entities from which resigned in the past three years | N.A. | N.A |
| Memberships / Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders' Committee) | Member of Audit & Stake holders Relationship committee of Weizmann Ltd | Nil |
| Number of Shares held in the Company including shareholding as a beneficial owner | 844974 Equity shares constituting 7.30 % of the Equity Shares held | 373607 Equity shares constituting 3.23 % of the Equity Shares held |

The aforesaid Directors are not related to any other Director

DIRECTORS' REPORT

TO THE MEMBERS OF KARMA ENERGY LIMITED

The Directors are pleased to present this **Sixteenth** Annual Report and the Audited Statement of Accounts for the year ended March 31, 2023.

1. FINANCIAL RESULTS

(Rs. in lakh)

| Particulars | 2022-2023 | 2021-2022 |
|---|-----------|-----------|
| Total Income including exceptional items | 1806.21 | 2848.64 |
| Profit / (Loss) Before Depreciation but including exceptional items | 1203.18 | 283.05 |
| Less : Depreciation | 483.47 | 509.13 |
| Profit / (Loss) Before Tax | 719.71 | (226.08) |
| Less : Income Tax including Prior Years | 244.60 | 94.86 |
| Less : Deferred Tax | (113.92) | (108.32) |
| Profit / (Loss) After Tax | 589.03 | (212.62) |
| Other Comprehensive Income Net of Tax | 240.40 | (22.09) |
| Total Comprehensive Income for the year | 829.43 | (234.71) |

In accordance with Section 136 of the Companies Act, 2013 read with Rule 10 of The Companies (Accounts) Rules, 2014, a company may forward statement of accounts containing the salient features in the prescribed form and simultaneously ensure that copies of the financial statements along with Auditors Report, Directors Report and other documents that is required to be attached of annexed with the financial statements are made available for inspection at the registered office of the company, during working hours for a minimum period of 21 days prior to the meeting of the shareholders. Accordingly Accounts complete set of financial statements has been made available on the website of the company www.karmaenergy.com.

2. DIVIDEND AND RESERVES

Your Directors have not recommended dividend (previous year Rs. NIL per share) for financial year 2022-23 on account of the need to conserve the resources as the payments from the utilities though witnessed steady release during FY 2022-23 from past experience many a times turn to be erratic in all the states where the company is selling power to state utilities and regulatory changes are adversely affecting the revenues.

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No amounts have been transferred to Reserves during the year.

3. SHARE CAPITAL

The Paid- Up Equity Capital of the Company as on 31.03.2023 is Rs.11,56,99,180/-. The company has not issued any new equity shares during the year.

4. FIXED DEPOSITS

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

5. PERFORMANCE

During the year the Total Income of the Company was Rs.1806.21 Lakh as compared to Rs.2848.64 Lakh in the previous year. The primary reasons for change is the Company having discontinued sale to third party from its 18MW wind farm in Maharashtra leading to drop in gross realization from Rs.6/- plus per unit to Rs.2.52 per unit and further the silver lining of FY 2022-23 have been the favourable order from CERC resulting the both Telangana and AP utilities clearing old dues from January 2011 to May 2014 along with interest at 14% and the Company realizing an aggregate amount of Rs. 8.33 Cr.

The Profit before Tax registered was Rs. 719.71 Lakh (Previous year Loss of Rs.226.08 Lakh). The Profit after Tax was Rs.589.03 Lakh (Previous year Loss of Rs.212.62 Lakh). As per the IND AS other comprehensive for the year 2022-2023 was Rs Rs.240.40 Lakh (Previous year loss of Rs. 22.09 Lakh) and total comprehensive profit for the year was Rs.829.43 Lakh (Previous Year loss of Rs. Rs.234.71 Lakh). The company has not transferred any amount to Reserves during the year.

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

With respect to realization of generation proceeds from state utilities, there has been a fair improvement as Ministry of Power directed State utilities to effect payments of Dues as of a cutoff date in installments between 12 to 48, along with interest on over dues. As far as Company's Wind Electric Generators (WEGs) in Maharashtra is concerned, the sale has been to MSEDCL under short term PPA and realizations have been steady. TANGEDCO in Tamil Nadu opted for payment of Dues as at June 2020 in 48 equal installments along with interest at 12% p a. APSPDCL in Andhra Pradesh opted for release of Dues as at 31.05.2022 in 12 equal installments.

In respect of Company's WEGs in Andhra Pradesh is concerned, the generation proceeds pending for January 2011 to May 2014 was realized at aggregate amount of Rs.8.33 Cr including interest at 14% p a post favourable order from CERC and this boosted the revenue in FY 2022-23.

Due to better realization and recovery of long pending dues from AP utilities has facilitated the Company to repay the outstanding term loans to the bank in December 2022 and the Company has

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become Debt Free.

6. SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

Your company has no subsidiaries / Associates / Joint ventures.

7. DIRECTORS AND KEY MANAGEMENT PERSONNEL

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

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

Mr. Ganesh N Kamath retired as Managing Director on expiry of his tenure on 30th November, 2022 and also resigned as Director from the Board. He served the Company as Managing Director for over two decades. The Board places their appreciation for his yeomen service to the Company.

The Board further appointed Mr Chetan D Mehra as Managing Director from 1st December, 2022 for a period of one year and has been approved by Members through postal ballot in January, 2023. It is proposed to reappoint Mr. Chetan D Mehra for further period of three years from 1st December 2023 on expiry of his present term and also revise his remuneration subject to approval of the Members at the ensuing Annual General Meeting.

The Board of Directors had four board meetings during financial year 2022-23.

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

8. COMMITTEES

The Audit Committee members are -

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

The Nomination and Remuneration Committee members are:

| | |
|--|------------|
| Mr. Kishore M Vussonji- Independent Director | - Chairman |
| Mr. D G Siraj– Non Independent Director | - Member |
| Smt. Smita V Davda– Independent Director | - Member |

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The Stakeholders Relationship Committee members post reconstitution on 09.02.2023 due to Mr. Chetan D Mehra being appointed as Managing Director from 01.12.2022 duly approved by Shareholders are -

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

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

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

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

10. FAMILIARISATION PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS

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

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

An extract of Annual Return as at 31.03.2023 pursuant to section 92(3) of the Companies Act, 2013 have been uploaded on the website of the Company and can be accessed by web link <http://www.karmaenergy.co/ar.html>

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

The company has constituted a Nomination and Remuneration Committee with the responsibilities of formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, Key Managerial Personnel and other employees ; Formulating criteria for evaluation of independent directors and the Board ; Devising policy on Board diversity ; Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company amends its policies based on developments in the regulatory forum and also to strengthen its corporate governance compliances.

Appointment and Remuneration to Managing Director is subject to approval by members in General

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Meeting and shall be in accordance with Schedule V of Companies Act, 2013 and ceiling as per Section 197 of the Act. Appointment of Independent Directors to satisfy conditions u/s.149 (6) of the Companies Act, 2013.

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

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

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

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

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

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

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

The said information can be made available to any member interested in obtaining such information on request in writing to the Company Secretary.

16. DISCLOSURE OF PARTICULARS

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

As the Company is in the field of Wind Farm development and not manufacturing, the relevant

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

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

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

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

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

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

19. POLICY ON RELATED PARTY TRANSACTIONS

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

The policy includes the specific transactions requiring prior approval of the Audit Committee, the Board of Directors, Special Resolution by members at General Meeting, determining the materiality of the transaction with the related party both under Companies Act and Listing Regulations, and also the procedures to be followed in complying with the statutory provisions in respect of related party transaction, if any.

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

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

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

21. CORPORATE SOCIAL RESPONSIBILITY OF THE COMPANY

The statutory requirement of complying with Corporate Social Responsibility of the Companies Act,

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2013 is not applicable to the company during F.Y. 2022-23.

22. ESTABLISHMENT OF VIGIL MECHANISM

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

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

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

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

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

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

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

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

26. ISSUE OF NEW EQUITY SHARES DURING THE YEAR

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

27. AUDITORS

In the Fifteenth Annual General Meeting (AGM) of the company held on July 28, 2022 Messrs. Batliboi & Purohit, Chartered Accountants was re-appointed as Statutory Auditors of the Company for a period of five years to hold office from the conclusion of the Fifteenth AGM until the conclusion of the Twentieth AGM of the company ie of 2027. The Auditors have given a certificate that they are not

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disqualified and are eligible to be continued as Statutory Auditors of the Company and accordingly the Board has recommended their re-appointment for financial year FY 2023-24 subject to their eligibility of continuing as Auditor obtained at the beginning of every financial year.

28. SECRETARIAL AUDIT

Pursuant to requirement of section 204 of the Companies Act, 2013, the company had appointed Shri Martinho Ferraro – Practicing Company Secretary (COP 5676) as Secretarial Auditor for financial year 2022-23 and whose report of 25.05.2023 is attached as Annexure-VI. There are no adverse observations made by the Auditor.

29. AUDITORS' REPORT

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

30. REPORTING OF FRAUDS

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

31. COST RECORDS AND AUDIT THEREOF

Maintenance of Cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 as amended from time to time is not applicable to the Company for this Financial year 2022-23.

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

As the Company had not declared dividend for FY 2014-15, any transfer of unclaimed dividend to IEPF as required u/s.124 of the Companies Act, 2013 does not arise.

33. CREDIT RATING

Brickwork Rating has reaffirmed a rating of BWR BBB- {Outlook Stable} as per the last rating letter in respect of the borrowings by the Company from Banks. Further the Company having repaid all borrowings to the Bank, the rating exercise is no more applicable from FY 2023-24.

34. CORPORATE GOVERNANCE

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

35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

37. DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

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

38. 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

Dharmendra G Siraj
Chairman (DIN : 00025543)

Place : Mumbai
Date : May 25, 2023

Annexure I

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance Code

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

2. Board of Directors

I Composition and size of the Board

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

None of the Directors on the Board holds directorships in more than ten public companies. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023 have been made by the Directors. None of the Directors are related to each other.

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

The composition of and the category of directors on the Board of the Company as at March 31, 2023 were as under.

| Category | Particulars of the Directors |
|--|---|
| Non-Executive – Non Independent | Shri Dharmendra G. Siraj - Chairman Shri Neelkamal. V. Siraj |
| Non- Executive - Independent | Shri Kishore N. Vussonji Shri Balady S. Shetty |
| Non-Executive - Independent Women Director | Smt. Smita V. Davda |
| Executive | Shri Chetan D. Mehra – Managing Director |

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

II Conduct of Board Proceedings

The day to day activities of the Company are conducted by the executives of the Company under the direction of the Managing Director and the overall supervision of the Board. During the financial year 2022-2023 the Board held four meetings on May 27, 2022, August 12, 2022, November 10, 2022, and February 09, 2023.

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

III Attendance of Directors

Attendance of Directors at the Board Meetings held during 2022-2023 and the last AGM held on July 28, 2022.

| 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 | No | 7 | 3 |
| Shri C D Mehra | 4 | 3 | Yes | 6 | 2 |
| Shri N V Siraj | 4 | 3 | Yes | 6 | 1 |
| Shri K M Vussonji | 4 | 4 | Yes | 1 | 2 |

-

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| | | | | | |
|-------------------|---|---|-----|---|---|
| Smt. S V Davda | 4 | 2 | No | 2 | 3 |
| Shri B S Shetty | 4 | 4 | Yes | 7 | 2 |
| • Shri G N Kamath | 2 | 2 | Yes | - | - |

- Upto 30th November, 2022

Directorships held in other listed entities as on 31st March, 2023 :

| Name of the director | Name of the other listed entities in which the concerned Director is Director | Category of Directorship |
|----------------------|---|------------------------------------|
| Shri D G Siraj | 1. Weizmann Ltd | Non-Executive Non-Independent |
| Shri C D Mehra | 1. Weizmann Ltd | Non-Executive Non-Independent |
| Shri N V Siraj | 1. Weizmann Ltd | Non-Executive Non-Independent |
| Shri K M Vussonji | - | Non-Executive Independent Director |
| Smt. S V Davda | 1. Weizmann Ltd | Non-Executive Independent Director |
| Shri B S Shetty | 1. Weizmann Ltd | Non-Executive Independent Director |

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

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

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

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

Details of Shareholding of Non-Executive Directors

| Sr. No. | Name of Directors | No. of shares held as on 31 st March, 2023 |
|---------|--------------------------|---|
| 1. | Shri Dharmendra G. Siraj | 8,44,974 |
| 2. | Shri Chetan D. Mehra | 3,73,607 |
| 3. | Shri Neelkamal V. Siraj | Nil |
| 4. | Shri Kishore M. Vussonji | Nil |

| | | |
|----|-----------------------|-----|
| 5. | Smt. Smita V. Davda | Nil |
| 6. | Shri Balady S. Shetty | 133 |

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

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

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

3. Audit Committee

The Audit Committee inter alia, provides assurance to the Board on the adequacy of the internal control systems, financial disclosures and ensures that generally accepted accounting principles are observed by the Company. It also provides guidance and liaise with the Statutory Auditors of the Company. The terms of reference of the Audit Committee are in conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read in conjunction with Section 177 of the Companies Act, 2013. The Audit Committee comprised of Shri Balady Shekar Shetty as Chairman, Shri Kishore M. Vussonji and Smt. Smita V. Davda as members. The Managing Director, CFO & Company Secretary, Internal Auditor and Statutory Auditors are invited to attend the meetings of the Audit Committee. The Audit committee discharges such duties and functions indicated in SEBI (LODR) Regulations, 2015 and also such other functions as may be specifically delegated to it by the Board from time to time. The Audit Committee held its meeting on May 27, 2022, August 12, 2022, November 09, 2022 and February 09, 2023.

