

# KRATOS

ENERGY AND INFRASTRUCTURE LTD



Regd. & Correspondence Office : 317, Maker Chamber V, 221, Nariman Point, Mumbai - 400 021. INDIA  
Tel No.: 22823852/53 / CIN - L40102MH1979PLC021614 / Email: kratoseail@gmail.com/dvfl@rediffmail.com

Date: 20<sup>th</sup> October, 2016

To,  
BSE Limited,  
P. J. Towers,  
Dalal Street, Fort,  
Mumbai-400 001.

Script Code: 501261

Sub: Submission of Annual Report for the year ended 31<sup>st</sup> March, 2016.

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015


Dear Sir,

Please find attached herewith the annual report of the Company for the year ended 31<sup>st</sup> March, 2016 which was approved and adopted at the 36<sup>th</sup> Annual General Meeting held on Friday, 30<sup>th</sup> September, 2016.

Kindly take the same on your record.

Thanking you,

Yours faithfully,  
For KRATOS ENERGY & INFRASTRUCTURE LIMITED

  
RAJESH PAWAR  
WHOLE TIME DIRECTOR  
DIN: 00232533

**KRATOS ENERGY AND INFRASTRUCTURE LIMITED**  
CIN No.: L40102MH1979PLC021614  
Registered Office: 317, Maker Chamber V, 221, Nariman Point,  
Mumbai-400 021  
Email: dvfi@rediffmail.com

### **NOTICE**

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting of the Company will be held on Friday, 30<sup>th</sup> September 2016 at 11.30 a.m. at the registered office of the Company situated at 317, Maker Chamber V, 21, Nariman Point, Mumbai – 400021 to transact the following businesses-

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2016 along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sandhya Kotian (DIN:07129237), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration. In this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendations of the Audit Committee of the Board of Directors, members hereby ratify the appointment of M/s. J. C. Desai & Co., Chartered Accountants (Firm Registration No: 102311W), (who were appointed as Statutory Auditors at the Annual General Meeting held on 30<sup>th</sup> September, 2015 for a period of 5 years till the conclusion of the 40<sup>th</sup> AGM), as the Statutory Auditors of the Company to hold office until the conclusion of the 40<sup>th</sup> Annual General Meeting of the Company to be held for the financial year ended 31<sup>st</sup> March, 2020 and on such remuneration as may be decided by the Board of Directors.”

#### **SPECIAL BUSINESS:**

4. To regularize appointment of Mr. Rohinton Sam Poonawala as an Independent Director of the Company not liable to retire by rotation:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 & 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Rohinton Sam Poonawala (DIN-06890906), who was appointed as an Additional Director of the Company by the Board of Directors on recommendation of Nomination and Remuneration Committee, w.e.f. 13<sup>th</sup> November, 2015, pursuant to provisions of Section 161(1) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years up to 12<sup>th</sup> November, 2020.”

Registered Office: -  
317, Maker Chamber V  
221, Nariman Point  
Mumbai - 400021

Date: 12<sup>th</sup> August, 2016  
Place: Mumbai

By Order of the Board,  
For **Kratos Energy & Infrastructure Ltd.**

  
(Rajesh Pawar)  
Whole Time Director  
DIN: 00232533

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Members/Proxies should bring the enclosed Attendance Slip duly filled in, for attending the meeting.
4. Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The relevant Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, in respect of item no. 4 of the Notice as set out above, is annexed hereto and forms part of the Notice.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Individual Shareholders can avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the share holder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. The facility of nomination is not available to non-individual shareholders such as Bodies Corporate, Kartas of Hindu Undivided Families, Partnership Firms, Societies, Trusts and holders of Power of Attorney. For further details, please contact the Company's Corporate office.
8. Members are requested to:
  - a) intimate to the Company's Registrar and Share Transfer Agents, changes, if any, in their respective addresses along with Pin Code Number at an early date.
  - b) Quote Folio Numbers in all their correspondence.
  - c) Consolidate holdings into one folio in case of multiplicity of Folios with names in identical orders.
9. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the meeting so that the information may be made readily available at the Meeting.
10. The Register of Members and the Share Transfer Books of the Company will be closed from Monday, 26<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive) for the purpose of Annual General Meeting of the Company.

**11. VOTING THROUGH ELECTRONIC MEANS:**

In compliance with Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a

place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- I. The facility for voting through poll shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through poll.
- II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences on Tuesday, 27<sup>th</sup> September, 2016 (9:00 am) and ends on Thursday, 29<sup>th</sup> September, 2016 (5:00 pm). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- IV. The process and manner for remote e-voting are as under:
  - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
    - (i) Open email and open the attached PDF file viz; “Kratos Energy and Infrastructure e-Voting.pdf” with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
    - (iii) Click on “Shareholder-Login.”
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login. 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” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Homepage of remote e-voting opens. Click on e-voting: Active Voting Cycles.
    - (vii) Select “EVEN” of Kratos Energy and Infrastructure Limited. The remote e-voting period commences on Tuesday, 27<sup>th</sup> September, 2016 (9:00 am) and ends on Thursday, 29<sup>th</sup> September, 2016 (5:00 pm)
    - (viii) Now you are ready for remote e-voting as “Cast Vote” page opens.
    - (ix) Cast your vote by selecting the appropriate option and click on “Submit” and also “Confirm” when prompted.
    - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.

- (xi) Once you have voted on a resolution, you will not be allowed to modify your vote.
  - (xii) 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 together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email to [jayshreelalpuria@gmail.com](mailto:jayshreelalpuria@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM.
  - (ii) Please follow all the steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- V. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. 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 23<sup>rd</sup> September, 2016.
- IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- X. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XI. 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 or voting at the AGM through Poll.
- XII. Mrs. Jayshree A. Lalpuria, Practicing Company Secretary (Membership No. 17629) of Jayshree A. Lalpuria & Co. has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, through Poll for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of 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 authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the on the website of the company [www.kratosenergy.in/about.html](http://www.kratosenergy.in/about.html) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

**ITEM NO. 4**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed, pursuant to Section 161(1) of the Companies Act, 2013 (hereinafter referred to as the "Act") Mr. Rohinton Sam Poonawala as an Additional Independent Director of the Company with effect from 13<sup>th</sup> November, 2015 and he holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Rohinton Sam Poonawala for the office of Director of the Company.

Mr. Rohinton Sam Poonawala is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an Independent Director on its Board. As per the said Section 149, an Independent Director can hold office for a term upto 5 (five) consecutive years on the Board and he shall not be included in the total number of Directors for retirement by rotation. As per Section 150(2) of the Companies Act, 2013, the appointment of Independent Director shall be approved by the members at the general meeting.

The Company has received a declaration from Mr. Rohinton Sam Poonawala that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. Rohinton Sam Poonawala fulfills the conditions for his

appointment as an Independent Director as specified in the Act and is independent of management.

Keeping in view his expertise and knowledge, the Board considers that his continued association would be of immense benefit to the Company and hence, it is desirable to appoint him as the Independent Director of the Company for the term of 5(five) years, not liable to retire by rotation.

Copy of the draft letter for appointment of Mr. Rohinton Sam Poonawala setting out the terms and conditions is available for inspection by members at the Registered Office of the Company during normal business hours on any working day.

