

2nd September, 2022

To,
The Manager-DCS
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai- 400 001

Dear Sir,

Ref.: Scrip Code: 501261

Sub: 42nd AGM Notice, Annual Report 2021-22, Book Closure and E- voting Details

NOTICE is hereby given that the 42nd Annual General Meeting (AGM) of the Members of Kratos Energy & Infrastructure Limited will be held on Friday, 30th September, 2022 at 11.00 a.m. at the registered office of the Company situated at 317, Maker Chamber V, 21, Nariman Point, Mumbai – 400021.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2021-22 which is being despatched / sent to the members by the permitted mode(s).

Notice is also hereby given that pursuant to Section 91 of the Companies Act, 2013, Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Agreement) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 23rd September, 2022 to Friday, 30th September, 2022 (both days inclusive) for the purpose of the said Annual General Meeting of the Company.

Members are hereby informed that in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Agreement) Regulation, 2015, Kratos Energy & Infrastructure Limited is providing to the Members the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through remote e-voting services provided by National Securities Depository Limited (NSDL). The instructions for remote e-voting are given in the Notice of the AGM.

The remote e-voting period commences on 27th September, 2022 at 9:00 a.m. (IST) and ends on 29th September, 2022 at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter and Members will not be allowed to vote electronically beyond the said date. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of Members shall be as per the number of equity shares held by the members as on the cut-off date which is Friday, 23rd September, 2022. The Notice has been sent to all the Members, whose names appeared in the Register of Members / Record of Depositories as on Friday, 26th August, 2022.

A person, whose name appears in the register of Members/Beneficial owners as on the cut-off date i.e. Friday, 23rd September, 2022 only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting.

Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as of the cut-off date i.e. 23rd September, 2022 may obtain the User ID and password by sending a request at evoting@nsdl.co.in. The detailed procedure for obtaining User ID and password is also provided in the Notice of the meeting which is available on NSDL's website viz. www.evoting.nsdl.com. If a member is already registered with NSDL for e-voting then he can use his existing User ID and password for casting the vote through remote e-voting.

The facility for voting through Poll shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be entitled to vote at the meeting through Poll.

The members who have cast their vote by remote e-voting may attend the meeting but shall not be eligible to cast their vote again in the meeting.

Any query or grievance connected with the e-voting may be addressed to NSDL by e-mail at www.evoting.nsdl.com or call on the telephone nos. at 022-24994600/24994738 or toll free nos. 1800-222-990.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For **Kratos Energy & Infrastructure Limited**

Jigar Joshi
Company Secretary & Compliance Officer

Place: Mumbai
Encl: As above

KRATOS ENERGY & INFRASTRUCTURE LIMITED

42nd ANNUAL REPORT

2021-22

KRATOS ENERGY AND INFRASTRUCTURE LIMITED

CIN No.: L40102MH1979PLC021614

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

Tel No.: 022-22823852/53 Email: dvfl@rediffmail.com Website: www.kratosenergy.in

NOTICE

Notice is hereby given that the 42nd Annual General Meeting of the Company will be held on Friday, 30th September, 2022 at 11.00 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 31st March, 2022 along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of), Mrs. Feroza Jamsheed Panday (DIN: 00232812) who retires by rotation and being eligible, offers herself for re-appointment.

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

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

Date: 08th August, 2022
Place: Mumbai

Jigar Joshi
Company Secretary

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 and the proxy holder should prove his identity at the time of attending the meeting. A Proxy Form which does not state the name of the Proxy shall be considered as invalid.
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. 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.
6. 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 shareholder(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.
7. 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.
8. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on 8th June, 2018 to permit transfer of listed securities only in the dematerialized form with a depository from 5th December, 2018. In view of

the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization. Shareholders can contact the Company's Registrar and Transfer Agents, M/s. Purva Shareregistry (India) Private Limited for assistance in this regard.

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 Friday, 23rd September, 2022 to Friday, 30th September, 2022 (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 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- 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 process and manner for remote e-voting are as under:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, 27th September, 2022 (9:00 am) and ends on Thursday, 29th September, 2022 (5:00 pm). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 23rd September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 23rd September, 2022.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li data-bbox="592 667 1428 1429">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<li data-bbox="592 1462 1428 2040">2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your

vote during the remote e-Voting period.

3. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on NSDL to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

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

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

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

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cspriyankagarwal@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to dvfl@rediffmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to dvfl@rediffmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

Jigar Joshi
Company Secretary

Date: 08th August, 2022
Place: Mumbai

Registered Office:
317, Maker Chamber V,
221, Nariman Point,
Mumbai-400 021
www.kratosenergy.in

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. Feroza Panday
Age	65
Qualification	M.B.B.S and M.D.
Experience	Pharmaceutical, Chemical and Education Industry.
Terms & Conditions of appointment/ re-appointment	Appointment as a Women Director liable to retire by rotation.
Remuneration sought to be paid	Nil
Remuneration last drawn	Nil
Date of first appointment on Board	3 rd February, 2021
Shareholding in the Company	Nil
Relationship with other Directors/Manager/ Key Managerial Personnel	Not applicable
No. of Board Meetings attended during the year	NA
List of Directorship in other entities	1. Polo Queen Industrial and Fintech Limited 2. Pirojsha Consultants Private Limited 3. Great Western Finance And Leasing Limited
Membership/ Chairmanship of Committees of other listed entities	NA

KRATOS ENERGY AND INFRASTRUCTURE LIMITED

CIN No.: L40102MH1979PLC021614

Registered Office: 317, Maker Chamber V, 221, Nariman Point, Mumbai-400 021
Tel No.: 022-22823852/53 Email: dvfl@rediffmail.com Website: www.kratosenergy.in

ATTENDANCE SLIP

(42nd Annual General Meeting)