All the recommendations of the Audit Committee have been accepted by the Board of Directors. The Company Secretary acts as Secretary to the Committee.

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

| Name | Category | Number of Meetings during the year 2022-23 | |
|---------------------|---------------------------|---|----------|
| | | Held | Attended |
| Shri B. S. Shetty | Non-Executive Independent | 4 | 4 |
| Shri K. M. Vussonji | Non-Executive Independent | 4 | 4 |

| | | | |
|-----------------|---------------------------|---|---|
| Smt S. V. Davda | Non-Executive Independent | 4 | 2 |
|-----------------|---------------------------|---|---|

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

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

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

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

4. Nomination & Remuneration Committee

The Nomination & Remuneration Committee for appointment & remuneration of executive Directors has been functioning with Shri Kishore M. Vussonji as Chairman. The Committee comprises of two Independent Directors and a non- executive director.

| Name | Category | Number of Meetings during the year 2022-23 | |
|---------------------|---------------------------|--|----------|
| | | Held | Attended |
| Shri K. M. Vussonji | Non-Executive Independent | 2 | 2 |
| Shri D G. Siraj | Non-Executive | 2 | 2 |
| Smt S. V. Davda | Non-Executive Independent | 2 | 1 |

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

The terms of reference of Nomination and Remuneration Committee are in line with the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

Criteria of selection of Non-Executive Directors

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

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

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

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

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

Remuneration

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

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

CEO & Managing Director - Criteria for selection / appointment

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

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

Remuneration for the Managing Director

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

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

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

Remuneration Policy for the Senior Management Employees

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

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

The details of remuneration paid to Managing Director 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 | 21.07 | - | 3.16 | 23.81 |
| ## Chetan D. Mehra | 4.80 | - | 1.88 | - |

Notes : The agreement with Managing Director is for a period of 1 year from 1st December, 2022.

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

Upto 30th November, 2022

from 01st December, 2022

5. Stakeholders Relationship Committee

The Company has in place a Stakeholders Relationship Committee in accordance with the requirements of SEBI (LODR) Regulations, 2015. The Stakeholders Relationship Committee comprises of Shri Dharmendra G. Siraj as the Chairman, Shri Chetan D. Mehra and Smt Smita V. Davda as members of the Committee. The said Committee looks into redressing investors' complaints pertaining to transfer/ transmission of shares, non- receipt of dividend/ annual report of the Company. The Committee met on 10th February, 2023 during the financial year. Shri T. V. Subramanian, Company Secretary acts as the Company's Compliance Officer.

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

| Name | Category | Number of Meetings during the year 2022-23 | |
|------------------|-------------------------------|--|----------|
| | | Held | Attended |
| Shri D G. Siraj | Non-Executive Non Independent | 1 | 1 |
| Shri C. D. Mehra | Non-Executive Non-Independent | 1 | 1 |
| Smt S. V. Davda | Non-Executive Independent | 1 | 1 |

There were Nil complaints received from the shareholders during the financial year ended 31st March, 2023.

6. Independent Directors Meeting

During the year under review, the Independent Directors met on 10th February, 2023, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

7. Familiarisation Programme arranged for Independent Directors

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

8. Non-executive Directors' compensation and disclosures

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

9. General Body Meetings

Details of the last three Annual General Meetings (AGMs)

| <i>Date & Year</i> | <i>Time</i> | <i>Location where AGM held in the last 3years.</i> |
|------------------------|-------------|--|
| 28/07/2022 2021-2022 | 02.00 p.m | Audio Visual Mode |
| 28/09/2021 2020-2021 | 02:00 p.m. | Audio Visual Mode |
| 22/12/2020, 2019-2020 | 02.00 p.m. | Audio Visual Mode |

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

Resolution for appointment of Shri Chetan D. Mehra as Managing Director for a period of 1 year – Passed with Majority

Special resolution passed at Last 3 AGM's

15th AGM : Re-appointment of Shri Ganesh Kamath aged 80 years as Managing Director for a period of 1 year. – Passed with majority.

Re-appointment of Shri Balady Sekhar Shetty and Ms. Smita V Davda as Independent Directors for second five year terms till 20th AGM to be held in 2027.

14th AGM : Re-appointment of Shri Ganesh Kamath aged 80 years as Managing Director for a period of 1 year. – Passed with majority.

13th AGM : Re-appointment of Shri Ganesh Kamath aged 79 years as Managing Director for a period of 1 year. – Passed with majority.

Re-appointment of Shri Kishore Vussonji who would exceed the age of 75 years in the current term was re-appointed as Independent Director for a term of 5 years until AGM of 2024.

16th Annual Report 2022-23**10. Disclosures****Basis of Related party transactions**

During the year, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. Related party transactions as required to be complied under Ind-As 24 referred to as INDAS are furnished under Note no 31 of the Notes to Accounts attached to the annual accounts for the financial year ended 31st March, 2023. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and during the year there were no material transactions with related parties. The policy is also available on the website of the Company www.karmaenergy.co

Non Compliance / Strictures / Penalties Imposed

There has not been any non-compliance / strictures / penalties imposed during the financial year ended 31st March, 2023.

However the Company has received notice from BSE & NSE on 21st February 2023 with respect to penal actions as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for Non-compliance with the constitution of stakeholder relationship committee under Regulation 20(2) of SEBI (LODR) Regulations, 2015. The contention of Stock Exchanges are that when Mr. Chetan D Mehra was appointed as Managing Director from December 1, 2022, he cannot continue as Chairman of Stakeholders Relationship Committee (SRH) and SRH ought to have been reconstituted.

The Company has contended that appointment Mr. Chetan D Mehra as Managing Director was subject to approval by the Shareholders whose concurrence was sought through postal ballot and results announced on January 12, 2023 and thereafter SRH was reconstituted in the ensuing Board Meeting on February 9, 2023 and accordingly the Company has filed an appeal with both the exchanges and the matter is pending for decision

Disclosure of Accounting treatment

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

Whistle Blower Policy

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

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

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

Risk Management

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

Directors seeking appointment / re-appointment

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

Credit Rating

As per last rating, the rating of Term Loan by Brick Works Ratings is BWR BBB- (outlook stable). Further the Company as at the Balance Sheet date does not have any Secured Borrowing as it prepaid in December 2022 the financial assistance it had obtained in earlier years.

- The company has not raised funds through preferential allotment or qualified institution placement

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- The board has accepted all the recommendations of its committees
- All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Mr. Martinho Ferrao, Practicing Company Secretary, has submitted a certificate to this effect.

Total Fees Payable to Auditor

During the financial year 2022-23, details of amount charged to Statement of Profit and Loss by the Company, its subsidiaries and its associate with respect to the Statutory Auditor of holding Company and all entities in the network firm / network entity of which Statutory Auditor is a part :

| Particulars | Rs.in Lakh |
|--------------------------------|------------|
| Audit fees for statutory Audit | 4.00 |
| Tax Audit | 0.75 |
| Other services | - |

(Note: Above amount is exclusive of applicable taxes)

Management discussion and analysis report forms part of this Annual Report

11. Code of Conduct

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

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

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

We confirm that the Board members and Senior Management of the Company have confirmed compliance with the code of conduct, as applicable to them, for the year ended 31st March, 2023.

Date : 25th May, 2023
Mumbai

Sd/-
Chetan D. Mehra
Managing Director

12. Code of Conduct for prevention of Insider Trading

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

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

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

The Policy is gender neutral.

There were no complaints received during the year under review.

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14. The Company has complied with all the requirements of Corporate Governance Report as stated under sub paras (2) to (10) of section (C) of Schedule V to the Listing Regulations.
15. The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
16. In terms of Regulation 17(8) of the Listing Regulations, the CEO & Managing Director and the CFO made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board. The same is attached herewith and marked as Annexure III.
17. The Company follows Indian Accounting Standards (IndAS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements.
18. The Company has obtained compliance certificate from the Practising Company Secretary on corporate governance, which is attached herewith and marked as Annexure IV.
19. As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Notice of the AGM to be held on 28th September, 2021.
20. The company has not provided loans and advances to any firm / company in which its Directors are interested.

21. **Subsidiary Companies**

The Company does not have any subsidiary or associate companies.

22. **Means of Communication**

Half yearly report sent to each household of Shareholders

- No

Quarterly results usually published in (Proposed)

- Financial Express
(English daily)

- **Mumbai
Lakshwadeep**
(Marathi daily)

Any website where displayed

- www.karmaenergy.co
www.nseindia.com
www.bseindia.com

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- 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

23. General Shareholder Information

a) 16th Annual General Meeting- Day, Date, Time and Venue

| Day | Date | Time | Venue |
|----------|------------|-----------|-----------|
| Thursday | 27/07/2023 | 2.00 p.m. | OAVM / VC |

b) Financial Calendar

- Financial Year : 1st April, 2023 to 31st March 2024
- Adoption of Quarterly
Results for the quarter ending
June, 2023 : on or before 14th August, 2023
- September, 2023 : on or before 14th November, 2023
- December, 2023 : on or before 14th February, 2024
- March, 2024 : on or before 30th May, 2024

- Book Closure Date : 20th July, 2023
- Dividend Payment : Not Applicable

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:**

| Month | BSE | | S&P SENSEX | |
|-----------------|------------|-----------|-----------------------|-------|
| | High (Rs.) | Low (Rs.) | High | Low |
| April, 2022 | 41.90 | 30.50 | 60845 | 56009 |
| May, 2022 | 39.95 | 27.35 | 57184 | 52632 |
| June, 2022 | 28.45 | 21.60 | 56433 | 50921 |
| July, 2022 | 26.85 | 21.30 | 57619 | 52094 |
| August, 2022 | 26.00 | 21.45 | 60411 | 57367 |
| September, 2022 | 36.35 | 22.65 | 60676 | 56147 |
| October, 2022 | 30.35 | 24.85 | 60787 | 56683 |
| November, 2022 | 33.40 | 25.95 | 63303 | 60425 |
| December, 2022 | 30.25 | 24.50 | 63583 | 59754 |
| January, 2023 | 30.65 | 25.80 | 61344 | 58699 |
| February, 2023 | 33.10 | 22.25 | 61682 | 58796 |
| March, 2023 | 40.25 | 28.70 | 60498 | 57085 |
| Month | NSE | | NIFTY 50 | |
| | High (Rs.) | Low (Rs.) | High | Low |
| April, 2022 | 41.80 | 29.50 | 18115 | 16823 |
| May, 2022 | 39.15 | 27.45 | 17133 | 15736 |
| June, 2022 | 28.80 | 21.45 | 18888 | 15183 |
| July, 2022 | 26.65 | 21.30 | 17173 | 15511 |
| August, 2022 | 26.75 | 21.90 | 17992 | 17154 |
| September, 2022 | 35.90 | 22.30 | 18096 | 16748 |
| October, 2022 | 30.15 | 24.80 | 18023 | 16856 |
| November, 2022 | 33.40 | 26.05 | 18816 | 17959 |
| December, 2022 | 30.50 | 24.05 | 18888 | 17774 |
| January, 2023 | 30.70 | 25.65 | 18252 | 17406 |
| February, 2023 | 33.10 | 22.15 | 18135 | 17255 |
| March, 2023 | 39.80 | 28.60 | 17800 | 16828 |

f) **Registrar & Transfer Agent** : Bigshare Services Pvt. Ltd.
Office No.S6-2, 6th floor
Pinnacle Business Park
Next to Ahura Centre,
Mahakali Caves Road
Andheri (East),
Mumbai - 400 093.

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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. 1,13,78,053 Equity Shares representing 98.34 % of the share capital of the Company stands dematerialised as on 31st March, 2023. 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 2023 :

| <i>Sr. No</i> | <i>Category</i> | <i>No. of Equity Shares</i> | <i>Percentage of Shareholding</i> |
|---------------|--|-----------------------------|-----------------------------------|
| A | Promoters Holding | | |
| | Indian Promoters | 8643046 | 74.70 |
| B | Non Promoter Holding | | |
| | | | |
| a | Mutual Funds & UTI | - | - |
| b | Banks, Financial Institutions Insurance Companies (Central / State Govt. Institutions/ Non-Government Institutions) | 66 | 0.001 |
| c | FII's | Nil | Nil |
| C | Others | | |
| a. | Private Corporate Bodies | 550310 | 4.76 |
| b. | Indian Public | 2320000 | 20.052 |
| c. | NRIs/OCBs | 55914 | 0.48 |
| d. | Any other (Demat Transit) | 582 | 0.01 |
| | GRAND TOTAL | 11569918 | 100.00 |

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j) Distribution of Shareholding as on 31st March 2023:

| <i>Range (In Rs)</i> | <i>Total Holders</i> | <i>Total Holdings in Rupees</i> |
|----------------------|----------------------|---------------------------------|
| 1 – 5000 | 7295 | 6820200 |
| 5001-10000 | 333 | 2602480 |
| 10001 – 20000 | 136 | 1975270 |
| 20001 – 30000 | 41 | 1003000 |
| 30001 - 40000 | 19 | 675700 |
| 40001 – 50000 | 20 | 955640 |
| 50001 – 100000 | 15 | 1022610 |
| 100001 – 999999999 | 25 | 100644280 |
| Total | 7884 | 115699180 |

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

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed in respect of dividends declared upto the financial year ended 31st March 2014 have been transferred to the IEPF.