Apart from Mr. Rohinton Sam Poonawala, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Registered Office:  
317, Maker Chamber V  
221, Nariman Point  
Mumbai - 400021

Date: 12<sup>th</sup> August, 2016  
Place: Mumbai

By Order of the Board,  
For **Kratos Energy & Infrastructure Ltd.**

  
(**Rajesh Pawar**)  
**Whole Time Director**  
**DIN: 00232533**



Disclosure relating to Directors seeking appointment/re-appointment pursuant to Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard 2 on General Meetings:

Particulars	Mrs. Sandhya Kotian	Mr. Rohinton Sam Poonawala
Age	56	45
Qualification	Graduate	B.Com
Experience	Day to day administration of the Company.	25 years of experience in marketing sales, corporate affairs and presently self employed as consultant
Terms & Conditions of appointment/re-appointment	As per the appointment letter issued by the Board of Directors.	As per the appointment letter issued by the Board of Directors.
Remuneration to be paid	Nil	Nil
Remuneration last drawn	Nil	Nil
Date of first appointment on Board	24 <sup>th</sup> March, 2015	13 <sup>th</sup> November, 2015
Shareholding in the Company	Nil	Nil
Relationship with other Directors/Manager/Key Managerial Personnel	Nil	Nil
Number of Board Meetings attended	4	2
Other Directorship	Nil	3
Other Membership / Chairmanship of Committees	Nil	Nil

Regd. &amp; Correspondence Office : 317, Maker Chamber V, 221, Nariman Point, Mumbai - 400 021 INDIA

Tel No.: 22323652-53 | CIN - L40102MH1979PLC021614 | Email: KratoSeal@gmail.com | kriff@rediffmail.com

## DIRECTORS' REPORT

To  
The Members,

Your Directors present herewith their Audited Financial Statement for the year ended 31<sup>st</sup> March 2016

### 1. FINANCIAL RESULTS:

	(in Rs.)	
	Year ended on 31-03-2016	Year ended on 31-03-2015
Total Income	4,79,58,022	4,06,83,987
Gross Profit before Depreciation and Tax	7,75,653	11,48,399
Less: Depreciation	2,51,516	3,77,623
Profit / (Loss) before Tax	5,24,137	7,70,776
Less: Provision for Current Taxation	5,60,000	1,72,228
Less: Deferred Tax Asset	4,19,901	1,25,589
Profit/(Loss) after Taxation	(4,55,764)	4,72,959
Balance brought forward from previous year	(6,97,117)	(11,70,077)
Balance carried forward to Balance Sheet	(11,52,881)	(6,97,117)

### 2. FINANCIAL PERFORMANCE

During the current year of operation, your Company has registered revenue of Rs. 479.58 lakhs, as compared to Rs. 405.77 lakhs in the previous financial year. Your company has incurred net loss of Rs. 4.56 lakhs as compared to profit of Rs. 4.73 lakhs in the previous financial year.

### 3. OPERATIONS & STATE OF AFFAIRS OF THE COMPANY

During the current year of operations, Company continued to earn revenue from the consultancy charges for power transactions and sale of machinery. Your Company is expected to grow its business in the near future.

### 4. CHANGE IN NATURE OF BUSINESS

During the financial year 2015-16, Company has not changed its nature of business and had been continuing with the same line of business.

### 5. DETAILS OF NEW SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Company has M/s E'L Dorado Guarantee Limited as its Associate Company in which the Company holds 44.22% of equity share capital the entire value of which had been written off earlier. The statement containing the salient features of the financial statement of the Associate Company as required under Section 129(3) of the Companies Act, 2013 in Form AOC-1 is annexed herewith as 'Annexure I'. However, your Company does not have Subsidiary or Joint Venture as on 31<sup>st</sup> March, 2016. During the financial year, no Company became or ceased to be the Subsidiary, Joint Venture or Associate Company.

## **6. DIVIDEND AND TRANSFER TO RESERVES**

In view of the accumulated losses of the Company, your Directors do not recommend any dividend for the year 2015-16 and no amount has been transferred to any Reserve for the year ended 2015-16.

## **7. DEPOSIT**

During the year under review, your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Companies Act, 2013.

## **8. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT**

There is no occurrence of material change and commitment made between the end of the financial year and date of this report which has affected the financial position of the company.

## **9. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The changes that had occurred in the composition of the Board of Directors and Key Managerial Personnel are as follows:

1. In accordance with the provision of Section 161(1) & Section 149 (4) of the Companies Act, 2013, Mr. Rohinton Sam Poonawala was appointed as an Additional (Independent) Director w.e.f. 13<sup>th</sup> November, 2015 and shall hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offers himself for appointment as an Independent Director for a period of 5 years.
2. In accordance with the provisions of Section 152(6) the Companies Act, 2013, Mrs. Sandhya Kotian, Director of the Company retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.
3. In accordance with the provision of Section 203 of the Companies Act, 2013, Mr. Dhanabal Shanmugavelu was appointed as the Company Secretary of the Company with effect from 20<sup>th</sup> February, 2016.

None of the Directors of the Company are disqualified for being appointed and re-appointed as Directors in terms of Section 164 of the Companies Act, 2013. No other Director or Key Managerial Personnel has been appointed, resigned or retired during the year.

## **10. DECLARATION BY INDEPENDENT DIRECTOR**

The Company has received declaration from the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the applicable provisions of section 149(6) of the Companies Act, 2013.

## **11. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of Annual Return in Form MGT-9 is annexed herewith as "Annexure II".

## **12. MEETINGS**

During the year, four meetings of the Board of Directors of the Company were convened and held. The details of date of meetings and the attendance of each director at the Board

Meetings and Committees are annexed herewith as "Annexure III". The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### 13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3)(c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- (ii) 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 the period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis;
- (v) the proper internal financial controls were in place and that the financial controls were adequate and operating effectively.
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 14. CORPORATE SOCIAL RESPONSIBILITY

The provision of Section 135 pertaining to Corporate Social Responsibility is not applicable to the Company for the financial year ended 2015-16.

### 15. AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE

The Audit Committee of the Company is constituted in accordance with Section 177(2) of the Companies Act, 2013. The Composition of the Audit Committee is as follows:

Name of the Director	Status
Mr. Irfan Ijaz Ahmed Khan	Chairman
Mr. Rajesh Pawar*	Member
Mr. Rohinton Sam Poonawala**	Member
Mrs. Sandhya Kotian	Member

\* Ceased to be member of the committee w.e.f. 13<sup>th</sup> November, 2015

\*\* Appointed as member w.e.f. 13<sup>th</sup> November, 2015

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy is annexed herewith as "Annexure-IV".

## 16. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the company has not given guarantee or provided any security to any persons or body corporate. The Company has made investments within the meaning of Section 186 of the Companies Act, 2013 and the particulars of investments as on the year ended are provided in Note no. 9 of the financial statement.

Following are the details of the loans and advances given by the Company during the financial year 2015-2016:

Name of the entity	Opening balance (In Rs.)	Loan given during the year	Loan repaid during the year	Closing balance (In Rs.)	Purpose of Loan
Amoha Traders Private Limited	2,27,78,511	15,00,000	62,75,000	1,80,03,511	Future business transaction
Arma Financial Services Limited	3,50,000	2,50,000	--	6,00,000	Future business transaction
Aashna Constructions	--	10,00,000	--	10,00,000	Business Advance
Tarulata Zaveri	--	5,00,000	--	5,00,000	Business Advance

## 17. RELATED PARTY CONTRACTS

During the year, the Company has not entered into any transaction referred to in sub-section (1) of section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014 with related parties.

## 18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information relating to energy conservation, technology absorption and research & development pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as follows:

### A. Conservation of Energy:

- i. **Steps taken or impact on conservation of energy:** Since the Company is not carrying out any manufacturing activities, it is not energy intensive. Adequate measures have been taken to conserve the energy utilized.
- ii. **Steps taken by the Company for utilizing alternate sources of energy:** The Company has not utilized any alternate source of energy during the year.
- iii. **Capital investment on energy conservation equipments:** NIL

### B. Technology absorption:

- i. **Efforts made towards technology absorption:** NIL
- ii. **Benefits derived like product improvement, cost reduction, product development or import substitution:** Nil
- iii. **Imported technology (imported during the last three years reckoned from the beginning of the financial year):**
  - a) Details of technology imported - No technology was imported.
  - b) Year of import - Not Applicable
  - c) Whether the technology been fully absorbed- Not Applicable

d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof - Not Applicable

iv. **Expenditure incurred on Research and Development** – Not Applicable

**C. Foreign Exchange earnings and outgo:**

During the year 2015-16, there have been no foreign exchange earnings or outgo.

**19. RISK MANAGEMENT**

Your company has been regularly assessing the risk and ensures that the risk mitigation plans are in place.

**20. FORMAL ANNUAL EVALUATION**

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

On the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

Independent Director evaluated the performance of non-independent directors, performance of the Board as a whole and performance of the Chairman, taking into account the views of executive directors and non-executive directors.

**21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

**22. INTERNAL FINANCIAL CONTROL**

Your Company has Internal Control system to ensure an effective internal control environment that provides assurance on the efficiency of conducting business, including adherence to the Company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of Accounting records and the timely preparation of reliable financial disclosures.

**23. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION PROHIBITION AND REDRESSAL) ACT, 2013.**

Your Directors state that during the year under review, there were no cases reported pursuant to the Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013.

**24. ESTABLISHMENT OF VIGIL MECHANISM**

The Company has a Vigil Mechanism to deal with the instances of fraud and mismanagement, if any. The Vigil Mechanism Policy had been recommended by the Audit Committee and thereafter approved and adopted by the Board of Directors of the Company.