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

No. of shares held _____

I hereby record my presence at the 42nd Annual General Meeting held on Friday, 30th September, 2022 at 11.00 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 No.: L40102MH1979PLC021614

Registered Office: 317, Maker Chamber V, 221, Nariman Point, Mumbai-400 021
Tel No.: 022-22823852/53 Email: dvfl@rediffmail.com Website: www.kratosenergy.in

FORM MGT-11

PROXY FORM

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

Name of the Member(s): _____

Registered Address: _____

Email Id: _____ Folio No./DP ID/ Client ID: _____

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

(1) Name: _____

Address: _____

Email Id: _____ or failing him/her;

(2) Name: _____

Address: _____

Email Id: _____ or failing him/her;

(3) Name: _____

Address: _____

Email Id: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company, to be held on Friday, 30th September, 2022 at 11.00 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:

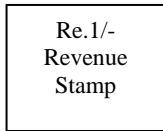
Resolution No.	Description of Resolution	Vote*	
		For	Against
1	Adoption of Financial Statements for the year ended 31 st March, 2022 together with the reports of the Directors' and Auditors' thereon.		
2	Appointment of Director in place of Mrs. Feroza Jamsheed Panday (DIN: 00232812) who retires by rotation and being eligible, offers herself for re-appointment.		

*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 _____ 2022

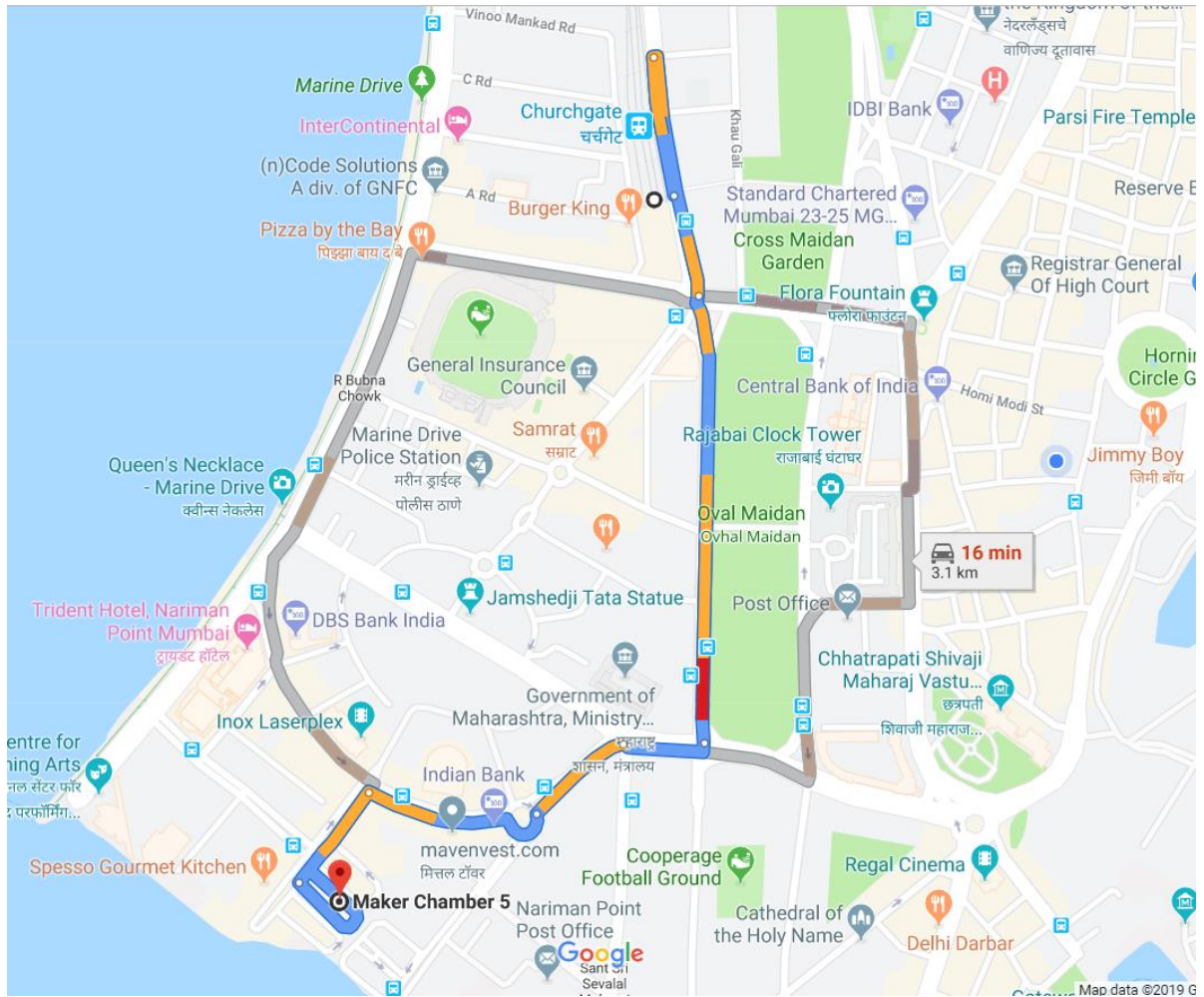
Signature of Shareholder

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 TO THE VENUE OF THE 42nd AGM OF THE COMPANY



DIRECTORS' REPORT

To
The Members,

Your Directors present herewith their 42nd Annual Report of your Company comprising the Audited Financial Statements for the year ended 31st March 2022.

1. FINANCIAL RESULTS:

(in Rs.)