As the Company had not declared dividend for FY 2014-15, any such transfer of unclaimed dividend does not arise.

- l) **Outstanding GDR's / ADR's / Warrants or any Convertible instruments, conversion date and Likely impact on equity** - Not Applicable
- m) **Wind Power Plant Location** - Andhra Pradesh – Anantpur,
Tamilnadu – Theni, Tirunelveli, Tiruppur
Maharashtra – Beed & Satara
- n) **Address for Correspondence** - Regd. Office
Empire House,
214, Dr. D.N.Road,
Fort,
Ent. A.K. Nayak Marg,
Mumbai - 400 001.
Tel Nos. 22071501-06
Fax : 22071514
Website : www.karmaenergy.co
- Registrar & Share Transfer Agent** - Bigshare Services Pvt. Ltd.,
Office No.S6-2, 6th floor
Pinnacle Business Park
Next to Ahura Centre,
Mahakali Caves Road
Andheri (East),
Mumbai - 400 093.
Tel : 62638200, Fax, 62638299
Email : info@bigshareonline.com



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Website : www.bigshareonline.com

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

- p) Equity Shares in Suspense Account - There are no shares in unclaimed/ suspense account for the financial year 2022-23

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Annexure III

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

BUSINESS REVIEW

General Economy

Post devastation of economy of various countries high inflation in developed countries like UK coupled with recession looming largest in most of the developed nations including USA leading to many a corporate giant especially in IT sector has laid off thousands of their employees. Further the continuing war/ hostilities amongst the nations and turmoil being seen in Banking Sector at the global level does not augur well for the world economy in 2024 and for some years beyond. In this gloomy scenario Indian economy has shown resilience so far and the GDP expected at 7% in FY 2022-23 when all figs get assimilated and RBI projection for FY 2023-24 is 6.5% considering many an adverse factors prevailing globally and Indian economy for past couple of decades is closely knitted with global economy.

As far as India is concerned, the Central Government and RBI took a number of remedial steps restricting the adverse global impact have controlled inflation and economic downturn. Under Central Governments' positive policies under "Make in India" pursuit has resulted in many a global manufacturing and distribution outlets setting shop in India. The Central Government's tactical move to buy cheaper Russian crude has helped Indian economy from global Crude Shock resulting from prolonged wars between nations.

Planned boost for basic infrastructure in Road and Transport sector have lot of long term benefits for the generations to follow.

Both Direct tax and Indirect tax mainly GST collections clocking one lakh crore plus consistently are reflecting the Indian Growth story.

Company Business

The renewable power generation, which is the business of the Company, though has received all encouragement from both central and state governments have not grown to the extent expected due to pessimistic approach of many regulatory commissions and most of the State utilities, the latter themselves being in doldrums. In many states tariffs have not being encouraging and sale to third parties are being throttled by imposing high open access charges under one pretext or other. In fact as was mentioned last year the Company has shifted from Sale to third party to Sale to Board for its main wind farm in Maharashtra from January 2020. However Certain Developers and Wind Power Associations have filed petitions in Bombay High Court as well as in APTEL and based on favourable outcome Company may shift back to third party sale of power.

The performance of the Company is directly linked to the Renewable Energy Policies of both Centre and State Governments, effectiveness of Nodal Agencies and formulation of encouraging policies and implementation thereof by State Electricity Regulatory Commissions.

The silver lining during the year have been the favourable order from CERC resulting in both Telangana and AP utilities clearing old dues from January 2011 to May 2014 along with interest at 14% and the Company realizing an aggregate amount of Rs. 8.33 Cr.

Further the Ministry of Power has paved the way for realizing regular dues in Installments along with interest for delays. AP has chosen to pay in 12 installments of the dues as of May 2022 and TN in 48 installments of the Dues as at end June 2020. This has facilitated regular cash flow leading the Company pre-paying the term loans availed from Bank and become DEBT FREE.

OUTLOOK, OPPORTUNITIES AND THREATS

The Pandemic Covid-19 continues to raise its head time and again after gap of every few months causing anxiety.

As far as Company's operations are concerned like any other renewable energy entity many adverse regulatory changes have been worse than the pandemic. Some sites are recording negative earnings. The Company has taken lot of steps for cost reduction, tight cash flow management, policy changes to mitigate the downturn. In fact during the financial year it sold its lone wind mill along with the land at Poolvadi in Tiruppur District, in Tamil Nadu. The Company may also sell some more wind mills which due to passage of time has outlived its technical life and continuing its operation even with good operation and maintenance may prove uneconomical as tariff remains fixed for many years with no adjustment to inflation or factual cost of repairs and establishment costs.

As it stands today, it seems the Central Governments' ambitious quantum leap in RE Power is encouraging only big business houses who are jumping into the Green Power bandwagon as their pockets are deep and may be able to absorb the running losses in the RE Business which they may leverage for growth in their other core businesses.

RISKS AND CONCERNS

On the Renewable Energy Sector, the considerable delay in processing or decision making by state utilities and State Electricity Regulatory Commission and also the higher judicial authorities have been resulting in considerable strain on the sustainability of small wind farms and also impeding the future projects.

The experience of the Company has been that inordinate delays in adjudication of the matters by Electricity Regulatory Commission, Appellate Tribunal for Electricity and higher courts result in acute pressure on the Company due to huge mismatch in inflow and outflow of funds barring the financial year FY 2022-23 as it received the favourable CERC Order directing payment of long pending dues of Jan 2011 to May 2014. In the wind power business the expenses are more or less fixed and also the loan repayment and interest to lenders like banks, however, the delayed receipt of generation proceeds necessitate that company has to resort to temporary borrowings to tide over the mismatch. This is also a concern as it has to bear the brunt of finance cost. However the good turn of events in FY 2022-23 helped the Company to tackle the liquidity issues and based on past

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experience, this could an exception and same old problems would surface in future.

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

INTERNAL CONTROL SYSTEM

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

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

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

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

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

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS – To fill in

| Sr. No. | Parameters | F.Y. 2022-23 | F.Y. 2021-22 |
|---------|-----------------------------|--------------|--------------|
| 1 | Debtors Turnover | 79.94% | 30.34% |
| 2 | Inventory Turnover | 17.27% | 8.93% |
| 3 | Interest Coverage Ratio | 7.29% | 0.34 |
| 4 | Current Ratio | 1.31 | 0.57 |
| 5 | Debt Equity Ratio | 0.31 | 0.87 |
| 6 | Operating Profit Margin (%) | 104.85% | 102.68% |
| 7 | Net Profit Margin (%) | 56.19% | (8.21%) |
| 8 | Return on Net Worth | 15.95% | (7.74%) |

Notes :

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

- a) The variation in Debtors Turnover percentage is due to inordinate delays in releasing the generation proceeds by State Utilities coupled with reduction turnover as from 01.01.2022, the company switched to sale to utility from sale to third party as latter involved very high open access charges payable to utility and other agencies such that though gross unit realisation was good in sale to third party, net unit realisation after deducting pen access charges worked out even less than unit rate for sale to utility drastically affecting the net profit.
- b) The variation in Inventory Turnover Ratio is again due to reduction in turnover being less as detailed under "a" above.
- c) The variation in Interest Coverage Ratio is due to marked improvement in Profit before tax as Company switched to Sale to utility from 01.01.2022 from Sale to third party as detailed in "a" above and further realised old dues along with interest from AP utilities pursuant to favourable CERC order .
- d) The variation in Current Ratio is primarily due to Company closing the deposits with banks to prepay bank term loans.
- e) The variation in Debt Equity Ratio is due to the Company prepaying bank term loans.
- f) The variation in Net Profit Margin and Return on Net Worth are attributable to operating profits in FY 2022-23 being good due to reduction in Finance Costs due to clearing of bank term loans , reduction in Open Access Costs since Company shifted from sale of Power to third party through open access to sale to utility from its 18MW wind farm in Satara District , Maharashtra and further realised old dues along with interest from AP utilities pursuant to favourable CERC order.

Annexure III

To,
The Board of Directors
Karma Energy Limited

Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Karma Energy Limited ('the Company'), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March 2023 and to the best of our knowledge and belief, we state that:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the financial year, which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - a. significant changes, if any, in the internal control over financial reporting during the year;
 - b. significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Chetan D. Mehra
CEO & Managing Directors
(DIN : 00022021)

sd/-
T V Subramanian
CFO & Company Secretary

Date : 25th May, 2023

Annexure IV

MARTINHO FERRAO & ASSOCIATES
Company Secretaries



Level 3, Office # 301, Dhun Building, 23/25 Janmabhoomi Marg, Fort, Mumbai - 400 001
Tel: +91 22 2202 4366 Email: mferraocs@yahoo.com Website : www.csmartinhoandassociates.com

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance **Karma Energy Limited** ('the Company') for the year ended on March 31, 2023 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI LODR Regulations for the year ended 31st March 2023.

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

For Martinho Ferrao & Associates
Company Secretaries

Martinho Ferrao

Proprietor

FCS No. 6221

COP No. 5676

UDIN: F006221E000375216

Place: Mumbai

Date: 25th May, 2023

Annexure VI

MARTINHO FERRAO & ASSOCIATES

Company Secretaries

Level 3, Office # 301, Dhun Building, 23/25 Janmabhoomi Marg, Fort, Mumbai - 400 001

Tel: +91 22 2202 4366 Email: mferraocs@yahoo.com Website : www.csmartinhoandassociates.com



FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

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

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

We have examined the papers, minute books, forms, returns filed and other records maintained by the Company for the financial year ended on 31st March 2023. Based on our verification of Karma Energy Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Karma Energy Limited** ("the Company") for the financial year ended on **31st March 2023** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not applicable as the Company has not issued any securities during the financial year under review.** ;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not applicable as the Company has not issued any Employee Stock Option Scheme and Employee Stock Purchase Scheme.**
 - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable as the Company has not issued any debt securities during the financial year under review;**
 - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review;**
 - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review;**
 - h. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013: **Not applicable as the Company has not issued any such securities during the financial year under review.**
 - i. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
 - j. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; - **Not applicable to the Company securities during the financial year under review.**
 - k. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

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

1. The Electricity Act, 2003

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried through with requisite majority. There were no dissenting views from the members during the period under review.

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

We further report that; during the period under review::

- I. *The Company has received notice from BSE & NSE on 21st February 2023 with respect to penal actions as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for Non-compliance with the constitution of stakeholder relationship committee under Regulation 20(2) of SEBI (LODR) Regulations, 2015. The contention of Stock Exchanges are that when Mr. Chetan D Mehra was appointed as Managing Director from December 1, 2022, he cannot continue as Chairman of Stakeholders Relationship Committee(SRH) and SRH ought to have been reconstituted.*

The Company has contended that appointment Mr. Chetan D Mehra as Managing Director was subject to approval by the Shareholders whose concurrence was sought through postal ballot and results announced on January 12, 2013 and thereafter SRH was reconstituted in the ensuing Board Meeting on February 9, 2023 and accordingly the Company has filed an appeal with both the exchanges and the matter is pending for decision.

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- II. The members approved the following special business at their Annual General Meeting held on 28th July, 2022:
- a) Re-appointment of Shri Balady Shekar Shetty as an Independent Director for a further period of 5 years.
 - b) Re-appointment of Smt. Smita Vinesh Davda as an Independent Director for a further period of 5 years
 - c) Re-appointment of Shri Ganesh N Kamath as Managing Director for the period 01st December, 2021 until 30th November, 2022
- III. The members approved the following ordinary resolution conducted through Postal Ballot, for which e-voting was conducted from 12th December,2022 to 10th January, 2023:
- a) Appointment of Mr. Chetan Durgadas Mehra (DIN00022021) as Managing Director of the Company.

For Martinho Ferrao & Associates
Company Secretaries

Martinho Ferrao
Proprietor
FCS No. 6221 C.P.No.5676
PR 951/2020
UDIN: F006221E000374160

Place: Mumbai
Date: 25th May, 2023

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

'Annexure A'

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

Our report is to be read along with this letter.

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

For **Martinho Ferrao & Associates**
Company Secretaries

Martinho Ferrao
Proprietor
FCS No. 6221
C P. No. 5676
PR 951/2020

Place: Mumbai

Date: 25th May, 2023

UDIN: F006221E000374160

INDEPENDENT AUDITOR'S REPORT
To the Members of KARMA ENERGY LIMITED
Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **KARMA ENERGY LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

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

i. Valuation of unquoted financial assets held at fair value

Description of Key Audit Matter:

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

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

See Note 1.4 (k), Note 3 and Note 29 to the financial statements.

Our response:

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

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 26 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Chartered Accountants

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures performed, nothing has come to our attention that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording trail (edit log) facility is applicable to the Company with effect from April 1, 2023 and accordingly reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 015935

Place : Mumbai
Date : May 25 , 2023
ICAI UDIN : 23015935BGZEHP4299

Annexure - A to the Independent Auditors' Report

(The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Karma Energy Ltd of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all items of Property, Plant and Equipment are verified once in every two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the said programme, certain items of Property, Plant and Equipment were physically verified during the year and no material discrepancies were observed on such verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory during the year. In our opinion, with regards to the nature and size of its inventories, the coverage and procedure of such physical verification carried out during the year were appropriate. Discrepancies noted during such physical verification were less than 10% of respective inventory classes. All discrepancies noted during the year were properly dealt with in the books of account.
- (b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate at any points of time during the year, from any banks or Financial Institutions on the basis of security of its current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable.
- (iii) During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. The Company had given unsecured loan during the previous year of Rs 386.80 lakhs to a Company which has been repaid in full during the year and the balance amount outstanding at the year end is Nil.