## **25. PARTICULARS OF EMPLOYEES:**

In terms of the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration and other details are appended as 'Annexure – V' to the Directors' Report.

None of the employees of the Company employed throughout the year were in receipt of remuneration in excess of the limits set out in Rule 5(2) of the said rules.

## **26. AUDITORS**

### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made there under, M/s. J. C. Desai & Co., Chartered Accountants, Mumbai [Firm Registration No. 124720W], were appointed as the Statutory Auditors of the Company for a period of 5 years by the shareholders at the Annual General Meeting held on 30<sup>th</sup> September, 2015, to hold office till the conclusion of the Annual General Meeting to be held for the financial year ended 31<sup>st</sup> March, 2020. In terms of the first proviso to Section 139(1) of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification by members at every Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of Annual general Meeting for seeking approval of members.

### **Secretarial Auditor**

The Board had appointed M/s. Jayshree A. Lalpuria & Co, Practising Company Secretaries, to conduct Secretarial Audit to the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2016 is annexed herewith as "Annexure VI".

## **27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report as required under Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in 'Annexure –VII' and forms a part of the Annual Report.

## **28. AUDITOR'S REPORT**

The Auditors' Report for the financial year ended 31<sup>st</sup> March, 2016 does not contain any qualification, reservation or adverse remark or disclaimer of the Auditor.

### **Reporting of fraud by the Auditor under Section 143(12) of the Companies Act, 2013**

The Board of Directors state that M/s. J. C. Desai & Co., Chartered Accountants Statutory Auditors have not reported of any fraud involving any amount committed by the Company to the Central Government, Audit Committee or to the Board of Directors of the Company.

### **SECRETARIAL AUDITOR'S REPORT**

As regards qualifications/remarks of the Secretarial Auditor in her report, the Directors wish to clarify that:

-The Company has appointed Chief Financial Officer w.e.f. 14th August, 2015 pursuant to section 203(1) of the Companies Act, 2013 and Rule 8 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014. However due to inadvertence the requisite forms for the said appointment were not filed with the office of Registrar of Companies.

- Form MGT-14 relating to Board resolution for appointment of Internal Auditor for the financial year 2015-16 was not filed with the office of Registrar of Companies due to inadvertence.

-the Company shall take necessary steps to ensure the compliance with the provisions of Section 186 of the Companies Act, 2013.

-The Company has intimated the promoter about the provisions of Regulation 31(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the hundred percent shareholding of promoter should be in dematerialised form and the company has been informed that the promoter shall take necessary step in this regard.

-due to financial constrains, the Company could not publish in newspaper notice of Board Meeting & Audited (yearly) and Un-audited (quarterly) Financial Results as required under Clause 41 of the Listing Agreement and Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarters preceding to December 2015. However now the Company is publishing its Audited (yearly) and Un-audited (quarterly) Financial Results in newspaper as required.

#### **ACKNOWLEDGEMENT**

The Directors wish to place on record their appreciation of the continued support and cooperation received from various customers, banks, employees and other stakeholders of the company.

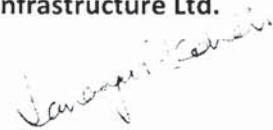
For & on behalf of the Board of Directors,  
For **Kratos Energy & Infrastructure Ltd.**



(Rajesh Pawar)

Whole Time Director

DIN: 00232533



(Sandhya Kotian)

Director

DIN: 07129237

Place: Mumbai

Date: 12<sup>th</sup> August, 2016



## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiary company/associate company/joint ventures

## PART "B": ASSOCIATES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates	E'L Dorado Guarantee Limited
1. Latest audited Balance Sheet Date	As on March 31, 2016
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate/ <del>Joint Ventures</del> held by the company on the year end	
- No. of Shares	1989989 Equity Shares of Rs. 10/- each
- Amount of Investment in Associates/ <del>Joint Venture</del>	The investment value has been written off in the books of the Company earlier
- Extend of Holding %	44.22%
4. Description of how there is significant influence	Since the Company is holding more than 25% of the Shareholding of E'L Dorado Guarantee Limited., the Company has significant influence
5. Reason why the associate/ <del>joint venture</del> is not consolidated	- NA -
6. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. (2,15,37,240)
7. Profit / Loss for the year	
i. Considered in Consolidation	No
ii. Not Considered in Consolidation	Yes

1. Names of associates or joint ventures which are yet to commence operations –Nil

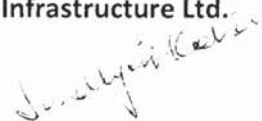
2. Names of associates or joint ventures which have been liquidated or sold during the year - Nil

For & on behalf of the Board of Directors,  
For Kratos Energy & Infrastructure Ltd.



(Rajesh Pawar)

Whole Time Director  
DIN: 00232533



(Sandhya Kotian)

Director  
DIN: 07129237

Place: Mumbai

Date: 12<sup>th</sup> August, 2016

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L40102MH1979PLC021614
2	Registration Date	31/08/1979
3	Name of the Company	Kratos Energy & Infrastructure Limited
4	Category/Sub-category of the Company	Company Limited By Shares/Indian Non Government Company
5	Address of the Registered office & contact details	317, Maker Chamber V, 221, Nariman Point, Mumbai – 400 021.
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Purva Sharegistry (India) Pvt. Ltd. Unit No. 9, Shiv Shakti Industrial State, J.R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (East), Mumbai 400-011. Tel: 91-22-2301 6761 / 8261 Fax: 91-22-2301 2517 Email: busicomp@vsnl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Consulting charges for power transaction	70200	77.15 %
2	Sale of Machinery (traded)	46593	22.85%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	E'L Dorado Guarantee Limited C/o S. Gajendra Babu, 785/1, Sai Krupa, Nr. Sriram Super Market, Alto- Betim, Provorim Baltez, Goa, Indi - 403521	U67120GA1994GAP001595	Associate	44.22	2(6)



Companies									
g) FIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
i) Others (specify)	0	0	0	0	0	0	0	0	-
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	-
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	168466	41450	209916	20.99	168466	41450	209916	20.99	-
ii) Overseas	0	0	0	0	0	0	0	0	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	450	54782	55232	5.52	450	54782	55232	5.52	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	244801	244801	24.48	0	244801	244801	24.48	-
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	-
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	-
Foreign Nationals	0	0	0	0	0	0	0	0	-
Clearing Members	0	0	0	0	0	0	0	0	-
Trusts	0	0	0	0	0	0	0	0	-
Foreign Bodies - D R	0	0	0	0	0	0	0	0	-
<b>Sub-total (B)(2):-</b>	168916	341033	509949	50.99	168916	341033	509949	50.99	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	168916	341033	509949	50.99	168916	341033	509949	50.99	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	168916	831084	1000000	100	168916	831084	1000000	100	-

(ii) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2015]			Shareholding at the end of the year [As on 31-March-2016]			% cha in share ding during the ye
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	E'l dorado Guarantee Limited	490051	49.01	0	490051	49.01	0	
	<b>TOTAL</b>	<b>490051</b>	<b>49.01</b>	<b>0</b>	<b>490051</b>	<b>49.01</b>	<b>0</b>	

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

Sr. No.	Name	Shareholding		Date	Increase /decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of to shares the compa
1.	E'l dorado Guarantee Limited	490051	49.01	01.04.2015				
					Nil	--		
		490051	49.01	31.03.2016			490051	49

(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDR: and ADRs)

Sr. No	Name	Shareholding		Date	Increase /decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total share the comp
1.	Amoha Traders Pvt. Ltd.	46375	4.64	01.04.2015				
					--			
		46375	4.64	31.03.2016			46375	4
2.	Rustom M. Vajifdar	45950	4.60	01.04.2015				
					--			
		45950	4.60	31.03.2016			45950	4
3.	Canos Trading Pvt. Ltd.	45650	4.57	01.04.2015				
					--			

		45650	4.57	31.03.2016			45650	4.57
4.	E'l Dorado Securities Pvt. Ltd.	41000	4.10	01.04.2015				
					--			
		41000	4.10	31.03.2016			41000	4.10
5.	Arma Financial Services P Ltd.	38101	3.81	01.04.2015				
					--			
		38101	3.81	31.03.2016			38101	3.81
6.	Bomi Pirojsh Sachinwala	28000	2.80	01.04.2015				
					--			
		28000	2.80	31.03.2016			28000	2.80
7.	Suresh Ramtrilok Singh	27000	2.70	01.04.2015				
					--			
		27000	2.70	31.03.2016			27000	2.70
8.	Umesh Srichand Nagpal	26000	2.60	01.04.2015				
					--			
		26000	2.60	31.03.2016			26000	2.60
9.	Behroze Maneckshaw	22000	2.20	01.04.2015				
					--			
		22000	2.20	31.03.2016			22000	2.20
10.	Imtiyaz Hassan Khan	20150	2.02	01.04.2015				
					--			
		20150	2.02	31.03.2016			20150	2.02