	Year ended on 31-03-2022	Year ended on 31-03-2021
Total Income	1,01,22,101	1,93,38,835
Gross Profit before Depreciation and Tax	7,85,055	48,88,090
Less: Depreciation	1,17,732	1,61,510
Profit / (Loss) before Tax	6,67,323	47,26,580
Less: Provision for Current Taxation	1,48,000	12,35,000
Less : Short and Excess Provisions for Eariler years	68,052	-
Less: Deferred Tax Asset	10,000	17,907
Profit/(Loss) after Taxation	4,41,271	34,73,673
Balance brought forward from previous year	2,22,26,995	1,87,53,322
Add: Excess provision of income tax Written back	-	-
Balance carried forward to Balance Sheet	2,26,68,266	2,22,26,995

2. OPERATIONS & STATE OF AFFAIRS OF THE COMPANY

During the current year of operation, your Company has registered revenue from operation of Rs. 92.74 lakhs, as compared to Rs. 192.34 lakhs in the previous financial year, a decline of about 51.78%. The other income stood at Rs. 8.48 lakhs as compared to Rs.1.05 lakhs in the previous year. Your company has incurred net profit of Rs. 4.41 lakhs as compared to net profit of Rs. 34.74 lakhs in the previous financial year.

During the current year of operations, Company continued to earn revenue from the consultancy charges and sale of Work Contract Materials. Your Company is expected to grow its business in the near future.

3. CHANGE IN NATURE OF BUSINESS

During the financial year 2021-22, Company has not changed its nature of business and had been continuing with the same line of business.

4. DETAILS OF NEW SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Company does not have any subsidiary, joint Venture or associate Company.

5. DIVIDEND AND TRANSFER TO RESERVES

In order to conserve resources for future growth, your Directors do not recommend any dividend for the year 2021-22 and no amount has been transferred to any Reserve for the year ended 2021-22.

6. 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.

7. 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.

8. 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 provisions of Section 152(6) the Companies Act, 2013, Mrs. Feroza Jamsheed Panday (DIN: 00232812) Director of the Company retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.
2. Mr. Ravindra Gupta, resigned as the Company Secretary and Compliance officer of the Company with effect from 16th June, 2022.
3. Mr. Jigar Joshi, Appointed as the Company Secretary and Compliance officer of the Company with effect from 08th August, 2022.
4. Cessation of directorship of Mr. Yazdi Gandhi w.e.f. 30th June 2021 due to his unfortunate death.
5. Mr. Niket Naik Appointed as the Additional Director of the Company with effect 13th August, 2021 and Regularized on 41st Annual General Meeting of the Company dated 30th September 2021.
6. Mr. Rajesh Pawar was redesigned as Whole Time Director of the Company w.e.f. 14th August 2021 for term of Five years.

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.

9. 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.

10. EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) and 134(3)(a) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration amendment) Rules, 2021 dated 05.03.2021 a copy of the Annual Return is made available on the Website of the Company at www.kratosenergy.in

11. MEETINGS

During the year, 5 (five) 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 I**”. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

12. 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 have 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 profit of the Company for the period;
- (iii) the directors have 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 directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. CORPORATE SOCIAL RESPONSIBILITY

The provision of Section 135 pertaining to Corporate Social Responsibility is not applicable to the Company for the financial year ended 2021-22.

14. 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 Ahmed Khan	Chairman
Mr. Yazdi Gandhi (Till 30/06/2021)	Member
Mr. Niket Naik (From 13/08/2021)	Member
Mrs. Feroza Panday	Member

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-II”.

15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the company has not given loans, guarantee, provided any security or made investments within the meaning of Section 186 of the Companies Act, 2013.

16. RELATED PARTY CONTRACTS

During the financial year, your Company entered into related party transactions which were on arm’s length basis and in ordinary course of business. There are no material transactions with any related party as referred in sub-section (1) of section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. Your Directors draw attention to Note no. 26 of Notes forming part of financial statement which sets out related party disclosure.

17. 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 2021-22, there have been no foreign exchange earnings or outgo.

18. RISK MANAGEMENT

The Company has adequate systems to identify major risks which may threaten the existence of the Company. The same is subject to review from time to time. Mitigation measures for the identified risks are taken based on the type of risks.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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 - III**' 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.

25. AUDITORS

Statutory Auditors

At the Company's 40th Annual General Meeting held on 25th November, 2020, M/s. H. G. Sarvaiya & Co., Chartered Accountants (FRN: 0115705W), were appointed as Company's Statutory Auditors for a period of 5 (five) years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 45th Annual General Meeting to be held in the year 2025.

Secretarial Auditor

M/s. P M Agarwal & Co, Practising Company Secretaries, were appointed as Secretarial Auditor of your Company to conduct a Secretarial Audit of records and documents of the Company for the financial year ended 31st March, 2022. The Secretarial Audit Report for the financial year ended 31st March, 2022 is annexed herewith as "**Annexure IV**".

26. 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 -V**' and forms a part of the Annual Report.

27. AUDITOR'S REPORT

The Statutory Auditors M/s. H. G. Sarvaiya & Co., Chartered Accountants, have issued their reports on Financial Statements for the financial year 2021-22. The statutory audit report for the year 2021-22 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

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

The Board of Directors state that M/s. H. G. Sarvaiya & 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

The Secretarial Audit Report for the year 2021-22 does not contain any qualification, reservation or adverse remark or disclaimer made by Secretarial Auditor.

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,
Kratos Energy & Infrastructure Ltd.

(Rajesh Pawar)
Whole Time Director
DIN: 00232533

(Irfan Khan)
Director
DIN: 02258102

Place: Mumbai
Date: 08th August, 2022

ANNEXURE I

Board Meetings:

The five Board Meetings were held during the financial year 2021-22 on 30th June, 2021, 13th August 2021, 14th August 2021, 10th November 2021 and 2nd February 2022.