- (b) As informed there are no investments made or any loans given during the year, hence reporting under clause 3 (iii)(b) is not applicable
- (c) In respect of loans given during the previous year, the repayment of principal and payment of interest has been fully received.
- (d) In respect of loans granted in the previous year there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) In our opinion and on the basis of information and explanations given to us, since no loans are outstanding at the year end, reporting under clause 3 (iii) (e) is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3 (iii) f is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act 2013 in respect of loans granted, investments made and guarantees and securities provided as applicable.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed statutory dues referred above were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Sales Tax, Service Tax, Goods and service tax, Income tax, Duty of Customs, Duty of Excise, Value added tax outstanding on account of any dispute except for income tax as stated below: *

| Name of the statute | Nature of dues | Amount (Rs. In lakhs)* | Period to which the amount relates (Financial Year) | Forum where dispute is pending |
|----------------------|----------------|------------------------|---|------------------------------------|
| Income Tax Act, 1961 | Income Tax | 94.69 | AY: 2014-15 | Commissioner of Income Tax Appeals |
| Income Tax Act, 1961 | Income Tax | 239.59 | AY: 2018-19 | Commissioner of Income Tax Appeals |

*As represented by Management.

- (viii) According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) (a) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not defaulted in repayment of loans or any other borrowings or payment of interest there on to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained during the year by the Company. In respect of the term loan outstanding at the beginning of the year, there was no amount pending to be utilised during the year.
- (d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, no funds have been raised on short term basis by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised any funds during the year and hence reporting on clause 3 (ix)(f) of the Order is not applicable.
- (x) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally) during the year.
- (xi) (a) According to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the year.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of the Report.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a 'nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.

- (xiii) According to the information and explanations given to us and based on the audit procedures performed by us, transactions with the related parties during the year were in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system, however it needs to be strengthened to be commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the company during the year and till date in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order are not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Company ('CIC') as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.
- (xvii) According to the information and explanations given to us, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Chartered Accountants

- (xx) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spend any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.
- (xxi) This Report is issued on the standalone financial statements of the Company. Accordingly, paragraph 3(xxi) of the Order is not applicable.

For BATLIBOI & PUROHIT

Chartered Accountants

ICAI Firm Reg. No.101048W

Atul Mehta

Partner

Membership No. 015935

Place: Mumbai

Date: May 25, 2023

ICAI UDIN: 23015935BGZEHP4299

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirement's" section of our report to the members of Karma Energy Limited of even date)

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

We have audited the Internal Financial Controls with reference to the financial Statements of of Karma Energy Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Financial statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 015935

Place : Mumbai
Date : May 25, 2023
ICAI UDIN: 23015935BGZEHP4299

Karma Energy Limited
(CIN - L3110MH2007PLC168823)
Balance Sheet as at 31.03.23

Rupees in Lac

| Particulars | Note No | As At | |
|---|---------|-----------------|-----------------|
| | | 31.03.23 | 31.03.22 |
| ASSETS | | | |
| Non-Current Assets | | | |
| 0 Property, Plant and Equipment | 2A | 2,642.95 | 3,126.26 |
| b Right of Use Assets | 2B | 94.84 | 110.29 |
| c <u>Financial Assets</u> | | | |
| i Investments | 3 | 1,352.43 | 188.20 |
| ii Others | 4 | 36.84 | 36.96 |
| Total Non-Current Assets ==> | | 4,127.06 | 3,461.71 |
| Current Assets | | | |
| a Inventories | 5 | 203.02 | 239.49 |
| b <u>Financial Assets</u> | | | |
| i Trade Receivables | 6 | 1,056.46 | 991.21 |
| ii Cash and Cash Equivalents | 7 | 29.48 | 27.89 |
| iii Bank Balances other than (ii) above | 8 | - | 1,072.29 |
| iv Loans | 9 | - | 386.80 |
| c Current Tax Assets | | 30.68 | 31.64 |
| d Other Current Assets | 10 | 100.11 | 129.35 |
| Total Current Assets ==> | | 1,419.75 | 2,878.67 |
| TOTAL ASSETS | | 5,546.81 | 6,340.38 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a Equity Share capital | 11 | 1,156.99 | 1,156.99 |
| b Other Equity | 12 | 2,690.33 | 1,864.33 |
| Total Equity ==> | | 3,847.32 | 3,021.32 |
| Liabilities | | | |
| <u>Non-Current Liabilities</u> | | | |
| a <u>Financial Liabilities</u> | | | |
| i Borrowings | 13 | - | 1,153.52 |
| ii Lease Liabilities | 40c | 106.73 | 124.26 |
| b Provisions | 14 | 6.27 | 28.99 |
| c Deferred Tax Liabilities | 28a | 561.79 | 927.13 |
| Total Non-Current Liabilities ==> | | 674.79 | 2,233.90 |
| <u>Current Liabilities</u> | | | |
| a <u>Financial Liabilities</u> | | | |
| i Borrowings | 15 | 507.92 | 592.86 |
| ii Lease Liabilities | 40c | 13.72 | 9.66 |
| iii Trade Payables | | | |
| (a) Micro and Small Enterprises | 16 | - | - |
| (b) Other than Micro and Small Enterprises | 16 | 24.27 | 41.64 |
| iv Others | 17 | 238.45 | 310.68 |
| b Other Current Liabilities | 18 | 24.92 | 35.93 |
| c Provisions | 19 | 20.26 | 7.24 |
| d Current Tax Liabilities | | 195.16 | 87.15 |
| Total Current Liabilities ==> | | 1,024.70 | 1,085.16 |
| Total Liabilities ==> | | 1,699.49 | 3,319.06 |
| TOTAL EQUITY and LIABILITIES | | 5,546.81 | 6,340.38 |

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

As per our report of even date attached

For and on behalf of the Board

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

Dharmendra G. Siraj
(Chairman)
DIN : 00022021

Chetan D. Mehra
(Vice Chairman &
Managing Director)
DIN - 00040805

Atul Mehta
Partner
Membership No. 15935
Mumbai, Dated : 25.05.23

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

Karma Energy Limited
(CIN : U51909MH2002PLC135840)
Statement of Profit and Loss for the year ended 31.03.23

Rupees in Lac

| | Particulars | Note No | Year Ended | |
|----------|---|--------------------|-----------------|-----------------|
| | | | 31.03.23 | 31.03.22 |
| 1 | Income | | | |
| [a] | Revenue from Operations | 20 | 1,280.80 | 2,753.48 |
| [b] | Other Income | 21 | 525.41 | 95.16 |
| | Total Income | | 1,806.21 | 2,848.64 |
| 2 | Expenses | | | |
| [a] | Operation and Maintenance Cost | 22 | 458.20 | 1,705.27 |
| [b] | Employee Benefits Expense | 23 | 286.82 | 272.22 |
| [c] | Finance Costs | 24 | 114.47 | 340.73 |
| [d] | Depreciation and Amortisation Expense | 2A & 2B | 483.47 | 509.13 |
| [e] | Other Expenses | 25 | 215.75 | 247.37 |
| | Total Expenses | | 1,558.71 | 3,074.72 |
| 3 | Profit / (Loss) before Exceptional Item and Tax (1 - 2) | | 247.50 | (226.08) |
| 4 | Exceptional Items - Interest on Old Debts Recovered | | 472.21 | - |
| 5 | Profit / (Loss) before Tax (3 + 4) | | 719.71 | (226.08) |
| 6 | Tax Expense: | | | |
| [a] | Current Tax | | 281.00 | 50.00 |
| [b] | Prior Year Tax | | (36.40) | 44.86 |
| [c] | Deferred Tax | 28a | (113.92) | (108.32) |
| | Total Tax Expenses | | 130.68 | (13.46) |
| 7 | Profit / (Loss) after Tax (5 - 6) | | 589.03 | (212.62) |
| 8 | Other Comprehensive Income | | | |
| [a] | Items that will not be reclassified to Profit or Loss | | | |
| | Re-measurement Gains / (Losses) on defined benefit plans | | 17.98 | (21.55) |
| | Tax effect | | (4.00) | - |
| | Net Gain / (Loss) on Fair Value through OCI - Equity Securities | | (22.44) | (2.70) |
| | Tax effect | | 5.70 | 2.16 |
| | Prior Year Def Tax on Equity Instrument through OCI | | 243.16 | - |
| | Total Other Comprehensive Income (Net of Tax) | | 240.40 | (22.09) |
| | Total Comprehensive Income for the year | | 829.43 | (234.71) |
| | Paid up Equity Share Capital (Rs 10/- Per Share) | | 1,156.99 | 1,156.99 |
| 9 | Earning per Share (of Rs 10/- each) | | | |
| [a] | Basic | 30 | 5.09 | (1.84) |
| [b] | Diluted | | 5.09 | (1.84) |

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

As per our report of even date attached

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

Atul Mehta
Partner
Membership No. 15935
Mumbai, Dated : 25.05.23

For and on behalf of the Board

Dharmendra G. Siraj
(Chairman)
DIN : 00022021

Chetan D. Mehra
(Vice Chairman &
Managing Director)
DIN - 00040805

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

Karma Energy Limited

Statement of Cash Flows for the period ended 31.03.23

Rupees in Lac

| Particulars | 31.03.23 | 31.03.22 |
|---|-------------------|-------------------|
| Operating Activities | | |
| Net Profit / (Loss) before Exceptional Items and Tax | 719.71 | (226.08) |
| <i>Adjustments for:</i> | | |
| Depreciation and Amortisation | 483.47 | 509.13 |
| Finance Cost | 114.47 | 340.73 |
| Interest Income | (573.45) | (56.15) |
| Dividend Income | (0.05) | (0.07) |
| Loss / (Profit) on Sale of Fixed Asset | (33.75) | 0.26 |
| Sundry Balances Written Back / Off | (6.68) | 0.01 |
| Recovery of Bad Debts | (351.44) | - |
| Sale of Investment | (0.98) | (0.45) |
| Loss on Sale / Discard of Investment | - | 0.09 |
| Other Income | (13.54) | - |
| Miscellaneous Expenditure | (0.02) | (0.03) |
| Operating Profit / (Loss) before Working Capital changes | 337.74 | 567.44 |
| <i>Changes in Working Capital:</i> | | |
| <i>Adjustments for (Increase) / Decrease in Operating Assets</i> | | |
| Inventories | 36.47 | 12.77 |
| Trade Receivables | (65.25) | (311.74) |
| Short Term Loans and Advances | 389.82 | (386.80) |
| Other Non Current Financial Assets | 0.12 | (2.84) |
| Other Current Assets | 29.24 | 4.33 |
| Other Non-Current Assets | 17.98 | (21.55) |
| | 746.12 | (138.39) |
| <i>Adjustments for Increase / (Decrease) in Operating Liabilities</i> | | |
| Trade Payables | (17.37) | 14.41 |
| Other Current Liabilities | (11.01) | 4.84 |
| Short Term Provisions | 13.02 | (3.66) |
| Long Term Provisions | (22.72) | 9.77 |
| Other Current Financial Liabilities | (72.23) | (40.88) |
| Cash generated from Operations | 635.81 | (153.91) |
| Net Income Tax (Paid) / Refund | (139.63) | (5.31) |
| Net Cash Flow from / (used in) Operating Activities (A) | 496.18 | (159.22) |
| Investing Activities | | |
| Purchase of Fixed Assets | - | (0.47) |
| Bank Deposits | 1,072.29 | (39.35) |
| <u>Purchase of Long Term Investments</u> | | |
| - Mutual / Guilt Funds | (1,384.96) | - |
| <u>Sale of Long Term Investments</u> | | |
| - Subsidiaries | - | 3,500.00 |
| - Others | 49.24 | 1,551.93 |
| - Mutual / Guilt Funds | 150.00 | - |
| Sale of Fixed Assets | 43.02 | 0.20 |
| Interest Income | 573.45 | 56.15 |
| Dividend | 0.05 | 0.07 |
| Recovery of Bad Debts | 351.44 | - |
| Net Cash Flow from Investing Activities (B) | 854.53 | 5,068.53 |
| Financing Activities | | |
| <u>Long Term Borrowings</u> | | |
| Loans Repaid | (1,724.95) | (648.00) |
| <u>Short Term Borrowings</u> | | |
| Loans Taken | 843.42 | 1,574.08 |
| Loans Repaid | (341.53) | (5,515.74) |
| Finance Cost | (100.43) | (327.61) |
| Principal Payment of Lease | (25.63) | (21.60) |
| Net Cash Flow from Financing Activities (C) | (1,349.12) | (4,938.87) |
| Total (A + B + C) | 1.59 | (29.56) |
| Cash and Cash Equivalent at the Beginning of the year | 27.89 | 57.45 |
| Cash and Cash Equivalent at the End of the year | 29.48 | 27.89 |
| | 1.59 | (29.56) |
| (a) Cash on Hand | 0.02 | 0.02 |
| (b) Balances with Banks - in Current Accounts | 29.46 | 27.87 |
| | 29.48 | 27.89 |

As per our report of even date attached

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

Atul Mehta
Partner
Membership No. 15935
Mumbai, Dated : 25.05.23

For and on behalf of the Board

Dharmendra G. Siraj
(Chairman)
DIN : 00022021

Chetan D. Mehra
(Vice Chairman &
Managing Director)
DIN - 00040805

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

Karma Energy Limited

Statement of Changes in Equity for the period ended 31.03.23

A. Equity Share Capital

(1) Current Reporting Period

Rupees in Lac

| Balance as on 01.04.22 | Changes in Equity Share Capital due to prior period errors | Restated Balance at beginning of the current reporting period | Changes in Equity Share Capital during current the year | Balance as on 31.03.23 |
|------------------------|--|---|---|-------------------------------|
| 1,156.99 | - | 1,156.99 | - | 1,156.99 |
| 1,156.99 | - | 1,156.99 | - | 1,156.99 |

(2) Previous Reporting Period

| Balance as on 01.04.21 | Changes in Equity Share Capital due to prior period errors | Restated Balance at beginning of the current reporting period | Changes in Equity Share Capital during current the year | Balance as on 31.03.22 |
|------------------------|--|---|---|-------------------------------|
| 1,156.99 | - | 1,156.99 | - | 1,156.99 |
| 1,156.99 | - | 1,156.99 | - | 1,156.99 |

The Company has not issued any security instruments other than Equity Share Capital as above.