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding		Date	Increase /decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total shares of the company
<b>A. Directors</b>								
1.	Irfan Ajaz Ahmad Khan	19351	1.94	01.04.2015				
					--			
		19351	1.94	31.03.2016				
2.	*Rohinton Sam Poonawala	Nil	Nil	13.11.2015				
					--			
		Nil	Nil	31.03.2016			Nil	Nil

3.	Sandhya Taranath Kotian	Nil	Nil	01.04.2015				
					--			
		Nil	Nil	31.03.2016			Nil	Nil
<b>B. Key Managerial Personnel (KMP's)</b>								
4.	Rajesh Pawar (Whole-time Director)	Nil	Nil	01.04.2015				
					--			
		Nil	Nil	31.03.2016			Nil	Nil
5.	**Dhanabal Shanmugavelu	Nil	Nil	20.02.2016				
					--			
		Nil	Nil	31.03.2016			Nil	Nil

\*Appointed w.e.f. 13<sup>th</sup> November, 2015

\*\*Appointed w.e.f. 20<sup>th</sup> February, 2016

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment. (In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	27,63,832	11,35,000	0	38,98,832
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>27,63,832</b>	<b>11,35,000</b>	<b>0</b>	<b>38,98,832</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0	15,00,000	0	15,00,000
Reduction	(27,63,832)	0	0	(27,63,832)
<b>Net Change</b>	<b>(27,63,832)</b>	<b>15,00,000</b>	<b>0</b>	<b>(12,63,832)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	26,35,000	0	26,35,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>26,35,000</b>	<b>0</b>	<b>26,35,000</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In Rs.)**

SN.	Particulars of Remuneration	Rajesh Pawar - Whole-time Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,000	35,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission- as % of profit - others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	<b>Total (A)</b>	35,000	35,000
	Ceiling as per the Act	Pusuant to provision of Section 196 and 197 of the Companies Act, 2013 and Part II of Schedule V, limit of yearly remuneration payable shall not exceed Rs. 30 Lacs	

**B. Remuneration to other directors**
**(In Rs.)**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Irfan Ajaz Ahmad Khan	Rohinton Sam Poonawala	Sandhya Kotian	
1	Independent Directors				
	Fee for attending board committee meetings	Nil	Nil	NA	Nil
	Commission	Nil	Nil	NA	Nil
	Others, please specify	Nil	Nil	NA	Nil
	<b>Total (1)</b>	Nil	Nil	NA	Nil
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	NA	NA	30,000	30,000
	Commission	NA	NA	Nil	Nil
	Others -Specify	NA	NA	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	30,000	30,000
	<b>Total (B)=(1+2)</b>	Nil	Nil	30,000	30,000
	Total Managerial Remuneration (A+B)				65,000
	Overall Ceiling as per the Act	11% of the net profit of the Company			



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**  
(In Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO*	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	35,000	35,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission- as % of profit - others, specify	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total</b>	Nil	Nil	35,000	35,000

\*Appointed w.e.f 14<sup>th</sup> August, 2015

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

For & on behalf of the Board of Directors,  
For Kratos Energy & Infrastructure Ltd.



(Rajesh Pawar)  
Whole Time Director  
DIN: 00232533



(Sandhya Kotian)  
Director  
DIN: 07129237

Date: 12<sup>th</sup> August, 2016  
Place: Mumbai

**Board Meetings:**

The Board Meetings for the financial year ended 31<sup>st</sup> March, 2016 were held on 30<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 13<sup>th</sup> November, 2015, and 9<sup>th</sup> February, 2016. The details of attendance of each director at the Board Meetings are as given below:

Name of Director	No. of Meetings attended
Mr. Irfan Ijaz Ahmed Khan	4
Mr. Rajesh Pawar	4
*Mr. Rohinton Sam Poonawala	2
Mrs. Sandhya Kotian	4

\*Appointed w.e.f. 13<sup>th</sup> November, 2015

**Audit Committee meetings:**

The Meetings of the Audit Committee for the financial year ended 31<sup>st</sup> March, 2016 were held on 30<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 13<sup>th</sup> November, 2015, and 9<sup>th</sup> February, 2016. The details of attendance of each director at the Audit Committee Meetings are as given below:

Name of Director	No. of Meetings attended
Mr. Irfan Ijaz Ahmed Khan	4
*Mr. Rajesh Pawar	3
**Mr. Rohinton Sam Poonawala	1
Mrs. Sandhya Kotian	4

\* Ceased to be member of the committee w.e.f. 13<sup>th</sup> November, 2015

\*\*Appointed w.e.f. 13<sup>th</sup> November, 2015

**Nomination & Remuneration Committee meetings:**

The Meetings of the Nomination & Remuneration Committee for the financial year ended 31<sup>st</sup> March, 2016 were held on 14<sup>th</sup> August, 2015, 13<sup>th</sup> November, 2015, and 9<sup>th</sup> February, 2016. The details of attendance of each director at the Nomination & Remuneration Committee Meetings are as given below:

Name of Director	No. of Meetings attended
Mr. Irfan Ijaz Ahmed Khan	3
*Mr. Rajesh Pawar	2
**Mr. Rohinton Sam Poonawala	1
Mrs. Sandhya Kotian	3

\* Ceased to be member of the committee w.e.f. 13<sup>th</sup> November, 2015

\*\*Appointed w.e.f. 13<sup>th</sup> November, 2015

**Stakeholders Relationship Committee meetings:**

The was no meeting of the Stakeholders Relationship Committee for the financial year ended 31<sup>st</sup> March, 2016 since there was no application for transfer, transmission of shares and no complains or grievances received from the stakeholders. The composition of the Stakeholders Relationship Committee is as under:

1. Mr. Irfan Ijaz Ahmed Khan – Chairman
2. Mr. Rajesh Pawar – Member

Nomination and Remuneration Policy pursuant to Section 178(3) of the Companies Act, 2013

The Board of Directors of Kratos Energy & Infrastructure Limited ("the Company") constituted "Nomination and Remuneration Committee" at the Meeting held on 13<sup>th</sup> August 2014.

The following is the Nomination and Remuneration Committee Policy adopted by the Committee.

**1. Objective**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b. To formulate the criteria for evaluation of Independent Director and the Board.
- c. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- d. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- e. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- f. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- g. To devise a policy on Board diversity
- h. To implement and monitor policies and processes regarding principles of corporate governance

**2. Definitions**

- a. "**Act**" means the Companies Act, 2013 and rules framed thereunder, as amended from time to time.
- b. "**Board**" means Board of Directors of the Company.
- c. "**Central Government**" means Registrar of Companies, Regional Director or any other authority under the Ministry of Corporate Affairs.
- d. "**Director(s)**" mean Directors of the Company.
- e. "**Key Managerial Personnel**" means
  - (i) Chief Executive Officer or the Managing Director or the Manager;
  - (ii) Whole-time director;
  - (iii) Chief Financial Officer;
  - (iv) Company Secretary; and
  - (v) any other officer/employee as may be prescribed under the Act or by the Board.
- f. "**Senior Management**" means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors but including Functional Heads.

### 3. Scope and Duties

#### a. **The Scope of work of Nomination and remuneration Committee will include:**

- (i) The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (ii) The Nomination and Remuneration Committee shall 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.
- (iii) To oversee and monitor the Familiarization Programme for Independent Directors.

#### b. **The Nomination and Remuneration Committee shall, while formulating the policy as above shall ensure that—**

- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

#### c. **Duties of Nomination and Remuneration Committee**

- (i) The duties of the Committee in relation to nomination matters include:
  - Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
  - Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
  - Identifying and recommending Directors who are to be put forward for retirement by rotation.
  - Determining the appropriate size, diversity and composition of the Board;
  - Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
  - Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
  - Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
  - Delegating any of its powers to one or more of its members or the Secretary of the Committee;
  - Recommend any necessary changes to the Board; and
  - Considering any other matters, as may be requested by the Board.
- (ii) The duties of the Committee in relation to remuneration matters include:
  - to consider and determine the Remuneration Policy, based on the performance and

also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board.