The details of attendance of each director at the Board Meetings are as given below:

Name of Director	No. of Meetings attended
Mr. Irfan Ahmed Khan	5
Mr. Rajesh Pawar	5
Mrs. Feroza Panday	5
#Mr. Niket Jayesh Naik	3
*Mr. Yazdi Gandhi	0

Appointed w.e.f.13th August, 2021

* Ceased w.e.f. 30th June, 2021

Audit Committee meetings:

The four Meetings of the Audit Committee were held during the financial year 2021-22 on 30th June, 2021, 14th August, 2021, 10th November, 2021 and 2nd February, 2022.

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 Ahmed Khan	4
Mrs. Feroza Panday	4
#Mr. Niket Jayesh Naik	3
*Mr. Yazdi Gandhi	0

Appointed w.e.f.13th August, 2021

*Ceased w.e.f. 30th June, 2021

Nomination & Remuneration Committee meetings:

The Meetings of the Nomination & Remuneration Committee for the financial year ended 31st March, 2022 were held 30th June, 2021, 13th August, 2021 and 14th August, 2021.

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 Ahmed Khan	3
#Mr. Niket Jayesh Naik	1
Mrs. Feroza Panday	3
**Mr. Yazdi Gandhi	0

Appointed w.e.f.13th August, 2021 *Ceased w.e.f. 30th June, 2021

Stakeholders Relationship Committee meetings:

The was no meeting of the Stakeholders Relationship Committee for the financial year ended 31st March, 2022 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 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 13th 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.

Annexure III

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 2021-22	Mr. Rajesh Pawar – Whole-time Director – NA			
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year 2021-22.	Name & Designation	2020-21 (in Rs.)	2021-22 (in Rs.)	% increase
	Rajesh Pawar - WTD	-	-	NA
	Muralidharan P. P. - CFO	-	-	NA
	Ravindra Gupta - CS*	-	5,57,800	100%
The percentage increase in the median remuneration of employees in the financial year 2021-22.	The Median Remuneration of Employees (MRE) of the Company during the financial year 2021-22 was Rs. Nil and for previous year it was Rs. Nil/-.			
The number of permanent employees on the rolls of company	4			
Average percentage increase in the salary of non-managerial personnel: NA Average percentage increase in the salary of managerial personnel: NA justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NA				

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

P M AGARWAL & CO.
COMPANY SECRETARIES

Regd. Off: 503, Atlanta Estate, Near Virwani Estate, Goregaon East, Mumbai-400063.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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
317, Maker Chamber V, 221 Nariman Point,
Mumbai, Mumbai City-400021

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, its Statutory Auditor 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 31st March, 2022 ('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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable 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; (Not applicable to the Company during the Audit Period);
- (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);

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Ltd. read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We 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.

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

We further report that during the audit period there were no specific events or actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

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.

**For P M AGARWAL & CO.
Company Secretaries**

Sd/-

(Priyanka M. Agarwal)
Proprietor

ACS: 51154 CP: 19363
UDIN: A051154D000778078
Peer Review No.: 1654/2022

Place: Mumbai
Date: 10th August, 2022

**P M AGARWAL & CO.
COMPANY SECRETARIES**

Regd. Off: 503, Atlanta Estate, Near Virwani Estate, Goregaon East, Mumbai-400063.

Annexure A

ANNEXURE TO SECRETARIAL AUDITOR'S REPORT

To,
The Members,
Kratos Energy & Infrastructure Limited
317, Maker Chamber V, 221 Nariman Point,
Mumbai, Mumbai City-400021.

Our Secretarial Audit Report of even date, for the financial year ended 31st March, 2022 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 P M AGARWAL & CO.
Company Secretaries**

Sd/-

(Priyanka M. Agarwal)
Proprietor

ACS: 51154 CP: 19363

UDIN: A051154D000778078

Peer Review No.: 1654/2022

Place: Mumbai
Date: 10th August, 2022

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 activities.

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:

Industrial relations continued to be harmonious. The employees are the key assets and the backbone of the Company and hence great emphasis has been laid on optimizing their performance. The Company provides employees with fair and equitable work environment and supports them to develop their capabilities. There were total 5 employees of the Company as on 31.03.2022.

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF

Kratos Energy & Infrastructure Ltd.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Kratos Energy & Infrastructure Ltd.**, (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the -Act-) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its Profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

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

Management's Responsibilities for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in

extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s Internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended:

As the company has not paid remuneration to its directors during the year under reference hence the reporting under section 197(16) of the Act is not applicable.
 - h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules. 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations (as applicable) on its financial positioning on its standalone financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the investor Education and protection Fund by the Company.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

(“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c)Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (h) above, contain any material misstatement.

- 2) As required by the Companies (Auditor’s Report) Order, 2020(the “Order”) issued by the Central Government in terms of Section 143(11)of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For H. G. SARVAIYA & CO
Chartered Accountants,
Firm Registration No. 115705W

Mr. Hasmukhbhai G. Sarvaiya
Proprietor
Membership No. 045038
UDIN No. : 22045038AJEEM5082

Place: Mumbai
Date : 18 .05.2022

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kratos Energy & Infrastructure Ltd of even date)

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (b) The Company does not have any intangible Assets.
 - (c) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (d) The company have immovable property as on the date of the balance sheet i.e. office Premises Valued at Rs. 38,71,300/-. Property, Plant and Equipment are held in the name of the Company as at the balance sheet date
 - (e) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) The Company does not have any inventory.
 - (b) The Company has not been sanctioned any working capital at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(i)(b) of the Order is not applicable.
- iii. The Company has investments in, companies, firms, limited liability partnerships and has granted unsecured loans to other parties, during the year if any/wherever applicable. The terms of these being made not prejudicial to the interest of the company and appropriate procedures are employed by the management wherever required. The repayment of principal wherever applicable are within stipulated time.
- iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans and investments.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, as applicable to them in the respective country.
 - (b) There were no undisputed amounts payable in respect of statutory dues, as applicable to them in the respective country in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
 - (c) Since there are no statutory dues outstanding which are disputed as on 31.03.2022, this point is not applicable.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (43 of 1961).
- ix. Please note as follows:
- a. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
 - b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - d. The Company has not raised any funds on short/long term basis. Hence reporting under this clause is not applicable.
 - e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. Please note as under:
- a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. Please note as under:
- a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 11 of Companies (Audit and

Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- c. We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures,
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act. 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) The provision for contribution towards Corporate Social Responsibility (CSR) are not applicable to the company, hence reporting under this clause is not applicable.