Karma Energy Limited

Statement of Changes in Equity for the period ended 31.03.23

B. Other Equity

(1) Current Reporting Period

Rupees in Lac

| | Reserves and Surplus | | | | Equity Instruments through Other Comprehensive Income | Total |
|--|----------------------|-------------------------------|-------------------|--|---|-----------------|
| | General Reserve | Other Reserves (Specify Name) | Retained Earnings | Re-measurement on Defined Benefit Plan | | |
| Bal at the beginning of the reporting period 01.04.22 | 3,436.95 | (146.58) | (1,693.23) | (3.76) | 270.95 | 1,864.33 |
| Total Comprehensive Income for the year | - | - | 589.03 | 16.55 | 226.42 | 832.00 |
| Prior Def Tax on Equity Inst thru OCI | - | - | (243.16) | - | - | (243.16) |
| Transfer (to) / from Retained Earnings | - | - | 601.70 | 20.17 | (384.71) | 237.16 |
| Balance at the end of the reporting period 31.03.23 | 3,436.95 | (146.58) | (745.66) | 32.96 | 112.66 | 2,690.33 |

(2) Previous Reporting Period

| | Reserves and Surplus | | | | Equity Instruments through Other Comprehensive Income | Total |
|--|----------------------|-------------------------------|-------------------|--|---|-----------------|
| | General Reserve | Other Reserves (Specify Name) | Retained Earnings | Re-measurement on Defined Benefit Plan | | |
| Bal at the beginning of the reporting period 01.04.21 | 3,436.95 | (146.58) | (1,487.69) | 17.79 | 278.57 | 2,099.04 |
| Total Comprehensive Income for the year | - | - | (212.63) | - | (0.52) | (213.15) |
| Re-measurement Gains / (Losses) on defined benefit plans | - | - | - | (21.55) | - | (21.55) |
| Transfer (to) / from Retained Earnings | - | - | 7.10 | - | (7.09) | 0.01 |
| Balance at the end of the reporting period 31.03.22 | 3,436.95 | (146.58) | (1,693.22) | (3.76) | 270.95 | 1,864.34 |

As per our report of even date attached

For and on behalf of the Board

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

Dharmendra G. Siraj
(Chairman)
DIN : 00022021

Chetan D. Mehra
(Vice Chairman &
Managing Director)
DIN - 00040805

Atul Mehta
Partner
Membership No. 15935
Mumbai, Dated : 25.05.23

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

Karma Energy Limited

Notes to Financial Statements for the period ended 31.03.23

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

1.1 CORPORATE INFORMATION

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

1.2 BASIS OF PREPARATIONS AND SIGNIFICANT ACCOUNTING POLICIES

A **Basis of preparation and presentation**

i) **Statement of Compliance**

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

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

The financial statements were authorised for issue by the Company's Board of Directors on 25.05.23

ii) **Functional and Presentation Currency**

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

iii) **Basis of measurement**

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

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

1.3 **Use of Estimates and Judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 40 – lease; whether an arrangement contains a lease and:
- Note 40 – lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31.03.22 is included in the following notes:

- Note 3 – useful life of Property, plant and equipment
- Note 23.1 – employee benefit plans
- Note 26 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

1.4 **Summary of significant accounting policies**

a **i) Ind AS 16 - Property, Plant and Equipment**

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

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

ii) **Depreciation**

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

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

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

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

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

b Leases

As a lessee

The Company has adopted 'simplified approach' under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised present value of lease liabilities of Rs. 156.63 lakhs and equal amount of 'Right of Use (ROU)' assets as on April 01, 2019. In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous year), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due the above change in accounting policy is not material.

The Company's leases primarily consist of leasehold lands. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of respective lease terms (being lower of lease term and estimated useful life of underlying assets).

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows."

As a lessor

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

c Borrowing Cost

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

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

d Inventories

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

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

e **Impairment of non-financial assets**

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

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

f **Provisions and Contingent liabilities**

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

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

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

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

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

g **Employee Benefits Expense**

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

Post-Employment Benefits :

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

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

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

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

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

h **Tax Expenses**

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

Current tax

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

Deferred tax

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

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

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

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

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

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

i Foreign currencies transactions

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

j Revenue recognition

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

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

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

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

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

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

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

k Financial instruments

i) Financial Assets

a Recognition and measurement

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

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

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

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

b Investment in Associates and Subsidiaries

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

c Other Equity Investments

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

d **Impairment of financial assets**

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

e **Derecognition**

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

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

ii) **Financial liabilities**

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

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

Derecognition

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

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

iii) **Offsetting**

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

l **Cash and Cash Equivalents**

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

m **Earnings per share**

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

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

n **Classification of current/ non current assets and liabilities**

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

o **Measurement of fair values**

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

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

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

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

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

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

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

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

p **Cash flow statement**

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

1.5 ACCOUNTING JUDGEMENTS AND ESTIMATION OF UNCERTAINTY

a **Depreciation and useful lives of Property, Plant and Equipment**

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

b **Recoverability of trade receivable**

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

c **Provisions**

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

d **Defined benefit obligations**

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

1.6 STANDARDS ISSUED BUT NOT YET EFFECTIVE

As on the date of approval of these financial statements, there were no new standards or amendments which have been notified but not yet adopted by the Company and expected to have any material impact on the financial statements of the Company.

1.7 RECENT ACCOUNTING PRONOUNCEMENTS

On 31.03.23, Ministry of Corporate Affairs ('MCA') issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 ('the Rules'), applicable for annual reporting periods beginning on or after 01.04.23, which are as below:

1 **Ind AS 1 – Presentation of Financial Statements:**

Entities are required to disclose its 'material accounting policy information' instead of its 'significant accounting policies'. Guidance has been added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material. The amendments also clarify that

- a accounting policy information may be material because of its nature, even if the related amounts are immaterial
- b accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- c if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

These amendments are not expected to have a material impact on the financial statements of the Company and the management will evaluate the disclosures requirements for the subsequent annual financial reporting

2 **Ind AS 8 – Accounting policies, Changes in Accounting Estimates and Error**

The definition of 'change in accounting estimates' is replaced with a definition of 'accounting estimates'. As per the new definition accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments have also added explanation for treatment and recognition of changes in accounting estimates

These amendments are not expected to have a material impact on the financial statements of the Company

3 Ind AS 12 – Income taxes

Transactions which give rise to equal taxable and deductible temporary differences (at time of the transaction) have been added to exceptions to the initial recognition exemption provided in the Ind AS 12. The amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognised as assets at the beginning of the earliest comparative period presented and requires recognition of the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The Company is in the process of evaluating the impact of these amendments, however, these amendments are not expected to have a material impact on the financial statements of the Company as the Company already recognised the deferred taxes associated with right-of-use assets and lease liabilities that are already aligned with the proposed amendments

4 Amendments pertaining to other Ind AS [i.e. Ind AS 101] – First Time

Adoption of Indian Accounting Standards, Ind AS 102 – Share-based Payments, Ind AS 103 – Business Combinations, Ind AS 107 – Financial Instruments Disclosures, Ind AS 109 – Financial Instruments and Ind AS 115 – Revenue from Contracts with Customers] contained the said Rules are in the nature of either certain corrections of errors or consequential cross reference in respect of the above mentioned amendments and do not have impact on accounting principles.

Karma Energy Limited

Notes to the Financial Statements for the period ended 31.03.23

Note No : 2 - Property, Plant and Equipments and Right of Use Assets

A - Property, Plant and Equipments

Rupees in Lac

| | Description | Gross Block | | | | Depreciation | | | | Net Block | |
|----|--|-------------------|----------------|-----------------|-------------------|-------------------|-----------------|----------------|-------------------|-------------------|-------------------|
| | | As At 01.04.22 | Addit- ions | Dedu- ctions | As At 31.03.23 | As At 01.04.22 | For the Year | Adj / Dedns | As At 31.03.23 | As At 31.03.23 | As At 31.03.22 |
| | Property, Plant & Equipment : | | | | | | | | | | |
| | Own Assets : | | | | | | | | | | |
| 1 | Land - Freehold | 163.27 | - | 1.13 | 162.14 | - | - | - | - | 162.14 | 163.27 |
| 2 | Plant & Machinery | 15,941.00 | - | 282.69 | 15,658.31 | 13,009.71 | 461.20 | 268.55 | 13,202.36 | 2,455.95 | 2,931.29 |
| 3 | Road - Non RCC | 61.37 | - | - | 61.37 | 58.29 | - | - | 58.29 | 3.08 | 3.08 |
| 4 | Office Equipment | 7.19 | - | - | 7.19 | 5.32 | 0.23 | - | 5.55 | 1.64 | 1.87 |
| 5 | Vehicles | 61.19 | - | - | 61.19 | 37.11 | 5.39 | - | 42.50 | 18.69 | 24.08 |
| 6 | Wind Masts | 25.83 | - | - | 25.83 | 24.46 | 1.14 | - | 25.60 | 0.23 | 1.37 |
| 7 | Motor Car | 20.25 | - | 0.36 | 19.89 | 19.09 | 0.07 | 0.34 | 18.82 | 1.08 | 1.16 |
| 8 | Computers | 2.65 | - | - | 2.65 | 2.54 | - | - | 2.54 | 0.11 | 0.11 |
| 9 | Office Equipments | 1.10 | - | - | 1.10 | 1.08 | - | - | 1.08 | 0.02 | 0.02 |
| 10 | Furniture & Fixtures | 2.03 | - | - | 2.03 | 2.02 | - | - | 2.02 | 0.01 | 0.01 |
| | Total (A) | 16,285.88 | - | 284.18 | 16,001.70 | 13,159.62 | 468.03 | 268.89 | 13,358.76 | 2,642.95 | 3,126.26 |

B - Right of Use Assets

| | Description | Gross Block | | | | Depreciation | | | | Net Block | |
|--|--|-------------------|----------------|-----------------|-------------------|-------------------|-----------------|----------------|-------------------|-------------------|-------------------|
| | | As At 01.04.22 | Addit- ions | Dedu- ctions | As At 31.03.23 | As At 01.04.22 | For the Year | Adj / Dedns | As At 31.03.23 | As At 31.03.23 | As At 31.03.22 |
| | Leasehold Land (Refer Note 1.2(B)(b)) | 156.63 | - | - | 156.63 | 46.35 | 15.44 | - | 61.79 | 94.84 | 110.29 |
| | Total (B) | 156.63 | - | - | 156.63 | 46.35 | 15.44 | - | 61.79 | 94.84 | 110.29 |
| | Total (A + B) | 16,442.51 | - | 284.18 | 16,158.33 | 13,205.97 | 483.47 | 268.89 | 13,420.55 | 2,737.79 | 3,236.55 |

Note : Title deeds in respect of immovable properties owned by the Company are in the name of the Company

Notes to the Financial Statements for the year ended 31.03.22

Note No : 2 - Property, Plant and Equipments and Right of Use Assets

A - Property, Plant and Equipments

| | Description | Gross Block | | | | Depreciation | | | | Net Block | |
|----|--|-------------------|----------------|-----------------|-------------------|-------------------|-----------------|----------------|-------------------|-------------------|-------------------|
| | | As At 01.04.21 | Addit- ions | Dedu- ctions | As At 31.03.22 | As At 01.04.21 | For the Year | Adj / Dedns | As At 31.03.22 | As At 31.03.22 | As At 31.03.21 |
| | Property, Plant & Equipment : | | | | | | | | | | |
| | Own Assets : | | | | | | | | | | |
| 1 | Land - Freehold | 163.27 | - | - | 163.27 | - | - | - | - | 163.27 | 163.27 |
| 2 | Plant & Machinery | 15,941.00 | - | - | 15,941.00 | 12,523.09 | 486.62 | - | 13,009.71 | 2,931.29 | 3,417.91 |
| 3 | Road - Non RCC | 61.37 | - | - | 61.37 | 58.29 | - | - | 58.29 | 3.08 | 3.08 |
| 4 | Office Equipment | 6.72 | 0.47 | - | 7.19 | 5.09 | 0.23 | - | 5.32 | 1.87 | 1.63 |
| 5 | Vehicles | 61.19 | - | - | 61.19 | 30.39 | 6.72 | - | 37.11 | 24.08 | 30.80 |
| 6 | Wind Masts | 25.83 | - | - | 25.83 | 24.44 | 0.02 | - | 24.46 | 1.37 | 1.39 |
| 7 | Motor Car | 28.96 | - | 8.71 | 20.25 | 27.25 | 0.10 | 8.26 | 19.09 | 1.16 | 1.71 |
| 8 | Computers | 2.65 | - | - | 2.65 | 2.54 | - | - | 2.54 | 0.11 | 0.11 |
| 9 | Office Equipments | 1.10 | - | - | 1.10 | 1.08 | - | - | 1.08 | 0.02 | 0.02 |
| 10 | Furniture & Fixtures | 2.03 | - | - | 2.03 | 2.02 | - | - | 2.02 | 0.01 | 0.01 |
| | Total (A) | 16,294.12 | 0.47 | 8.71 | 16,285.88 | 12,674.19 | 493.69 | 8.26 | 13,159.62 | 3,126.26 | 3,619.93 |