#### **4. Policy for appointment and removal of Director, KMP and Senior Management**

##### **a. Appointment criteria and qualifications**

- (i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (ii) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- (iii) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### **b. Term / Tenure**

###### **(i) Managing Director/Whole-time Director:**

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

###### **(ii) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a

listed company or such other number as may be prescribed under the Act.

**c. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel on yearly basis or at such other interval as may be decided by the Committee from time to time.

The Performance Evaluation of Independent Director should be done Board of Directors (excluding the directors being evaluated)

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of independent director.

**d. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**e. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**5. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel**

- (i) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- (ii) The remuneration and commission to be paid to the Whole-time Director shall be as per the provisions of the Act.
- (iii) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- (iv) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- (v) The ESOP Policy will be decided by the Committee based on the applicable Acts / Guidelines within the overall Policy decided by the Shareholders at the General Meeting.

**6. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

**(i) Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**(ii) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**(iii) Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**7. Remuneration to Non- Executive / Independent Director**

**(i) Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**(ii) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**(iii) Stock Options:**

The Stock Option entitlement will be subject to Act, Rules and Guidelines then prevailing.

**8. Constitution**

- (i)** The Committee shall consist of a minimum 3 non-executive directors and one-half of them should be independent Directors
- (ii)** Membership of the Committee shall be disclosed in the Annual Report.
- (iii)** Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **9. Chairperson**

- (i) Chairperson of the Committee shall be an Independent Director.
- (ii) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- (iii) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- (iv) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **10. Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required.

#### **11. Committee Members' Interests**

- (i) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (ii) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **12. Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee.

#### **13. Voting**

- (i) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- (ii) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **14. Minutes of Committee Meeting**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee. The same will be signed by the Chairman at the next meeting of the Committee.



Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16	1:1			
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year 2015-16.	Name & Designation	2014-15 (in Rs.)	2015-16 (in Rs.)	% increase
	Rajesh Pawar - WTD	--	35,000	*NA
	Muralidharan P. P.	--	35,000	*NA
The percentage increase in the median remuneration of employees in the financial year 2015-16.	Nil			
The number of permanent employees on the rolls of company	4			
Average percentage increase in the salary of non-managerial personnel: 15% Average percentage increase in the salary of managerial personnel: Not applicable justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not applicable				

\*Mr. Rajesh Pawar (WTD) and Mr. Muralidharan P. P. (CFO) were paid remuneration w.e.f. September, 2015.

It is affirmed that the remuneration is as per the Remuneration Policy of the Company.



**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

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

To,  
The Members,  
**Kratos Energy & Infrastructure Limited**

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

Based on my 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

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

2

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreement entered into by the Company with BSE Ltd.
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *The Company has appointed Chief Financial Officer w.e.f. 14<sup>th</sup> August, 2015 pursuant to section 203(1) of the Companies Act, 2013 and Rule 8 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014. However the requisite Forms i.e. Form DIR-12, MR-1 and Form MGT-14 were not filed with the office of Registrar of Companies. Further the Company has appointed Company Secretary pursuant to section 203(1) of the Companies Act, 2013 and Rule 8 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 w.e.f. 20<sup>th</sup> February, 2016.*
2. *The Company has not filed Form MGT-14 relating to Board resolution for appointment of Internal Auditor for the financial year 2015-16 with the office of Registrar of Companies.*
3. *The Company has given advances to persons & companies and made investments exceeding limit prescribed in section 186 of the Companies Act, 2013 and not complied with the provisions of said section.*
4. *The Company has not complied with Regulation 31(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the hundred percent shareholding of promoter is not in dematerialised form.*
5. *The Company has not published in newspapers intimation regarding Board Meeting and also its Audited (yearly) and Un-audited (quarterly) Financial Results as required under clause 41 of the listing agreement and Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarters preceding to December 2015.*

#### **I further report that**

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.

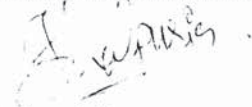
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision of the Board of Directors and its Committees is carried through and are captured and recorded as part of the minutes. There were no dissenting views.

**I 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.

**I further report that** during the audit period there was no event or actions having major bearing on company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

For **JAYSHREE A. LALPURIA & CO.,**  
**PRACTISING COMPANY SECRETARIES**



**(Jayshree A. Lalpuria)**  
Proprietor  
ACS: 17629 CP: 7109

Place: Mumbai  
Date: 29<sup>th</sup> July, 2016

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

To,  
The Members,  
**Kratos Energy & Infrastructure Limited**

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Kratos Energy & Infrastructure Limited** (the 'Company') is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to me by the Company, along with explanations where so required.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to me. I believe that the processes and practices I followed, provides a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **JAYSHREE A. LALPURIA & CO.,**  
**PRACTISING COMPANY SECRETARIES**

  
**(Jayshree A. Lalpuria)**

Proprietor

ACS: 17629 CP: 7109

Place: Mumbai  
Date: 29<sup>th</sup> July, 2016

**MANAGEMENT DISCUSSION AND ANALYSIS:****Industry Structure and Developments:**

The Company is in the business of rendering consultancy services for power projects and trading of machinery. Both these businesses are highly competitive but your company is trying to make the most of all available opportunities. With the advancement of technology, it is expected that the business dynamics for power projects and machinery would change with the changing times.

**Opportunities and threats:**

The company is engaged in businesses which are encountering fierce competition. With the recovery of the Indian economy, your Directors shall take all possible endeavors to identify and exploit all business opportunities for the benefit of its shareholders.

**Segment wise or product wise performance:**

The Company is in the business of providing consultancy in power projects and trading in machinery.

**Outlook:**

Considering the experience of your Directors, your Company is confident of meeting all challenges that may emerge and is positive about the future outlook.

**Risk and concerns:**

In the opinion of your Directors, the highest risk is the increasing competition and entry of unorganized players in the market.

**Internal control systems and their adequacy:**

Considering the scale of activities of the Company, the internal control systems are adequate.

**Discussion on financial performance with respect to operational performance:**

The financial performance with respect to operational performance of the Company is satisfactory.

**Material developments in Human Resources/Industrial Relations front including number of people employed:**

No comments are being offered.

**J. C. DESAI & CO.**  
CHARTERED ACCOUNTANTS

JAYESH DESAI  
B.Com., F.C.A.

**Address:**  
610 A. Commerce House,  
140, Nagindas Master Road,  
Fort, MUMBAI - 400 001.

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF KRATOS ENERGY & INFRASTRUCTURE LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of **KRATOS ENERGY & INFRASTRUCTURE LIMITED** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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



In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, its loss and its cash flow for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "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, we report that:

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

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

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

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

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

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

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. There are no pending litigations which would impact its financial position.

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

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



For J. C. DESAI & COMPANY  
Firm Regn.No.102311W  
CHARTERED ACCOUNTANTS

(Jayesh Desai)

Proprietor  
M. No. 39907

**J. C. DESAI & CO.**  
CHARTERED ACCOUNTANTS

JAYESH DESAI  
B. Com., F.C.A.

**Office:**  
610A, Commerce House,  
140, Nagindas Master Road,  
Fort, MUMBAI - 400 001.

ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS IN OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> March, 2016 OF KRATOS ENERGY & INFRASTRUCTURE LIMITED

-----  
On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The assets have been physically verified by the management in accordance with a phased programme of verifications adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge no material discrepancies have been noticed on such verifications.  
  
(c) According to the information and explanations given to us and on the basis of the records of the Company, the Company is not having any immovable property and hence whether the title deeds of immovable properties are held in the name of the company is not applicable.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and that no material discrepancies have been noticed.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. According to the information and explanations given to us and on the basis of particulars of relate party as furnished to us, we report that the Company has not advanced any loans or given any guarantees or security or made any investment and therefore paragraph 3(iv) of the said Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. The maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the items dealt in by the Company.
- vii. (a) In our opinion and according to the information and explanation given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Excise duty, VAT, Cess and other material statutory dues with the appropriate authorities, where applicable.

(b) According to the information and explanations given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of Sales tax, Income tax, Custom duty, VAT, Service tax, Excise duty and cess.

- viii) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of dues to banks.
- ix) On the basis of the records examined by us and the information and explanations given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) and term loan.
- x) Based upon the audit procedures performed and as per the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed during the year.
- xi) According to the information and explanations given to us, managerial remuneration has been paid in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The company not being a Nidhi Company and therefore paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and particulars of the related parties furnished to us and based on our examination of the records of the Company, we report that during the year the Company has not entered into any transactions with the related parties and therefore paragraph 3(xiii) of the Order is not applicable.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) The company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi) The company is not required to register itself under section 45-IA of the Reserve Bank of India Act, 1934.