For H. G. SARVAIYA & CO
Chartered Accountants,
Firm Registration No. 115705W

Mr. Hasmukhbhai G. Sarvaiya
Proprietor
Membership No. 045038
UDIN No. : 22045038AJEEM5082
Place: Mumbai
Date : 18 .05.2022

ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOT’S REPORT

(Referred to in paragraph 1(f) under “ Report on Other Legal and Regulatory Requirement’s) section of our report to the Members of **Kratos Energy & Infrastructure Ltd**

of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of the 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 Ltd**

(“the Company”) as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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 H. G. SARVAIYA & CO
Chartered Accountants,
Firm Registration No. 115705W

Mr. Hasmukhbhai G. Sarvaiya
Proprietor
Membership No. 045038
UDIN No. : 22045038AJEEM5082
Place: Mumbai
Date : 18.05.2022

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Balance Sheet as at March 31, 2022 (Amount in Rs.)

Particulars	Note No.	(Amount in Rs.)	
		As at March 31, 2022	As at March 31, 2021
ASSETS			
Non - current assets			
(a) Property, plant and equipment	2	7,47,703	8,47,076
(b) Financial assets			
(i) Investments	3	1	1
(ii) Other financial assets	4	2,64,51,136	2,64,51,136
(c) Income tax assets (net)	5	7,83,463	32,26,458
(d) Deferred tax assets (net)	6	67,134	77,134
Total Non-current assets		2,80,49,437	3,06,01,805
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	7	13,03,294	51,40,219
(ii) Trade Receivables	8	5,38,812	-
(b) Other Current assets	9	2,45,44,556	2,23,24,872
Total Current assets		2,63,86,663	2,74,65,091
TOTAL ASSETS		5,44,36,100	5,80,66,896
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	1,00,00,000	1,00,00,000
(b) Other equity	11	4,37,54,238	4,33,12,968
Total equity		5,37,54,238	5,33,12,968
Liabilities			
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	12	5,08,385	39,41,706
(b) Other liabilities	13	1,73,477	8,12,222
Total Current liabilities		6,81,862	47,53,928
Total liabilities		6,81,862	47,53,928
TOTAL EQUITY AND LIABILITIES		5,44,36,100	5,80,66,896
Significant accounting policies and Notes forming part of financial statements	1 2-27		

As per our report of even date as attached

For H.G. Sarvaiya & Co.
Chartered Accountants
ICAI Firm Registration No: 115705W

Hasmukhbhai G. Sarvaiya
Prop. Membership No: 045038

Place : Mumbai
Date : 18th May, 2022

For and on behalf of the Board of Directors of
KRATOS ENERGY & INFRASTRUCTURE LIMITED

Rajesh R. Pawar
Whole Time Director
DIN-00232533

Irfan Ahmed Khan
Director
DIN-02258102

Muralidharan P. Pisharam
Chief Financial Officer

Ravindra Gupta
Company Secretary

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Statement of Profit and Loss for the year ended March 31, 2022 (Amount in Rs.)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	14	92,74,474	1,92,33,621
Other income	15	8,47,627	1,05,214
Total Income		1,01,22,101	1,93,38,835
Expenses			
Purchase of Stock-in-Trade	16	6,42,965	31,37,400
Employee benefits expense	17	8,93,800	5,22,340
Depreciation and amortisation expenses	2	1,17,732	1,61,510
Other expenses	18	78,00,281	1,07,91,005
Total expenses		94,54,778	1,46,12,255
Profit / (Loss) before tax		6,67,323	47,26,580
Tax expense			
- Current Tax		1,48,000	12,35,000
- Short and Excess Provisions for Eariler years		68,052	-
- Deferred Tax		10,000	17,907
		2,26,052	12,52,907
Profit / (Loss) for the Year		4,41,271	34,73,673
Other comprehensive income		-	-
Total Comprehensive Income for the Year		4,41,271	34,73,673
Earning per share (EPS) (of Rs 10 each)			
Basic	24	0.44	3.47
Diluted		0.44	3.47

Significant accounting policies and
Notes forming part of financial statements

1
2-27

As per our report of even date as attached

For H.G. Sarvaiya & Co.
Chartered Accountants
ICAI Firm Registration No: 115705W

For and on behalf of the Board of Directors of
KRATOS ENERGY & INFRASTRUCTURE LIMITED

Hasmukhbhai G. Sarvaiya
Prop. Membership No: 045038

Rajesh R. Pawar
Whole Time Director
DIN-00232533

Irfan Ahmed Khan
Director
DIN-02258102

Place : Mumbai
Date : 18th May, 2022

Muralidharan P. Pisharam
Chief Financial Officer

Ravindra Gupta
Company Secretary

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Cash Flow Statement for the year ended March 31, 2022