B - Right of Use Assets

| | Description | Gross Block | | | | Depreciation | | | | Net Block | |
|--|------------------|-------------------|----------------|-----------------|-------------------|-------------------|-----------------|----------------|-------------------|-------------------|-------------------|
| | | As At 01.04.21 | Addit- ions | Dedu- ctions | As At 31.03.22 | As At 01.04.21 | For the Year | Adj / Dedns | As At 31.03.22 | As At 31.03.22 | As At 31.03.21 |
| | Leasehold Land | 156.63 | - | - | 156.63 | 30.90 | 15.45 | - | 46.35 | 110.29 | 125.73 |
| | Total (B) | 156.63 | - | - | 156.63 | 30.90 | 15.45 | - | 46.35 | 110.29 | 125.73 |

Karma Energy Limited

Notes to the Financial Statements for the period ended 31.03.23

Rupees in Lac (except no. of shares)

| Particulars | Note No | As at 31.03.23 | | As at 31.03.22 | | |
|--|----------|----------------|-----------------|-----------------|---------------|---------------|
| | | No of Shares | Amount | No of Shares | Amount | |
| Note No : 3 | 3 | | | | | |
| NON - CURRENT INVESTMENTS | | | | | | |
| Investments in Equity Instruments (Fully Paid-up) | | | | | | |
| Quoted investments | | | | | | |
| Fully paid up Equity Shares | | | | | | |
| P G Foils Ltd | | | 900 | - | 900 | - |
| Sub Total A | | | | - | | - |
| (B) Investments measured at Fair Value through Other Comprehensive Income | | | | | | |
| Unquoted | | | | | | |
| Fully paid-up Equity Shares | | | | | | |
| Tapi Energy Projects Ltd | | | 14,39,105 | 110.52 | 14,39,105 | 141.18 |
| Bramanvel Energy Ltd | | | - | - | 6,000 | 3.88 |
| Khandesh Energy Projects Ltd | | | - | - | 6,000 | 3.21 |
| Weizmann Corporate Services Ltd | | | - | - | 9,500 | 35.52 |
| The Saraswat Co-op Bank Ltd | | | 2,500 | 0.25 | 2,500 | 0.25 |
| Bramanvel Energy Ltd | | | - | - | 3,500 | 2.26 |
| Khandesh Energy Projects Ltd | | | - | - | 3,500 | 1.87 |
| Avinaya Resources Ltd | | | - | - | 50 | 0.03 |
| Sub Total | | | | 110.77 | | 188.20 |
| Investment in Mutual Funds / Bonds | | | | | | |
| SBI Liquid Funds - Growth | | | 19,631.771 | 691.69 | | |
| SBI Crisil IBX Guilt Index June 2036 | | | 52,54,999.678 | 549.97 | | |
| Sub Total | | | | 1,241.66 | | 0.00 |
| Total (B) | | | 1,352.43 | | 188.20 | |
| Total Non Current Investments | | | 1,352.43 | | 188.20 | |
| Market value of quoted investments | | | 1.21 | | 2.83 | |
| Aggregate amount of unquoted investments | | | 110.77 | | 188.20 | |

Karma Energy Limited

Notes to the Financial Statements for the period ended 31.03.23

Rupees in Lac

| Particulars | As At | |
|--|-----------------|-----------------|
| | 31.03.23 | 31.03.22 |
| Note No : 4 | | |
| OTHERS - Financial Asset (Non-Current) | | |
| [Unsecured, Considered Good] | | |
| Security Deposits - Premises | 11.90 | 15.94 |
| Security Deposits - Others | 24.94 | 21.02 |
| Total | 36.84 | 36.96 |
| Note No : 5 | | |
| INVENTORIES | | |
| (valued at lower of cost and net realisable value) | | |
| Consumables / Spares | 203.02 | 239.49 |
| Total | 203.02 | 239.49 |
| Note No : 6 | | |
| TRADE RECEIVABLES | | |
| (a) Unsecured, Considered Good | | |
| Trade Receivables - Power | 1,049.14 | 976.45 |
| Trade Receivables - Others | 7.32 | 14.76 |
| (Note : for ageing refer note no. 32 a & b) | | |
| Total | 1,056.46 | 991.21 |
| Note No : 7 | | |
| CASH AND CASH EQUIVALENTS | | |
| Cash on Hand | 0.02 | 0.02 |
| Balance with banks : | | |
| - In Current A/c | 29.46 | 27.87 |
| Total | 29.48 | 27.89 |
| Note No : 8 | | |
| OTHER BANK BALANCE | | |
| - In Fixed Deposit A/c (maturity between 3 to 12 months) | - | 1,072.29 |
| Total | - | 1,072.29 |
| Note No : 9 | | |
| LOANS (Current) | | |
| [Unsecured, Considered Good] | | |
| Loans & Advances to Others | | |
| Windia Infrastructure Finance Ltd ** | - | 386.80 |
| (Max.O/s. Curr Yr - Rs.386.80 Lac Prev Yr - Rs Nil) | | |
| Total | - | 386.80 |
| (Note : ** Demand Loan) | | |
| Note No : 10 | | |
| OTHER CURRENT ASSETS | | |
| Advances Recoverable | 12.86 | 37.49 |
| Prepaid Contribution to Employee benefit Plan Assets | 73.40 | 54.50 |
| Prepaid Expenses | 13.85 | 37.36 |
| Total | 100.11 | 129.35 |

Karma Energy Limited

Notes to the Financial Statements for the period ended 31.03.23

Rupees in Lac (except No of Shares)

| | As at 31.03.23 | | As at 31.03.22 | |
|--|---------------------|------------------|---------------------|------------------|
| | No of Shares | Amount | No of Shares | Amount |
| Note No : 11 | | | | |
| SHARE CAPITAL | | | | |
| Authorised Share Capital | | | | |
| Equity Shares of Rs. 10/- each | 2,30,00,000 | 2,300.00 | 2,30,00,000 | 2,300.00 |
| | 2,30,00,000 | 2,300.00 | 2,30,00,000 | 2,300.00 |
| Issued, Subscribed & Paid Up | | | | |
| Equity Shares of Rs. 10/- each | 1,15,69,918 | 1,156.99 | 1,15,69,918 | 1,156.99 |
| Total | 1,15,69,918 | 1,156.99 | 1,15,69,918 | 1,156.99 |
| NOTE [11.1] | | | | |
| Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year | | | | |
| Equity Shares | | | | |
| At the beginning of the Year | 1,15,69,918 | 1,156.99 | 1,15,69,918 | 1,156.99 |
| Issued during the Year | - | - | - | - |
| Outstanding at the end of the Year | 1,15,69,918 | 1,156.99 | 1,15,69,918 | 1,156.99 |
| NOTE [11.2] | | | | |
| Terms / Rights attached to Equity Shares | | | | |
| a) The Company has only one class of shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. | | | | |
| b) 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. | | | | |
| c) The company has not issued any bonus shares or bought back the equity shares nor issued shares for consideration other than cash in the last 5 years immediately preceding the reporting date. | | | | |
| NOTE [11.3] | | | | |
| Details of shares held by each shareholder holding more than 5% shares : | | | | |
| Shareholders | No of Shares | Holding % | No of Shares | Holding % |
| Radhika Mehra | 7,96,715 | 6.89% | 7,96,715 | 6.89% |
| Dharmendra G Siraj | 8,44,974 | 7.30% | 8,44,974 | 7.30% |
| Prabhanjan Multitrade Pvt Ltd | 5,79,843 | 5.01% | 5,79,843 | 5.01% |
| Anju D. Siraj | 9,88,097 | 8.54% | 9,88,097 | 8.54% |
| Inspeed Power Pvt Ltd | 21,19,442 | 18.32% | 21,19,442 | 18.32% |
| Kotta Enterprises Ltd | 22,94,026 | 19.83% | 22,94,026 | 19.83% |

NOTE [11.4]**Details of shares held by promoters at the end**

| Name of Promoter | No of Shares | % of total shares | % of change during the year |
|---|---------------------|--------------------------|------------------------------------|
| Chetan D. Mehra | 3,73,607 | 3.23% | Nil |
| Name of Promoter Group | No of Shares | % of total shares | % of change during the year |
| Dharmendra Gulabchand Siraj | 844974 | 7.30 | 0 |
| Anju Siraj | 988097 | 8.54 | 0 |
| Arun Durgadas Mehra | 133 | 0.00 | 0 |
| Isha Siraj Kedia | 16629 | 0.14 | 0 |
| Radhika Mehra | 796715 | 6.89 | 0 |
| Shweta Siraj Mehta | - | - | 0 |
| Avinaya Resources Limited | 1000 | 0.01 | 0 |
| Hansneel Impex Private Limited | 1001 | 0.01 | 0 |
| Inspeed Power Private Limited | 2119442 | 18.32 | 0 |
| Kotta Enterprises Limited | 2294026 | 19.83 | 0 |
| Purvaja Projects Limited | 1000 | 0.01 | 0 |
| Prabhanjan Multitrade Private Limited | 579843 | 5.01 | 0 |
| Prabhanjan Multitrade Private Limited (Partner of Suhami Power and Finance Corporation) | 376771 | 3.26 | 0 |
| Ram Krishna Iron Works Private Limited | 1000 | 0.01 | 0 |
| Sitex India Private Limited | 245308 | 2.12 | 0 |
| Tapi Energy Projects Limited | 1000 | 0.01 | 0 |
| Windia Infrastructure Finance Limited | 2000 | 0.02 | 0 |
| | 500 | 0.00 | 0 |

Karma Energy Limited

Notes to the Financial Statements for the period ended 31.03.23

Rupees in Lac

| Particulars | | | As At | |
|--|--|-----------------|-----------------|-------------------|
| | | | 31.03.23 | 31.03.22 |
| Note No : 12 | | | | |
| OTHER EQUITY | | | | |
| Capital Reserve | | | | |
| Opening Balance | | | (146.58) | (146.58) |
| Closing Balance | | | (146.58) | (146.58) |
| General Reserve | | | | |
| Opening Balance | | | 3,436.95 | 3,436.95 |
| Closing Balance | | | 3,436.95 | 3,436.95 |
| Retained Earnings | | | | |
| Opening Balance | | | (1,702.06) | (1,496.53) |
| Add : Profit / (Loss) for the Year | | | 589.03 | (212.63) |
| Add : Prior Def Tax on Equity Inst thru OCI | | | (243.16) | - |
| Add : Items of OCI Earnings transferred to Retained Earnings | | | 601.70 | 7.10 |
| Closing Balance | | | (754.49) | (1,702.06) |
| Re-measurement on Defined Benefit Plan | | | | |
| Opening Balance | | | 5.08 | 26.63 |
| Add : Re-measurement Gains / (Losses) on defined benefit plans | | | 16.55 | (21.55) |
| Add : Transferred from Retained Earnings | | | 20.17 | |
| Closing Balance | | | 41.80 | 5.08 |
| Equity Instruments Through Other Comprehensive Income | | | | |
| Opening Balance | | | 270.95 | 278.57 |
| Add : Movement in OCI (Net) during the year | | | 226.42 | (0.53) |
| Less : Items of OCI Earnings transferred to Retained Earnings | | | (384.72) | (7.10) |
| Closing Balance | | | 112.65 | 270.94 |
| Total | | | 2,690.33 | 1,864.33 |
| Note No : 13 | | | | |
| BORROWINGS (Secured) | | | | |
| From Banks | | | - | 1,153.52 |
| Total | | | - | 1,153.52 |
| Note [13.1] - Secured Term Loan from Banks | | | | |
| Name | Tenor | Int Rate | 31.03.23 | 31.03.22 |
| HDFC Bank Ltd | 84 equal monthly installments starting from April 2018 | 9.95% | - | 1,153.52 |
| | | | - | 1,153.52 |
| Security against Term Loan from HDFC Bank Ltd was charged on receivable from specific wind farm of 18.0 MW. The Company has not defaulted in repayment of Principal amount and payment of Interest amount. The said loan is repaid in full in December 22. | | | | |
| Note -For Current Maturities of Long Term Debt, Refer Note No.15 (Borrowings - Current) | | | | |
| Note No : 14 | | | | |
| LONG TERM PROVISIONS | | | | |
| Provision for Employee Benefits | | | | |
| Leave Encashment | | | 6.27 | 28.99 |
| Total | | | 6.27 | 28.99 |
| Note No : 15 | | | | |
| BORROWINGS - CURRENT | | | | |
| Unsecured Loans | | | | |
| From Others - Inter Corporate Deposits | | | | |
| Tapi Energy Projects Ltd | | | 507.92 | 21.43 |
| (Max O/s Curr Yr - Rs.507.92 Lac Prev Yr - Rs 947.25 Lac) | | | | |
| Current Maturities of Long-Term Debt | | | - | 571.43 |
| Total | | | 507.92 | 592.86 |