Mumbai  
Dated: 30<sup>th</sup> May, 2016

For J.C. DESAI & COMPANY  
Firm Regn.No.102311W  
CHARTERED ACCOUNTANTS

(Jayesh Desai)

Proprietor  
M. No. 39907

**J. C. DESAI & CO.**  
CHARTERED ACCOUNTANTS

JAYESH DESAI  
B. Com., F.C.A.

Office :  
610A, Commerce House,  
140, Nagindas Master Road,  
Fort, MUMBAI - 400 001.

## Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of KRATOS ENERGY & INFRASTRUCTURE LIMITED ('the Company') as of 31<sup>st</sup> March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.


#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J.C. DESAI & COMPANY  
Firm Regn.No.102311W  
CHARTERED ACCOUNTANTS

  
(Jayesh Desai)

Proprietor  
M. No. 39907

Mumbai  
Dated: 30<sup>th</sup> May, 016



# Kratos Energy & Infrastructure Limited

Balance Sheet as at March 31, 2016

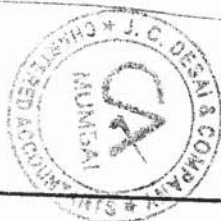
(Amount Rs.)

	Notes	As At 31 March 2016	As At 31 March 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	1,00,00,000	1,00,00,000
Reserves and surplus	3	1,99,33,092	2,03,88,857
		<b>2,99,33,092</b>	<b>3,03,88,857</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	26,35,000	38,98,832
<b>Current liabilities</b>			
Trade payables			
A) total outstanding dues of micro enterprises and small enterprises			
B) total outstanding dues of creditors other than micro enterprises and small enterprises.	5	3,99,85,982	3,15,16,842
Other current liabilities	6	15,53,469	5,07,832
Short-term provisions	7	8,73,545	3,13,545
		<b>4,24,12,996</b>	<b>3,23,38,219</b>
<b>TOTAL</b>		<b>7,49,81,089</b>	<b>6,66,25,908</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	8	1,78,690	49,62,329
Investments	9	1,67,51,760	42,51,760
Deferred tax assets (net)	10	2,33,179	6,53,080
Long Term Loans & Advances	11	3,53,83,924	3,16,83,924
		<b>5,25,47,553</b>	<b>4,15,51,093</b>
<b>Current assets</b>			
Trade receivables	12	-	12,291
Cash and bank balances	13	12,31,553	11,82,781
Other current assets	14	2,12,01,983	2,38,79,743
		<b>2,24,33,536</b>	<b>2,50,74,815</b>
<b>TOTAL</b>		<b>7,49,81,089</b>	<b>6,66,25,908</b>
Significant Accounting policies & Notes on Financial Statements	1 & 19		

As per our report of even date  
For J C DESAI & COMPANY  
FRN 102311W  
Chartered Accountants

For and on behalf of the Board of Directors

JAYESH DESAI  
Proprietor  
M. No.039907  
Place : Mumbai  
Date: 30th May,2016



Directors

Directors

Company Secretary






CFO



# Kratos Energy & Infrastructure Limited

Statement of Profit and Loss for the period ended 31st March, 2016

(Amount Rs.)

Particulars	Note No	Year ended 31st March 2016 Rs.	Year ended 31st March 2015 Rs.
<b>Income</b>			
Revenue from operations	15	4,79,58,022	4,05,77,567
Interest on Income Tax Refund		-	1,06,420
<b>Total Revenue</b>		<b>4,79,58,022</b>	<b>4,06,83,987</b>
<b>Expenses:</b>			
Purchases & Management expenses	16	4,37,26,391	3,55,91,445
Employee benefit expense	17	9,18,480	5,10,430
Depreciation	8	2,51,516	3,77,623
Other expenses	18	25,37,498	34,33,713
<b>Total Expenses</b>		<b>4,74,33,885</b>	<b>3,99,13,211</b>
<b>Profit before tax</b>		<b>5,24,137</b>	<b>7,70,776</b>
<b>Tax expenses:</b>			
(1) Current tax		560000	1,72,228
(2) Excess/short Tx provision w/off		-	-
(2) Deferred Tax Asset		419901	1,25,589
<b>Profit/(Loss) for the period</b>		<b>(4,55,764)</b>	<b>4,72,959</b>
<b>Earning per equity share of face value Rs. 10 each</b>			
(1) Basic & Diluted		(0.46)	0.47
Significant Accounting policies & Notes on Financial Statements	1 & 19		
As per our report of even date			
For J C DESAI & COMPANY FRN 102311W Chartered Accountants		For and on behalf of the Board of Directors	
	 Directors	 Directors	
JAYESH DESAI Proprietor M. No.039907 Place : Mumbai Date : 30th May,2016	 Company Secretary	 CFO	





**Kratos Energy & Infrastructure Limited**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

Amount (Rs.)

A. CASH FLOW FROM OPERATING ACTIVITIES :	31/03/2016	31/03/2015
Net Profit before taxation	5,24,137	7,70,776
Adjustments for:		
Depreciation	2,51,516	3,77,623
Loss on sale of assets	12,14,123	-
<b>Operating Profit before changes in working capital changes</b>	<b>19,89,776</b>	<b>11,48,399</b>
Adjustments for		
Trade & other receivables	12,291	(12,291)
Trade & other payable	1,02,14,777	(27,26,184)
Other current assets	25,27,760	36,22,859
Payment of Income-tax (net)	(37,00,000)	(14,22,920)
<b>Net cash generated from operating activities</b>	<b>(A) 1,10,44,604</b>	<b>6,09,863</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Investments	(1,25,00,000)	(10,00,060)
Addition to fixed assets	(32,000)	(56,750)
Proceeds from sale of assets	33,50,000	-
<b>Net cash generated from investing activities</b>	<b>(B) (91,82,000)</b>	<b>(10,56,810)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Decrease in long term borrowings	(18,13,832)	(16,52,848)
<b>Net cash generated from financing activities</b>	<b>(C) (18,13,832)</b>	<b>(16,52,848)</b>
<b>Net increase( decrease) in cash and cash equivalents (A+B+C)</b>	<b>48,772</b>	<b>(20,99,795)</b>
<b>Opening Cash &amp; cash equivalents</b>	<b>11,82,781</b>	<b>32,82,576</b>
<b>Closing Cash &amp; cash equivalents</b>	<b>12,31,553</b>	<b>11,82,781</b>

As per our report of even date  
**For J C DESAI & COMPANY**  
**FRN 102311W**  
**Chartered Accountants**

*[Signature]*

**JAYESH DESAI**  
 Proprietor  
 M. No.039907  
 Place : Mumbai  
 Date: 30th May,2016



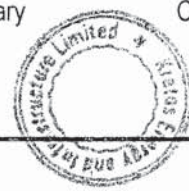
**For and on behalf of the Board of Directors**

*[Signature]*  
 Directors

*[Signature]*  
 Directors

*[Signature]*  
 Company Secretary

*[Signature]*  
 CFO



## KRATOS ENERGY & INFRASTRUCTURE LIMITED

Note -1 Notes forming parts of Accounts for the year ended 31<sup>st</sup> March, 2016

### Note 1:- Significant Accounting Policies & Notes on Accounts

#### I. Significant Accounting Policies

- a) **Basis of Accounting**  
The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis, (Except provision for retirement benefits of the Employee, Leave Salary & Bonus which are recorded on Cash Basis). GAAP comprises Standard Accounting (AS) issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.
- b) **Revenue Recognition**  
All income and expenditure have a material bearing on the financial statements are recognised on accrual basis except Interest on Government Securities and Dividend which have been accounted on receipt basis.
- c) **Fixed Assets**  
Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes taxes, duties, freight and other incidental expenses but net of Cenvat availed related to acquisition and installation of the respective fixed assets. Advances paid towards the acquisition of fixed assets outstanding as on Balance Sheet date is disclosed under long term loans and advances.
- d) **Impairment of Fixed Assets:**  
At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference
- e) **Depreciation**  
Depreciation on Fixed Assets has been provided on 'Straight Line Method' as per the useful life and in the manner specified in Scheduled II of the Companies Act, 2013. Depreciation on Additions / deletions has been accounted on pro-rata basis.
- f) **Valuation of Inventories**  
Inventories are valued at lower of cost or realisable value including necessary provision for obsolescence. As informed by management there is no stock in hand in existence at the year end.