(Amount in Rs.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit (Loss) after Tax	4,41,271	34,73,673
Adjustments for :		
Depreciation	1,17,732	1,61,510
Dividend income	-	-
Operating Profit (Loss) before changes in working capital	5,59,003	36,35,183
Adjustments for :		
Increase/(Decrease) in Trade payable & other Liabilities	(40,72,066)	20,36,019
Increase/(Decrease) in Trade Receivable and Other assets	27,58,496	(10,09,911)
Cash generated from Operations	(7,54,567)	46,61,291
Income Tax Paid (Net of Refund)	30,63,998	(27,15,443)
Net cash generated from operating activities (A)	(38,18,565)	73,76,734
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds/(Purchases) of Investments	-	-
Sale proceeds/(Purchases) of Fixed Assets	(18,360)	(66,800)
Dividend income	-	-
Net cash generated from investing activities (B)	(18,360)	(66,800)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds /(Repayment) of Short Term borrowings	-	(22,78,103)
Net cash generated from financing activities (C)	-	(22,78,103)
Net Increase (Decrease) in cash and cash equivalents (A+B+C)	(38,36,925)	50,31,831
Opening Cash & Cash equivalents at beginning of year	51,40,219	1,08,388
Closing Cash & Cash equivalents at end of year	13,03,294	51,40,219
Components of cash and cash equivalents		
Cash on hand	11,351	12,951
Balances with scheduled banks:		
- In current accounts	12,91,943	51,27,268
- In deposit accounts with original maturity less than 3 months	-	-
Total Cash and cash equivalents	13,03,294	51,40,219

Note: Statement of Cash Flow has been prepared under the Indirect Method as set out in the Indian Accounting Standard (Ind As-7)
"Statement of Cash Flows"

Significant accounting policies and
Notes forming part of financial statements

1
2-27

As per our report of even date attached

For H.G. Sarvaiya & Co.
Chartered Accountants
ICAI Firm Registration No: 115705W

For and on behalf of the Board of Directors of
KRATOS ENERGY & INFRASTRUCTURE LIMITED

Hasmukhbhai G. Sarvaiya
Prop. Membership No: 045038

Rajesh R. Pawar
Whole Time Director
DIN-00232533

Irfan Ahmed Khan
Director
DIN-02258102

Place : Mumbai
Date : 18th May, 2022

Muralidharan P. Pisharam
Chief Financial Officer

Ravindra Gupta
Company Secretary

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Statement of Changes in Equity For the Year ended March 31, 2022

A. Equity Share Capital

(Amount in Rs.)

Equity shares of INR 10 each issues, subscribed and fully paid	No. of Shares	Amount
As at April 1, 2020	10,00,000	1,00,00,000
Increase/(decrease) during the year	-	-
As at March 31, 2021	10,00,000	1,00,00,000
Increase/(decrease) during the year	-	-
As at March 31, 2022	10,00,000	1,00,00,000

B. Other Equity

Particulars	Reserves & Surplus		Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Equity Instruments through other Comprehensive income	
Balance as on April 1, 2021	2,10,85,973	1,87,53,322	-	3,98,39,295
Profit / (Loss) for the year	-	34,73,673	-	34,73,673
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	34,73,673	-	34,73,673
Balance as on March 31, 2021	2,10,85,973	2,22,26,995	-	4,33,12,968
Profit / (Loss) for the year	-	4,41,271	-	4,41,271
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Loss for the year	-	4,41,271	-	4,41,271
Balance as on March 31, 2022	2,10,85,973	2,26,68,266	-	4,37,54,239

Notes forming part of financial statements

2-27

As per our report of even date as attached

For H.G. Sarvaiya & Co.

Chartered Accountants

ICAI Firm Registration No: 115705W

Hasmukhbhai G. Sarvaiya

Prop. Membership No: 045038

**For and on behalf of the Board of Directors of
KRATOS ENERGY & INFRASTRUCTURE LIMITED**

Rajesh R. Pawar

Whole Time Director

DIN-00232533

Irfan Ahmed Khan

Director

DIN-02258102

Place : Mumbai

Date : 18th May, 2022

Muralidharan P. Pisharam

Chief Financial Officer

Ravindra Gupta

Company Secretary

KRATOS ENERGY & INFRASTRUCTURE LIMITED

Company Overview

Kratos Energy & Infrastructure Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Companies Act. The registered office of the Company is located at 317, Maker Chamber V, 221, Nariman Point, Mumbai, India.

The company's equity shares are listed on BSE Ltd. in India. The Company's main business activity is consultancy in various fields.

1. Significant Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared and presented in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

1.2 Current / Non – Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out under Ind AS and in the Schedule III to the Act. Based on the nature of the services and their realisation in Cash and Cash Equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.3

a) Property, Plant and Equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes taxes, duties, freight and other incidental expenses but net of Cenvat availed.

Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided on a pro-rata basis using the Straight Line Method based on the useful life of the asset as estimated by the management and is charged to the statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, and maintenance support, etc.

b) Revenue Recognition

All income and expenditure have a material bearing on the financial statements and are recognised on accrual.

Operational income represents income earned from activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

Interest income on deposits, securities and loans is recognised at the agreed rate on time proportion basis.

Dividend income is recognised when the Company's right to receive payment is established.

During the earlier periods, the Company has undertaken Work Contract activities and its income are recognized based on actual work completion.

c) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price.

Financial Liabilities

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price.

d) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

e) 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 and net disposal proceeds is charged or credited to the statement of profit and loss.

f) 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.

g) Income Taxes

Current Taxes

Income tax expense for the year comprises of current tax and deferred tax. Income Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, or Minimum Alternate Tax payable / receivable using applicable rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Management periodically evaluates positions taken in tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax base used for computation of taxable Income.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

h) Employee Benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of availing employee service are classified as short-term employee benefits. This benefit includes salaries and wages, bonus and ex- gratia. The undiscounted amount of short-term employee benefits to be paid in exchange of employees' services are recognised in the period in which the employee renders the related service.