Karma Energy Limited

Notes to the Financial Statements for the period ended 31.03.23

Rupees in Lac

| Particulars | As At | |
|---|---------------|---------------|
| | 31.03.23 | 31.03.22 |
| Note No : 16 | | |
| TRADE PAYABLES | | |
| Micro and Small enterprises | - | - |
| Others than Micro and Small Enterprises (Note : for ageing refer note no. 33 a & b) | 24.27 | 41.64 |
| Total | 24.27 | 41.64 |
| In case of trade payable dues for payment, ageing schedule to be given - Refer Note No | | |
| Based on Information of status of suppliers to the extent received by the company there are no Micro and Small undertakings included in Trade Payables to whom the payments are outstanding for a period more than 45 days. Further the company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium enterprises. Consequently the amount paid / payable to these parties during the year is Nil. | | |
| Note No : 17 | | |
| OTHER FINANCIAL LIABILITIES | | |
| Payable to Employees | 6.03 | 35.79 |
| Other Payables | 232.42 | 274.89 |
| Total | 238.45 | 310.68 |
| Note No : 18 | | |
| OTHER CURRENT LIABILITIES | | |
| Statutory Obligations | 24.92 | 35.93 |
| Total | 24.92 | 35.93 |
| Note No : 19 | | |
| PROVISIONS | | |
| Provision for Employee Benefits | | |
| Leave Encashment | 20.26 | 7.24 |
| Total | 20.26 | 7.24 |

Karma Energy Limited

Notes to the Financial Statements for the year ended 31.03.23

Rupees in Lac

| Particulars | Year Ended | |
|---|-----------------|-----------------|
| | 31.03.23 | 31.03.22 |
| Note No : 20 | | |
| REVENUE FROM OPERATIONS | | |
| <u>Revenue from Contracts with Customers</u> | | |
| Sale of Power | 1,208.22 | 2,179.29 |
| Sale of Entitlement from Wind Power | 16.06 | 510.76 |
| Sale of Goods | 4.80 | 6.70 |
| Sale of Services | 51.72 | 56.73 |
| Total | 1,280.80 | 2,753.48 |
| Note No : 21 | | |
| OTHER INCOME | | |
| Interest - Bank Fixed Deposit | 9.36 | 55.99 |
| Interest - Others | 91.88 | 0.16 |
| Dividend on Non Current Investments | 0.05 | 0.07 |
| Insurance Claim | 14.27 | 1.33 |
| Profit on Sale of Fixed Asset | 33.75 | - |
| Profit on Sale of Investment | 0.98 | - |
| Other Income | 17.00 | 37.61 |
| Sundry Balances Written Back | 6.68 | - |
| Bad Debts Recovered | 351.44 | - |
| Total | 525.41 | 95.16 |
| Note No : 22 | | |
| OPERATING AND MAINTENANCE COST | | |
| Energy / Open Access Charges | 8.38 | 1,199.86 |
| Operatiion and Maintenance | 372.27 | 397.60 |
| Others | 14.83 | 30.00 |
| Stores and Spares Consumed | 62.72 | 77.81 |
| Total | 458.20 | 1,705.27 |
| Note No : 23 | | |
| EMPLOYEES BENEFIT EXPENSE | | |
| Salaries, Wages and Bonus | 252.98 | 239.95 |
| Contribution to Provident Funds and Other Funds | 13.65 | 12.75 |
| Staff Welfare Expenses | 20.19 | 19.52 |
| Total | 286.82 | 272.22 |
| Note No : 23.1 | | |
| As per Indian Accounting Standard 19 "Employee Benefits", the disclosures defined are given below : | | |
| The Employee's Gratuity Fund Scheme managed by Life Insurance Corporation India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method. | | |
| Assumptions | | |
| Discount Rate | 7.41% | 6.90% |
| Salary Escalation | 5.00% | 5.00% |
| Defined Benefit Plan | | |
| I) Reconciliation of opening and closing balances of Defined Benefit Obligation | | |
| Particulars | | |
| Defined Benefit Obligation at the beginning of the year | 107.31 | 55.33 |
| Current Service Cost | 3.21 | 1.57 |
| Past Service Cost | - | - |
| Interest Cost | 7.40 | 3.35 |
| Liaibility Transferred in / Acquisition | - | 26.61 |
| Actuarial (Gain) / Loss | (18.63) | 27.62 |
| Benefits Paid | (27.88) | (7.18) |
| Defined Benefit Obligation at year end | 71.41 | 107.31 |

Karma Energy Limited

Notes to the Financial Statements for the year ended 31.03.23

Rupees in Lac

| Particulars | Year Ended | |
|--|----------------|---------------|
| | 31.03.23 | 31.03.22 |
| Fair value of Plan Assets at the beginning of the year | 161.81 | 117.83 |
| Expected Return on Plan Assets | 11.17 | 7.14 |
| Actuarial (Gain) / Loss | - | 0.00 |
| Employer Contribution | 0.36 | 0.16 |
| Assets Transferred in / Acquisition | - | 40.39 |
| Benefits Paid | (27.88) | (7.18) |
| Actual Return on Plan Assets excluding Interest Income | (0.65) | 3.47 |
| Fair value of Plan Assets at year end | 144.81 | 161.81 |
| III) Reconciliation of Fair Value of Assets and Obligations | | |
| Present Value of Obligation at the end of the year | (71.41) | (107.31) |
| Fair value of Plan Assets | 144.81 | 161.81 |
| Present Value of Obligation | 73.40 | 54.50 |
| Amount recognised in Balance Sheet Surplus / (Deficit) | 73.40 | 54.50 |
| IV) Actuarial Gain / (Loss) recognised | | |
| Actuarial (Gain) / Loss on obligations | (18.63) | 27.62 |
| Return on Plan Assets, Excluding Interest Income | (0.65) | (3.47) |
| Total (Gain) / Loss for the year | (17.98) | 24.15 |
| Actuarial (Gain) / Loss recognised in the year | (17.98) | 24.15 |
| V) Expenses recognised during the year | | |
| Current Service Cost | 3.21 | 1.57 |
| Net Interest Cost | (3.77) | (3.79) |
| Past Service Cost | - | - |
| Return on Plan Assets | - | - |
| Net Cost | (0.56) | (2.22) |
| In Other Comprehensive Income | | |
| Actuarial (Gain) / Loss | (18.63) | 27.62 |
| Return on Plan Assets | 0.65 | (3.47) |
| Net (Income) / Expense for the period Recognised in OCI | (17.98) | 24.15 |
| <u>Maturity Analysis of Projected Benefit Obligation - From the Fund</u> | | |
| Projected Benefits Payable in Future Years from the date of reporting | | |
| 1st Following Year | 13.08 | 47.50 |
| 2nd Following Year | 3.86 | 3.84 |
| 3rd Following Year | 11.01 | 6.44 |
| 4th Following Year | 7.36 | 9.82 |
| 5th Following Year | 17.34 | 6.98 |
| Sum of years 6 to 10 | 31.34 | 46.34 |
| <u>Sensitivity Analysis</u> | | |
| Projected Benefits Obligation on Current Assumption | 71.41 | 107.31 |
| Delta Effect of +1% change in Rate of Discounting | (2.90) | (3.30) |
| Delta Effect of -1% change in Rate of Discounting | 3.17 | 3.63 |
| Delta Effect of +1% change in Rate of Salary Increase | 3.22 | 3.66 |
| Delta Effect of -1% change in Rate of Salary Increase | (2.99) | 3.39 |
| Delta Effect of +1% change in Rate of Employee Turnover | 0.40 | 0.36 |
| Delta Effect of -1% change in Rate of Employee Turnover | (0.44) | (0.39) |
| Note No : 24 | | |
| FINANCE COSTS | | |
| (a) Interest Expense on | | |
| Secured Loans | 98.62 | 179.89 |
| Unsecured Loans | 0.54 | 145.83 |
| On Lease Liabilities | 12.15 | 13.12 |
| Others | 0.68 | 0.54 |
| (b) Other Borrowing Cost | 2.48 | 1.35 |
| Total | 114.47 | 340.73 |

Karma Energy Limited

Notes to the Financial Statements for the year ended 31.03.23

Rupees in Lac

| Particulars | Year Ended | |
|----------------------------------|---------------|---------------|
| | 31.03.23 | 31.03.22 |
| Note No : 25 | | |
| OTHER EXPENSES | | |
| Payment to Auditors | 5.12 | 4.87 |
| Conveyance and Travelling | 11.66 | 8.00 |
| Director Sitting Fees | 1.46 | 1.93 |
| Electricity Charges | 0.90 | 0.89 |
| Insurance Charges | 35.97 | 50.50 |
| Legal and Professional Charges | 22.70 | 34.56 |
| Communication Expenses | 3.62 | 3.73 |
| Rent | 10.62 | 7.97 |
| Rates and Taxes | 80.93 | 92.97 |
| Repairs and Maintenance - Others | 1.71 | 1.52 |
| Miscellaneous Expenses | 41.06 | 40.43 |
| Total | 215.75 | 247.37 |
| Note No : 25.1 | | |
| Payment to Auditor | | |
| For Statutory Audit | 4.00 | 4.02 |
| For Tax Audit | 0.75 | 0.75 |
| For Out of Pocket Expenses | 0.37 | 0.10 |
| | 5.12 | 4.87 |

Karma Energy Limited

Notes to Financial Statements for the year ended 31.03.23

Note No

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

Income Tax matters Rs. 334.28 Lakh (Prev Year - Rs. 334.28 Lakh)

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

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

Loans and Advances to Subsidiary Companies : Rs. Nil

28 (a) Deferred Tax

The breakup of Net Deferred Tax Liability as on 31.03.23

Rupees in Lac

| Particulars | Property, Plant & Equipment | Fair value of Investment | Processing fees | Others | Total |
|---------------------------------|-----------------------------|--------------------------|-----------------|----------------|-----------------|
| As at 31.03.21 | 793.80 | 284.43 | 4.05 | (44.66) | 1,037.62 |
| Charged / (Credited) | | | | | |
| - To Profit or Loss | (108.03) | | 0.29 | (0.59) | (108.33) |
| - To Other Comprehensive Income | | (2.16) | | | (2.16) |
| As at 31.03.22 | 685.77 | 282.27 | 4.34 | (45.25) | 927.13 |
| Charged / (Credited) | | | | | |
| - To Profit or Loss | (121.76) | | - | 7.84 | (113.92) |
| - To Other Comprehensive Income | | (247.42) | - | (4.00) | (251.42) |
| As at 31.03.23 | 564.01 | 34.85 | 4.34 | (41.41) | 561.79 |

(b) Income Tax

Rupees in Lac

| Particulars | 31.03.23 | 31.03.22 |
|---|---------------|----------------|
| Income Tax recognised in statement of Profit & Loss Account | | |
| Current Tax | 244.60 | 94.86 |
| Deferred Tax | (113.92) | (108.32) |
| Income Tax Expenses recognised in the Current Year | 130.68 | (13.46) |

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

| Particulars | 31.03.23 | 31.03.22 |
|---|---------------|----------------|
| Profit before Tax | 719.71 | (226.08) |
| Applicable Tax Rate | 25.17% | 26.00% |
| Computed Tax Expense | 181.14 | (58.78) |
| Tax Effect of : | | |
| Income not Taxable | (0.21) | (5.74) |
| Permanent Difference | - | 0.14 |
| Re-assessment of deferred taxes | (8.66) | |
| Expenses not deductible | 0.17 | - |
| Change in Tax Rate | (5.37) | 6.06 |
| Others - Adjustment of Tax of prior period | (36.40) | 44.86 |
| Current Tax (A) | 130.68 | (13.46) |
| Income Tax Expenses recognised in the Statement of Profit & Loss A/c | 130.68 | (13.46) |

29 a Financial Instruments

Accounting classification and fair values

Rupees in Lac

| Particulars | As at 31.03.23 | | | As at 31.03.22 | | |
|---|----------------|----------|----------------|----------------|--------|----------------|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| Financial Asset | | | | | | |
| Non Current Investments * | - | 1,352.43 | - | - | 188.20 | - |
| Other Non Current Financial Asset | - | - | 36.84 | - | - | 36.96 |
| Trade Receivables | - | - | 1,056.46 | - | - | 991.21 |
| Loans | - | - | - | - | - | 386.80 |
| Cash and Cash Equivalents | - | - | 29.48 | - | - | 27.89 |
| Other Bank Balance | - | - | - | - | - | 1,072.29 |
| Financial Liabilities | | | | | | |
| Long-Term Borrowings | - | - | - | - | - | 1,153.52 |
| Short-Term Borrowings | - | - | 507.92 | - | - | 592.86 |
| Trade Payable | - | - | 24.27 | - | - | 41.64 |
| Current & Non Current Lease Liabilities | - | - | 120.45 | - | - | 133.92 |
| Other Current Financial Liabilities | - | - | 238.45 | - | - | 310.68 |

Note *

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

b Fair Value Measurement Hierarchy ;

Rupees in Lac

| Particulars | As at 31.03.23 | | | As at 31.03.22 | | |
|----------------------------|----------------|---------|---------|----------------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial Asset | | | | | | |
| Non Current Investments ** | - | - | 110.77 | - | - | 188.20 |

Note **

- Non Current Investment includes Quoted and Unquoted Equity Instruments.