## KRATOS ENERGY & INFRASTRUCTURE LIMITED

Note -1 Notes forming parts of Accounts for the year ended 31<sup>st</sup> March, 2016

g) **Investment**

Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investment and are carried at cost less any provision for permanent diminution in value. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) **Provisions and Contingent Liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

i) **Accounting for Taxation on Income :**

**Current Taxes**

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. Tax liability for domestic taxes has been computed under Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions can be carried forward for a period of ten years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent of MAT liability.

**Deferred Taxes**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. The effect of a change in tax rates on deferred tax and assets or liabilities are recognized in the period that includes the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future.



**Kratos Energy & Infrastructure Limited**  
Notes to the financial statements for the year ended 31 March 2016

(Amount in Rs.)

**Note 2 Share Capital**

**a. Details of Authorised, Issued & subscribed share capital**

Share Capital	As at 31 March 2016		As at 31 March 2015	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
Equity Shares of Rs.10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs.10 each fully paid up	10,00,000	1,00,00,000	10,00,000	1,00,00,000
<b>Total</b>	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>10,00,000</b>	<b>1,00,00,000</b>

**b. Terms and conditions**

**Equity shares**

The Company has only one class of shares viz. Equity share having a par value of Rs.10/- per share. Each holder of Equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive 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. Details of Shareholders having more than 5% shareholding**

**Equity Shares**

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Eldorado Guarantee Ltd.	4,90,051	49.01%	4,90,051	49.01%

**d. Reconciliation of number of shares**

**Equity Shares**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Shares Issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000

**Note 3 Reserves & Surplus**

Reserves & Surplus	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
<b>a. Surplus/ (deficit) in the statement of profit and loss</b>		
Opening balance	(6,97,117)	(11,70,077)
(+) Net Profit/(Net Loss) For the current year	(4,55,764)	4,72,959
<b>Closing Balance</b>	<b>(11,52,881)</b>	<b>(6,97,117)</b>
<b>b. General Reserve</b>		
Opening balance	2,10,85,973	2,10,85,973
Addition / transfers during the year	-	-
<b>Closing Balance</b>	<b>2,10,85,973</b>	<b>2,10,85,973</b>
<b>Gross Total ...</b>	<b>1,99,33,092</b>	<b>2,03,88,856</b>



**Kratos Energy & Infrastructure Limited**  
Notes to the financial statements for the year ended 31 March 2016

Particulars	As at 31 March 2016 Rs.	As at 31 March 2015 Rs.
<b>Note 4. Long Term Borrowings</b>		
<u>Secured</u>		
Loan from Banks:		
(i) AXIS Bank	-	27,63,000
<u>Others Disclosures</u>		
Vehicle loan carries interest @10.25% p.a.		
The loan is repayable in 60 monthly instalments of Rs.84,757/- each including interest.		
The loan is secured by hypothecation of vehicle financed out of said loan.		
<u>Unsecured</u>		
(i) Intercompany Loans	26,35,000	11,35,000
Total ....	<u>26,35,000</u>	<u>38,98,000</u>
<b>Other information regarding unsecured loans :</b>		
1. <b>Intercompany loans</b> amounting to Rs.20,85,000/- (PY Rs11,35,000) is unsecured and interest free and either repayable on call basis or to be utilised towards future business transactions.		
<b>Note 5. Trade payables</b>		
Due to Micro and small enterprises		
Other than Micro and small enterprises	1,13,74,298	39,22,000
Creditors for Expenses	16,77,000	3,30,000
Advance recd. from Customers	26,93,468	2,72,64,000
	<u>3,99,85,982</u>	<u>3,15,16,000</u>
The name of the Micro, Small and Medium Enterprises suppliers defined under " The Micro Small and Medium Enterprises Development Act 2006" could not be identified, as the necessary evidence is not in the possession of the Company.		
<b>Note 6. Other current liabilities</b>		
(i) <u>Duties &amp; Taxes payable</u>		
TDS out of Professional fees	7,53,469	5,07,000
(ii) Advances received	8,00,000	-
	<u>15,53,469</u>	<u>5,07,000</u>
<b>Note 7. Short Term Provisions</b>		
Provision for taxation	8,73,545	3,13,000
	<u>8,73,545</u>	<u>3,13,000</u>
<b>Note 9. Investments</b>		
<u>Long-Term-Unquoted:</u>		
(i) Mutual Fund - HDFC Floating Rate Income Fund	200,000	2,00,000
(ii) 384705( Previous year 384705) Equity Shares of Ring Plus Aqua Ltd of Rs. 10/-	20,51,760	20,51,760
(iii) Mutual Fund - Templeton India Ultra Short Bond Fund	1,45,00,000	20,00,000
(iv) 19,89,989/- ( Previous year 19,89,989) Equity shares of El Dorado Guarantee Ltd. of Rs.10/- each - fully paid up	-	-
	<u>1,67,51,760</u>	<u>42,51,760</u>
<b>Note 10. Deferred Tax Assets</b>		
Excess of Depreciation on net block of assets as per income tax over net block as per books	2,33,179	6,53,000
	<u>2,33,179</u>	<u>6,53,000</u>
<b>Note 11. Long Term Loans &amp; Advances</b>		
Deposits	2,64,26,136	2,64,26,136
Advance tax & TDS Paid	89,57,788	52,57,788



	3,53,83,924	3,16,83,91
<b>Note 12. Trade Receivables</b>		
(Unsecured and considered good)		
Over six months	-	-
Others	-	12,29
	-	12,29
<b>Note 13. Cash and Bank Balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	11,99,997	11,53,62
Cash on hand	31,556	29,16
	12,31,553	11,82,78
<b>Note 14. Other current assets</b>		
Prepaid Expenses	-	15,30
Input Service Tax c/fd.	10,60,572	7,18,02
Staff Loans	37,900	17,90
Advances to Others	1500000	-
<u>Short Term Loans/Advances recoverable in cash or kind</u>		
<u>(Unsecured and considered good)</u>		
Intercorporate Loans/Advances	1,86,03,511	2,31,28,51
	2,12,01,983	2,38,79,74

**Other Information regarding Intercorporate Advances**

As per the information and explanation given by management, these advances are not prejudicial to the interest of the Company as its advanced out of interest free fund and given in view of future business transactions.

	For the period ended on 31st March 2016 Rs.	For the period ended on 31st March 2015 Rs.
<b>Note 15. Revenue from operations</b>		
Sales of Machineries & Other materials	1,09,58,022	1,05,21,267
Consultancy Chgs.	3,70,00,000	2,67,50,000
Service Tax on above	-	33,06,300
	4,79,58,022	4,05,77,567
<b>Note 16. Purchases &amp; Management Expenses</b>		
Purchases of Machineries & Materials	9715033	83,03,020
Labour charges paid	500000	-
Professional fees pd.	33511358	2,59,11,643
Input Service Tax on above	-	13,76,782
	4,37,26,391	3,55,91,445
<b>Note 17. Employees Cost</b>		
Salaries and Allowances	918480	5,10,430
	9,18,480	5,10,430
<b>Note 18. Other Administrative Expenses</b>		
Advertisement Exp.	26265	-
Audit fees	30000	30,000
Bank Charges	246	1,078
Business Promotion Exp.	0	32,725
Cable & Internet Exp.	53798	32,110
Car repairs	98386	3,73,156
Conveyance Exp.	105000	-
Electricity expenses	102670	1,16,120
Interest on Vehicle Loan	10503	3,14,236
Listing fees	224720	1,12,360
Motor Car Insurance	86245	83,105
Printing & Stationery & Courier chgs	39918	44,207



Repairs & Maintenance chgs	20233	
Socy Maint.chgs	97415	
Telephone Chgs.	15093	
Travelling Expenses	270406	
Shares Investments w/off	0	
Loss on sale of assets	1214123	
Other Administrative Expenses	142477.24	19,8
Loans written off	0	
	<u>25,37,498</u>	<u>34,3</u>

Auditors' remuneration :

Statutory & Tax Audit	30000	
Other Services	0	
Total	<u>30,000</u>	<u>3</u>



KRATOS ENERGY & INFRASTRUCTURE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