No Provision for retirement benefits as required by the Accounting Standard to be made by the Company.

i) Earnings per share (EPS)

In determining Earnings per Share, the Company considers net profit after tax and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, excluding the shares owned by the Trust, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when result will be anti - dilutive. Dilutive potential equity Shares are deemed converted as at the beginning of the period, unless issued at a later date.

j) Provisions, contingent liabilities and contingent assets

The Company creates a provision where there is 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 or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are disclosed only when an inflow of economic benefit is probable.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

KRATOS ENERGY & INFRASTRUCTURE LIMITED

CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended March 31, 2022

Note - 2 Property, Plant And Equipment- March 31, 2022**(Amount in Rs.)**

Particulars	Gross carrying value				Depreciation / Amortisation				Net carrying value	
	As at 01.04.21	Additions during the year	Deductions/ Adjustments	As at 31.03.22	As at 01.04.21	Additions during the year	Deductions/ Adjustments	As at 31.03.22	As at 31.03.22	As at 31.03.21
Tangible Assets										
Computers	1,45,641	-	-	1,45,641	1,17,744	18,812	-	1,36,556	9,085	27,897
Office Equipment	1,41,536	-	-	1,41,536	40,948	12,907	-	53,855	87,681	1,00,588
Furniture and Fixture	6,13,512	-	-	6,13,512	1,24,130	55,089	-	1,79,219	4,34,293	4,89,382
Air Conditioner	2,77,350	18,360	-	2,95,710	71,406	24,560	-	95,966	1,99,744	2,05,944
Mobile Handset	90,541	-	-	90,541	84,736	-	-	84,736	5,805	5,805
Printer	33,500	-	-	33,500	16,040	6,365	-	22,405	11,095	17,460
TOTAL	13,02,080	18,360	-	13,20,440	4,55,004	1,17,733	-	5,72,737	7,47,703	8,47,076
Previous Year	12,35,280	66,800	-	13,02,080	2,93,494	1,61,510	-	4,55,004	8,47,076	

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended March 31, 2022

Note - 3 Non-Current Investments (Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Equity Instruments and Mutual Fund :		
8,55,000 (31 March 2021 : 8,55,000) Equity Shares of El Dorado Guarantee Ltd of the face value of Rs. 10/- each	1	1
	1	1
Aggregate amount of unquoted investments	1	1

Note - 4 Other Financial Assets (Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured -Considered Good		
Deposit with National Stock Exchange	1,95,43,251	1,95,43,251
Deposit for Office Premises	25,000	25,000
Other Deposits-(Refer Note- 22)	68,82,885	68,82,885
	2,64,51,136	2,64,51,136

Note - 5 Income Tax Assets (Net) (Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax Deducted at Source (Net of Provision for Tax)	7,83,463	32,26,458
	7,83,463	32,26,458

Note -6 Deferred tax asset (Net) (Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
On Account on Timming Difference of Depreciation on Fixed Assests	67,134	77,134
	67,134	77,134

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended March 31, 2022

Note -7 Cash and cash equivalents		(Amount in Rs.)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Balance with Bank in Current accounts	12,91,943	51,27,268	
Cash in Hand	11,351	12,951	
	13,03,294	51,40,219	

Note -8 Trade Receivables		(Amount in Rs.)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(Unsecured , Considered Good)			
-Outstanding for a period exceeding six months for the date they are due	-	-	
-Others	5,38,812	-	
	5,38,812	-	

Note -9 Other Current Assets		(Amount in Rs.)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Balance with Government Authorities	21,00,719	20,44,196	
Advance receivable in cash or kind or for value to be received	2,24,43,838	2,02,80,676	
	2,45,44,556	2,23,24,872	

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended March 31, 2022

Note - 10 Equity share capital		(Amount in Rs.)	
Particulars	As at		As at
	March 31, 2022		March 31, 2021
Equity share capital			
Authorised :			
50,00,000 (50,00,000), Equity Shares of Rs. 10 each	5,00,00,000		5,00,00,000
	<u>5,00,00,000</u>		<u>5,00,00,000</u>
Issued, Subscribed and paid up			
10,00,000 (10,00,000) Equity Shares of Rs. 10 each fully paid up	1,00,00,000		1,00,00,000
	<u>1,00,00,000</u>		<u>1,00,00,000</u>

Terms and conditions

Equity shares

The Company has only one class of shares, that is, Equity shares having face 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.

Details of Shareholders holding more than 5% shares in the Company

Equity shares

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	%	No. of Shares	%
Eldorado Guarantee Ltd	4,90,051	49.01	4,90,051	49.01

Reconciliation of Equity Shares outstanding

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Rs.	No. of Shares	Rs.
Shares outstanding at the beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Add/Less : Issued/ Buy Back	-	-	-	-
Shares outstanding at the end of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000

Note - 11 Other Equity

(Amount in Rs.)

Particulars	As at	
	March 31, 2022	March 31, 2021
General Reserve		
Opening balance	2,10,85,973	2,10,85,973
Addition / transfers during the year	-	-
Closing balance	<u>2,10,85,973</u>	<u>2,10,85,973</u>
Retained Earnings		
Opening balance	2,22,26,994	1,87,53,322
Add : Net Profit (Loss) for the current year	4,41,271	34,73,673
	<u>2,26,68,265</u>	<u>2,22,26,995</u>
	<u>4,37,54,238</u>	<u>4,33,12,968</u>

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended March 31, 2022

Note - 12 Trade payables		(Amount in Rs.)	
Particulars	As at		
	March 31, 2022	March 31, 2021	
Due to Micro and small enterprises	-	-	
Due to other than Micro and small enterprises	5,08,385	39,41,706	
	5,08,385	39,41,706	

Note - 13 Other Current Liabilities		(Amount in Rs.)	
Particulars	As at		
	31 March 2022	31 March 2021	
Statutory dues payable	1,73,477	8,12,222	
	1,73,477	8,12,222	