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

Karma Energy Limited

Notes to Financial Statements for the year ended 31.03.23

Note No

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

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

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

c **Financial risk management**

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

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

i Risk management framework

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

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

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

ii Credit risk

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

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

Trade and other receivables

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

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

iii Liquidity risk

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

Exposure to liquidity risk

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

| Contractual cash flows | | | | | |
|---|------------------------|--------------|--------------------|------------------|--------------------------|
| 31.03.23 | Carrying Amount | Total | Upto 1 year | 1-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | |
| Trade payables | 24.27 | 24.27 | 24.27 | - | - |
| Other financial liabilities | 238.45 | 238.45 | 238.45 | - | - |
| Long term borrowings (including Current Maturity) | - | - | - | - | - |
| Short term borrowings | 507.92 | 507.92 | 507.92 | - | - |

| Contractual cash flows | | | | | |
|---|------------------------|--------------|--------------------|------------------|--------------------------|
| 31.03.22 | Carrying Amount | Total | Upto 1 year | 1-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | |
| Trade payables | 41.64 | 41.64 | 41.64 | - | - |
| Other financial liabilities | 310.68 | 310.68 | 310.68 | - | - |
| Long term borrowings (including Current Maturity) | 1,724.95 | 1,724.95 | 571.43 | 1,153.52 | - |
| Short term borrowings | 592.86 | 592.86 | 592.86 | - | - |

iv Market risk

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

Currency risk

The Company is not exposed to Foreign Currency Risk.

Interest risk

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

Karma Energy Limited

Notes to Financial Statements for the year ended 31.03.23

Note No

| Particulars | 31.03.23 | 31.03.22 |
|----------------------------------|---------------|-----------------|
| <u>Floating Rate Instruments</u> | | |
| Financial Liabilities | | |
| Term Loans | - | 1,724.95 |
| <u>Fixed Rate Instruments</u> | | |
| Financial Liabilities | | |
| Term Loans | - | - |
| Inter-Corporate Deposits | 507.92 | 21.43 |
| | 507.92 | 1,746.38 |

Cash Flow sensitivity analysis for variable-rate instruments

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

| Particulars | 31.03.23 | 31.03.22 |
|------------------------------|----------|-------------|
| Variable rate instruments | - | 8.62 |
| Cash flow sensitivity | - | 8.62 |

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

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

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

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

| Particulars | 31.03.23 | 31.03.22 |
|--|----------|----------|
| Impact on Other Comprehensive Income | | |
| Investments measured at Other Comprehensive Income | | |
| Increase in price by 10% | - | - |
| Decrease in price by 10% | - | - |

30 Earning Per Share

| Particulars | 31.03.23 | 31.03.22 |
|---|-------------|---------------|
| Net Profit / (Loss) After Tax attributable to Equity Shareholders | 589.03 | (212.62) |
| Weighted Average Number of Equity Shares | 1,15,69,918 | 1,15,69,918 |
| Nominal Value per Ordinary Shares | 10.00 | 10.00 |
| Basic and Diluted Earning Per Share | 5.09 | (1.84) |

31 Related Party Disclosure

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

1 Related Party and their Relationship - Nil

Key Management Personnel : 1 Mr. Ganesh N. Kamath - Managing Director upto 30.11.22
2 Mr. Chetan D. Mehra - Managing Director wef 01.12.22
3. Mr. T. V. Subramanian - Company Secretary and Chief Financial Officer

2 Transactions with the related Parties

| Nature of Transaction | Subsidiaries | Associates | Key Management Personnel | Total |
|-------------------------------|--------------|------------|--------------------------|---------------|
| Expenditure / Payments | | | | |
| <u>Remuneration - Total</u> | - | - | 115.56 | 115.56 |
| | - | - | (71.43) | (71.43) |
| Ganesh N. Kamath | - | - | 48.05 | 48.05 |
| | - | - | (24.63) | (24.63) |
| T. V. Subramanian | - | - | 60.83 | 60.83 |
| | - | - | (46.80) | (46.80) |
| Chetan D. Mehra | - | - | 6.68 | 6.68 |
| | - | - | - | - |

32 (a) Trade Receivables - ageing as of 31.03.23

| Sr No | Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|-------|--|--|--------------|--------------------|--------------------|---------------|---------------|-------------------|-----------------|
| | | Unbilled | Not Due | Less than 6 months | 6 months to 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| 1 | Undisputed Trade Receivable considered good | - | 69.30 | 84.90 | 297.69 | 370.24 | 234.33 | - | 1,056.46 |
| 2 | Undisputed Trade Receivable which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| 3 | Undisputed Trade Receivable credit impaired | - | - | - | - | - | - | - | - |
| 4 | Disputed Trade Receivable considered good | - | - | - | - | - | - | - | - |
| 5 | Disputed Trade Receivable which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| 6 | Disputed Trade Receivable credit impaired | - | - | - | - | - | - | - | - |
| | Total ==> | - | 69.30 | 84.90 | 297.69 | 370.24 | 234.33 | - | 1,056.46 |

Karma Energy Limited

Notes to Financial Statements for the year ended 31.03.23

Note No

(b) Trade Receivables - ageing as of 31.03.22

| Sr No | Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|---------------------|--|--|--------------|--------------------|--------------------|---------------|-------------|-------------------|---------------|
| | | Unbilled | Not Due | Less than 6 months | 6 months to 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| 1 | Undisputed Trade Receivable considered good | - | 56.38 | 227.65 | 410.06 | 297.12 | - | - | 991.21 |
| 2 | Undisputed Trade Receivable which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| 3 | Undisputed Trade Receivable credit impaired | - | - | - | - | - | - | - | - |
| 4 | Disputed Trade Receivable considered good | - | - | - | - | - | - | - | - |
| 5 | Disputed Trade Receivable which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| 6 | Disputed Trade Receivable credit impaired | - | - | - | - | - | - | - | - |
| Total ==> | | - | 56.38 | 227.65 | 410.06 | 297.12 | - | - | 991.21 |

33 (a) Trade Payables - ageing as of 31.03.23

| Sr No | Particulars | Outstanding for the following periods from due date of payment | | | | | Total |
|---------------------|------------------------|--|------------------|-------------|-------------|-------------------|--------------|
| | | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| 1 | MSME | - | - | - | - | - | - |
| 2 | Others | - | 24.27 | - | - | - | 24.27 |
| 3 | Disputed Dues - MSME | - | - | - | - | - | - |
| 4 | Disputed Dues - Others | - | - | - | - | - | - |
| Total ==> | | - | 24.27 | - | - | - | 24.27 |

(b) Trade Payables - ageing as of 31.03.22

| Sr No | Particulars | Outstanding for the following periods from due date of payment | | | | | Total |
|---------------------|------------------------|--|------------------|-------------|-------------|-------------------|--------------|
| | | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| 1 | MSME | - | - | - | - | - | - |
| 2 | Others | - | 27.23 | - | - | - | 27.23 |
| 3 | Disputed Dues - MSME | - | - | - | - | - | - |
| 4 | Disputed Dues - Others | - | - | - | - | - | - |
| Total ==> | | - | 27.23 | - | - | - | 27.23 |

34 Following are the accounting ratios

| | | Numerator | Denominator | 31.03.23 | 31.03.22 | Variance | Remarks |
|---|---|-----------------------------------|-----------------------------|----------|----------|----------|---|
| a | Current ratio (in times) | Current Assets | Current Liabilities | 1.39 | 2.65 | -48% | Repayment of loan & maturity of deposits |
| b | Debt-equity ratio (in times) | Total Debt | Shareholder's Equity | 0.16 | 0.62 | -74% | Repayment of loan |
| c | Debt service coverage ratio (in times) | Earning before Interest and Tax | Debt service | 7.29 | 0.34 | 2066% | Movement in ratio is due to improvement in EBITDA and repayment of borrowings |
| d | Return on equity ratio (%) | Net Profit After Tax | Equity | 0.51 | -0.18 | -377% | Recovery of old debts with interest |
| e | Inventory turnover ratio (in times) | Cost of Goods Sold | Average Inventory | 0.07 | 0.08 | -10% | Not Applicable |
| f | Trade receivables turnover ratio (in times) | Sales | Average Accounts Receivable | 0.31 | 0.82 | -62% | Decrease due to improved realisation of debtors |
| g | Trade payables turnover ratio (in times) | Purchase / Services Utilised | Average Accounts Payable | 3.48 | 12.38 | -72% | Substantial reduction in direct expenses due to sale to state utilities instead of third party |
| h | Net capital turnover ratio (in times) | Net Sales | Working Capital | 3.24 | 1.54 | 111% | Improvement due to better working capital position as both Loans and fixed deposits were realised |
| i | Net Profit ratio (%) | Net Profit after Tax | Net Sales | 0.46 | -0.08 | -696% | Recovery of old debts with interest & reduction in direct cost |
| j | Return on capital employed (%) | Earning before Interest & Tax | Capital Employed | 0.22 | 0.04 | 471% | Recovery of old debts with interest & reduction in direct cost |
| k | Return on investment (%) | Income generated from investments | Average Investments | - | - | - | Not Applicable |

Karma Energy Limited

Notes to Financial Statements for the year ended 31.03.23

Note No

35 Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

| Sr No | Equity Investments | During the Year | | | | As At 31.03.23 | | As At 31.03.22 | |
|-------|---------------------------------|-----------------|--------|-------|--------|----------------|--------|----------------|--------|
| | | Purchase | | Sale | | Qty | Amount | Qty | Amount |
| | | Qty | Amount | Qty | Amount | | | | |
| 1 | Bramanvel Energy Ltd | - | - | 9,500 | 6.11 | - | - | 9,500 | 6.14 |
| 2 | Khandesh Energy Projects Ltd | - | - | 9,500 | 5.02 | - | - | 9,500 | 5.08 |
| 3 | Weizmann Corporate Services Ltd | - | - | 9,500 | 38.07 | - | - | 9,500 | 35.52 |
| 5 | Saraswat Co-op Bank Ltd | - | - | - | - | 2,500 | 0.25 | 2,500 | 0.25 |
| 6 | Tapi Energy Projects Ltd | - | - | - | - | 14,39,105 | 110.52 | 14,39,105 | 141.18 |
| 7 | Avinaya Resources Ltd | - | - | 50 | 0.03 | - | - | 50 | 0.03 |

36 Valuation

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

37 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.

38 Capital management

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

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

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

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

| Particulars | As at 31.03.23 | As at 31.03.22 |
|--------------------------|----------------|----------------|
| Debt | - | 1,153.52 |
| Cash and Cash Equivalent | 29.48 | 27.89 |
| Net Debt | (29.48) | 1,125.63 |
| Equity | 3,847.32 | 3,021.32 |
| Net Debt to Equity Ratio | (0.01) | 0.37 |

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

39 These financial statements are approved for issue by the Board of Directors of the Company on 25.05.23

40 a The company has taken land and premises on cancellable and non-cancellable operating leases. Non-cancellable leases of the Company are pertaining to leasehold lands for its windmills. These agreements contain a lease term for a period 10 years. In such lease agreements, there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the Company do not contain any variable lease payment or any residual value guarantees. The Company has not entered into any sublease agreement in respect of these leases.

During the year the Company has adopted Ind AS 116. Accordingly, the Company has recognised a Right of Use asset in respect of each identified asset under leases agreements (other than short term lease of 12 months or less and lease of low value assets) and corresponding lease liability being the present value of lease payments during the lease term.

Refer note 2 for details of Right of use assets and Refer note 1.2(B)(b) for accounting policy and transition effects of first time of Ind AS 116

| Sr | Particulars | Amount |
|----|--|--------|
| 1 | Lease payments accounted as rent expense | 10.62 |
| 2 | Amortisation of Right of use assets | 15.44 |
| 3 | Unwinding discount on lease liabilities | 12.15 |

c Maturity Analysis lease liabilities

| Sr | Particulars | Amount |
|----|-------------------------|--------|
| 1 | Due in next 1 year | 13.72 |
| 2 | Due in next 1 - 3 years | 32.91 |
| 3 | Due in next 3 - 5 years | 44.18 |
| 4 | Due after 5 years | 29.64 |

d Total cash outflows in respect of lease payments (including short term and low value leases) during the year were Rs. 25.63 Lakhs (Previous Year Rs. 21.60 Lakhs)

41 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amendment in Schedule III

- i Crypto Currency or Virtual Currency
- ii Benami property held under Prohibition of Benami Transactions Act, 1988 and rules made there under
- iii Registration of Charges or satisfaction with Registrar of Companies
- iv Related to borrowed funds:
 - a Wilful defaulter
 - b Utilisation of borrowed fund & share premium
 - c Borrowings obtained on the basis of security of current assets
 - d discrepancies in utilisation of borrowings
 - e Current maturity of long term borrowings

42 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the intermediary Shall:

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of Company (Ultimate beneficiaries) or security or the like to or on behalf of the Ultimate Beneficiaries

Karma Energy Limited

Notes to Financial Statements for the year ended 31.03.23

Note No

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall : entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or; provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

Signatures to the Notes 1 to 43 forming part of the **Standalone Balance Sheet as at 31.03.23** and the **Standalone Statement of Profit and Loss Account for the year ended 31.03.23**

As per our report of even date attached

For and on behalf of the Board

For Batliboi & Purohit

Chartered Accountants
Firm Regn. No. 101048W

Dharmendra G. Siraj

(Chairman)
DIN : 00022021

Chetan D. Mehra

(Vice Chairman &
Managing Director)
DIN - 00040805

Atul Mehta

Partner
Membership No. 15935
Mumbai, Dated : 25.05.23

T. V. Subramanian

(Chief Financial Officer
& Company Secretary)



(CIN : L31101MH2007PLC168823)

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