6. FIXED ASSETS

S. No	Particulars	Life	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
			As on 01.04.2015	Additions during the year	Deductions during the year	As on 31.03.2016	Up to 31.03.2015	For the Year	Deductions during the year	Up to 31.03.2016	WDV as on 31.03.2016	WDV as on 31.03.2015
1.	<u>Tangible Assets</u>											
1)	Computers	3	32,24,282	-	-	32,24,282	31,67,532	17,971	-	31,85,503	38,779	56,750
2)	Motor Car	8	57,50,345	-	57,50,345	-	9,58,078	2,28,144	11,86,222	-	-	47,92,267
3)	Office Equipment	5	11,73,246	-	-	11,73,246	10,94,914	2,361	-	10,97,275	75,971	78,332
4)	Furniture and Fixture	10	6,72,702	-	-	6,72,702	6,39,067	-	-	6,39,067	33,635	33,635
5)	Air conditioner	10	-	32,000.00	-	32,000	-	3,040	-	3,040	28,960	-
6)	Mobile Handset		26,899	-	-	26,899	25,554	-	-	25,554	1,345	1,345
	<b>Total (Current Year)</b>		<b>1,08,47,474</b>	<b>32,000</b>	<b>57,50,345</b>	<b>51,29,129</b>	<b>58,85,145</b>	<b>2,51,516</b>	<b>11,86,222</b>	<b>49,50,439</b>	<b>1,78,690</b>	<b>49,62,329</b>
	<b>(Previous Year)</b>		<b>1,07,90,724</b>	<b>56,750</b>	<b>-</b>	<b>1,08,47,474</b>	<b>55,07,522</b>	<b>3,77,623</b>	<b>-</b>	<b>58,85,145</b>	<b>49,62,329</b>	<b>52,83,202</b>





## KRATOS ENERGY & INFRASTRUCTURE LIMITED

Note -1 Notes forming parts of Accounts for the year ended 31<sup>st</sup> March, 2016

### Note :19 Notes On Accounts

- 1) In the opinion of the board, the Current Assets, Loans & Advances are approximately of the value stated and realizable in the ordinary course of business. The Provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 2) The Balances and classifications of sundry debtors & creditors, loans and advances, Other liabilities and Deposits including deposits with NSE are subject to confirmation and reconciliation and are taken as per books of accounts.
- 3) In absence of relevant details, Deferred Tax Assets are not reviewed as at the Balance Sheet date. Its computed on the basis of information available in the financial statement for the previous year.
- 4) As informed to us, closing stock of Shares are valued at lower of cost or market value which is shown at NIL cost.
- 5) The Company had paid Rs.68 lacs to Brooklyn Hills & Properties P.Ltd. towards deposit for occupying office No.317 at Makers Chambers V, Nariman point, Mumbai 400 021. This Company had paid the said amount in the year 1997-98. Brooklyn Hills & Properties P.Ltd. has not refunded the said deposit and therefore the company is in the possession of the said premises since 1997-98.
- 6) The balances of certain bank accounts are subject to confirmation by the bank and are taken as per the books.
- 7) **Expenditure In Foreign Currency** Nil( Nil)
- 8) **Taxes on Income**  
Provision for taxation for the year has been made in accordance with the Provision of the Income Tax Act, 1961.
- 9) No Provision for retirement benefits as required by the Accounting Standard (AS-15) (Revised) is made.



**KRATOS ENERGY & INFRASTRUCTURE LIMITED**

Note -1 Notes forming parts of Accounts for the year ended 31<sup>st</sup> March, 2016

**10) Earning Per Share (EPS):**

Particulars		Year Ended 31.03.2015	Year Ended 31.03.2014
<b>A</b>	Weighted average number of equity shares of Rs. 10/- each		
i.	Number of shares at the beginning of the year	10,00,000	10,00,000
ii.	Number of shares at the end of the year	10,00,000	10,00,000
iii.	Weighted average number of Equity Shares outstanding during the year	10,00,000	10,00,000
<b>B</b>	Net Profit / (Loss) after tax available for equity shareholders (Rs.)	4,55,764	472960
<b>C</b>	Basic and diluted income / (Loss) per share (in rupees)	(0.46)	0.47

- The basic earnings per share ("EPS") are computed by dividing the net profit / (loss) after tax for the year by the weighted average number of equity shares outstanding during the year.
- The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the company remains the same.

**11) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

**12) Primary Segment Reporting:**

The company's main business is dealing in machineries & consultancy in power and energy sector. There is no reportable segment as per accounting standard 17 on Segmental reporting.

13) Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to confirm current year's classification.

14) **Intercorporate Loans:** The Company has made/ taken advances from corporate entities in respect of Business transactions. The same being against Business proposal, didn't considered as advances in nature of loan or deposits.



**KRATOS ENERGY & INFRASTRUCTURE LIMITED**

Note -1 Notes forming parts of Accounts for the year ended 31<sup>st</sup> March, 2016

- 15) There is no additional information pursuant to the provisions of Schedule III of the Companies Act' 2013 requiring disclosure for the Company for the year under report.
- 16) PURSUANT TO ACCOUNTING STANDARD - 18, the particulars of transactions with related parties other than those separately disclosed at appropriate places in the financial statements are as follows :-

	Interested Concern (Rs)	Key Managerial Personnel (Rs)	TOT (l)
Rendering of services : (Salary)	--	50,000 (Nil)	50,0 (Nil)
Loans taken outstanding at year end	1,100,000 (300,000)	-- --	1,100,0 (300,0)

(The figures in brackets represent previous year's figures)

**Note:** Names of related parties and description of relationship :

- |   |   |   |  |
|---|---|---|--|
| 1 | Interested Concern                      | : El Dorado Guarantee Ltd               |  |
| 2 | Key Managerial Personnel<br>(Directors) | Shri Rajesh Pawar<br>Smt. Sandya Kotian | Shri Irfan Khan<br>Shri Rohinton Poonawala |

As per our Report of even date attached

For J.C.DESAI & CO.  
FRN 102311W  
Chartered Accountants

For and on behalf of the Board

**JAYESH DESAI**  
Proprietor  
Mem. No. 039907  
Place : Mumbai  
Date : 30/05/2016



Director

Director

Company Secretary

CFO



**KRATOS ENERGY AND INFRASTRUCTURE LIMITED**

CIN No.: L40102MH1979PLC021614

Registered Office: 317, Maker Chamber V, 221, Nariman Point,  
Mumbai-400 021

Email: [dvfl@rediffmail.com](mailto:dvfl@rediffmail.com)

**ATTENDANCE SLIP**  
(Annual General Meeting)

Folio No. /DP ID No. & Client ID No. ....

No. of shares held.....

I hereby record my presence at the Annual General Meeting held on Friday, 30<sup>th</sup> September, 2016 at 11.30 a.m. at 317, Maker Chamber V, 221, Nariman Point, Mumbai-400 021.

Member's Name: .....

Proxy's Name: .....

\_\_\_\_\_  
Member's/ Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the Hall.

**KRATOS ENERGY AND INFRASTRUCTURE LIMITED**

CIN: L40102MH1979PLC021614

Registered Office: 317, Maker Chamber V, 221, Nariman Point,  
Mumbai-400 021

Email: [dvfl@rediffmail.com](mailto:dvfl@rediffmail.com)

**PROXY FORM**

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

Name of the member(s):

Email ID:

Registered Address:

Folio No. /Client ID:

DP Id:

I/We, being the member (s) of ..... shares of the above named company, hereby  
appoint

1. Name:

Address:

E-mail Id:

Signature:

, or failing him

2. Name:

Address:

E-mail Id:

Signature:

, or failing him

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual  
General Meeting of the Company, to be held on Friday, 30<sup>th</sup> September, 2016 at 11.30 a.m. at  
317, Maker Chamber V, 221, Nariman Point, Mumbai-400 021 and at any adjournment thereof  
in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolution	Vote*	
		For	Against
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2016 together with the reports of the Directors' and Auditors' thereon.		

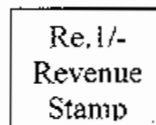
2	Appointment of Director in place of Mrs. Sandhya Kotian who retires by rotation and being eligible, offers herself for re-appointment.		
3	Ratification of appointment of M/s. J. C. Desai & Co., Chartered Accountants as Statutory Auditors and to fix their remuneration.		
4	Appointment of Mr. Rohinton Sam Poonawala as Independent Director, not liable to retire by rotation.		

\*It is optional to indicate your preference. If you leave the 'for or against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder

Signature of Proxy holder (s)



- Note:**
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  2. The form should be signed across the stamp as per specimen signature registered with the Company.
  3. A Proxy need not be a member of the Company.

## ROUTE MAP