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended March 31, 2022

Note - 14 Revenue from operations **(Amount in Rs.)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consultancy charges (Net of taxes)	86,30,000	1,47,57,000
Sale of Work Contract Materials (Net of taxes)	6,44,474	44,76,621
	92,74,474	1,92,33,621

Note - 15 Other Income **(Amount in Rs.)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on		
-Fixed Deposit	-	-
-Income Tax Refund	5,16,427	1,04,464
Lease Rent Received (Net)	1,11,200	-
Miscellaneous Income	2,20,000	750
	8,47,627	1,05,214

Note - 16 Purchases of Stock in Trade **(Amount in Rs.)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of Work Contract Materials	6,42,965	31,37,400
	6,42,965	31,37,400

Note - 17 Employee Benefits Expense **(Amount in Rs.)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and allowances to staff	8,73,800	5,22,340
Staff Welfare	20,000	-
	8,93,800	5,22,340

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March , 2022

Note - 18 Other Expenses		(Amount in Rs.)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	
Payment to Auditors			
- Audit Fees	30,000	30,000	
- Limited Review Report	12,000	-	
-Tax Audit Fees	-	30,000	
-Certification and other services	-	-	
Professional and Consultancy fees	68,11,300	95,13,250	
Repairs and Maintenance charges			
-Repair to Machinery	-	-	
-Repair to Building	-	-	
-Repair to Others	7,007	3,600	
Listing fees	3,00,000	3,00,000	
Travelling and Conveyance expenses	-	25,772	
Electricity expenses	24,300	15,469	
Printing and Stationery expenses	34,984	17,623	
Postage and Telephone expenses	30,926	27,229	
Sundry Balance Written Off	2,96,844	5,91,897	
Miscellaneous expense	2,52,920	2,36,165	
	78,00,281	1,07,91,005	

KRATOS ENERGY & INFRASTRUCTURE LIMITED

CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended March 31, 2022**Note - 19**

The company's main business activity is consultancy in various fields. There is no reportable segment as per Ind AS 108 on Operating Segments.

Note - 20 Earnings per share

Particulars	March 31, 2022	March 31, 2021
a) Profit after tax as per Statement of Profit and Loss (Rs.)	4,41,271	34,73,673
b) Weighted average number of equity shares outstanding	10,00,000	10,00,000
c) Basic and diluted earnings per share in rupees (face value - Rs. 10 per share)	0.44	3.47

Note - 21

The Company had paid Rs. 68,82,885/- in the year 1997 - 1998, to Brooklyn Hills & Properties Pvt. Ltd towards deposit for occupying office No. 317 at Maker Chambers V, Nariman point, Mumbai 400 021. Brooklyn Hills & Properties Pvt Ltd has not refunded the said deposit amount and therefore the Company is in the possession of the said premises since 1997 - 1998 and the same is included and shown in Other Deposits-Note No. 4 Other Financial Assets.

Note - 22

In the opinion of the board, the Current Assets, Loans and Advances are approximately of the value stated and realised in the ordinary course of business. The Provisions of all known liabilities is adequate and not in excess of the amount reasonably necessary.

Note - 23 Commitments and Contingencies

During the financial year 2017-2018, The Company applied for Surrender of its Trading Membership of The National Stock Exchange of India Ltd (NSEIL). In response that the Company received letter from NSEIT/SEBI demanding outstanding Turnover Fees dues amounting to INR 6,08,49,556/- including interest of Rs.1,48,09,580/- for FY 1994-95 to 1998-99 in terms of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. The company challenged the demand and filed an appeal before the Securities Appellate Tribunal.

Note -24 Details of dues to micro and small enterprises as per MSMED Act, 2006

There are no Micro and Small Enterprises as defined in the Micro and Small Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Company.

Note - 25 Covid 19 Impact

The Covid - 19 pandemic has severley disrupted business operations due to lockdown and other emergency measures imposed by the government. The group has evaluated the impact of this pandemic on its business operations, liquidity and financial position, recoverability and carrying value of assets and based on management's review of current indicators and economic conditions there is no material adjustments required to be made on its financial results as at March 31, 2022. The impact assessment of Covid - 19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Group will continue to monitor any material changes to future economic conditions.

KRATOS ENERGY & INFRASTRUCTURE LIMITED

CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended March 31, 2022**Note - 26**

Related party transactions pursuant to Ind AS - 24

a) Related Parties:

Mr Rajesh Pawar (Whole Time Director)

Mr.Irfan Khan (Independent Director)

Mr. Muralidharan Pisharam (Chief Financial officer)

Mr Ravindra Gupta (Company Secretary)

Mrs Sandhya Kotian (Director) upto 14-12-2020

Mr. Yazdi Gandhi (Independent Director) upto30-08-2021

Mr. Niket Naik (Independent Director) w.e.f 13-08-2021

Mrs Feroza Panday (Director) w.e.f 03-02-2021

(Amount in Rs.)

Nature Of Transaction	Year 2021 - 2022	Year 2020 - 2021
b) Nature Of Transaction during the year		
1) Remuneration to Directors / Key Managerial Personnel		
Key Managerial Personnel		
Mr Ravindra Gupta	5,57,800	-

Note - 27

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

As per our report of even date as attached

For H.G. Sarvaiya & Co.

Chartered Accountants

ICAI Firm Registration No: 115705W

For and on behalf of the Board of Directors of

KRATOS ENERGY & INFRASTRUCTURE LIMITED**Hasmukhbhai G. Sarvaiya**

Prop. Membership No: 045038

Rajesh R. Pawar

Whole Time Director

DIN-00232533

Irfan Ahmed Khan

Director

DIN-02258102

Place : Mumbai

Date :18th May, 2022

Muralidharan P. Pisharam

Chief Financial Officer

Ravindra Gupta

Company Secretary