

16th October, 2018

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

Scrip Code: 501261

Sub.: Submission of Annual Report for the year 2017-18

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

Dear Sir/Madam,

Please find attached herewith the annual report of the company for the year ended 31st March, 2018 which was approved and adopted at the 38th Annual General Meeting held on Thursday, 27th September, 2018.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For Kratos Energy & Infrastructure Limited



Rajesh Pawar
Whole-Time Director
DIN: 00232533

KRATOS ENERGY & INFRASTRUCTURE LIMITED

38TH ANNUAL REPORT

2017-18

13th August, 2018

Dear Shareholder,

Sub. : Updation of Shareholders' details in the records of the Company

Dear Sir/Madam,

As per Register of Members of the Company maintained by the Company's RTA viz. Purva Sharegistry India Pvt. Ltd. ('RTA') you hold shares in our Company in the physical mode.

In this regard, we would like to bring to your kind attention, the following –

Updating Bank Mandate, PAN, and contact details

As per the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018; all listed Companies are required to maintain, in order to make payment of dividend, if declared, to the members through electronic mode, updated Bank details of the members/beneficiaries. To support the green initiative, we would also like to have your contact details including email id to communicate to you electronically for paperless and speedy communication. In this respect, you are also requested to give your consent to receive all further communication in electronic mode.

In view of this, we would request you to kindly fill up the enclosed form with your bank account details and your contact details, sign the form and arrange to dispatch the same directly to our RTA, viz. PURVA SHAREGISTRY INDIA PRIVATE LIMITED at Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt, J. R. Boricha Marg, Lower Parel East, Mumbai, Maharashtra 400011, **within 21 days of this letter. Please also provide to us with:**

- 1) a copy of the PAN card of the shareholders (including joint holders) and
- 2) original cancelled cheque leaf /attested bank passbook showing name of account holder for the above account.

Dematerialization of Shares

You would kindly appreciate that in line with "green initiative" by government which encourages paperless holding, the safest possible way to hold shares is in dematerialized form. In case of physical holding, there could be a chance of loss of share certificate, mutilation thereof resulting in compliance on your part, with lengthy procedural formalities in order to get the share certificates restored. Besides, if you want to pledge shares, the holding of the shares must be in dematerialized form. Further As per amended Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, effective from December 5, 2018, securities of the listed companies can be transferred (except in case of transmission or transposition) only in the dematerialized form. Hence you are requested to get your shares dematerialized as soon as possible, but before December 5, 2018. In case you do not have any demat account, you may contact your nearest Depository Participant (DP) who will guide you in opening the same. Conversion of physical shares to dematerialized shares is a simple process.

Your kind co-operation in this matter is solicited.

Thanking you,

Yours faithfully,

For Kratos Energy & Infrastructure Limited

Rajesh Pawar
Whole-Time Director

Encl : as above

BANK MANDATE/PAN AND EMAIL ID REGISTRATION FORM

To,

Kratos Energy & Infrastructure Limited

Dear Sirs,

I/We give my/our consent to update the following details in the records of J. L. Morison (India) Limited and to henceforth arrange all payments and other communications by electronic means in compliance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Shareholder Details		Bank Account Details of First Holder	
Folio No.		Bank Name	
Name of Shareholder(s)		Branch Address	
First Holder			
Second Holder			
Third Holder		Account No.	
PAN (First Holder)		Account Type	Savings/Current*
Email ID (First Holder)		IFSC	
Mobile No. (First Holder)		MICR Code	

*Strike out whichever is not applicable

Date:

Signature(s)

First holder :

Second holder :

Third holder :

Encl: Photocopy of PAN card duly self attested/ Original cancelled Cheque leaf/Photocopy of Bank pass book-statement duly self attested.

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

NOTICE

Notice is hereby given that the 38th Annual General Meeting of the Company will be held on Thursday, 27th September, 2018 at 11.00 a.m. at the registered office of the Company situated at 317, Maker Chamber V, 21, Nariman Point, Mumbai – 400 021 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, 2018 along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sandhya Kotian (DIN: 07129237), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Vivek Gadiyar (DIN – 01486488) as a Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Vivek Gadiyar (DIN – 01486488) who was appointed as an Additional Director of the Company by the Board of Directors on recommendation of Nomination and Remuneration Committee, at its meeting held on 4th December, 2017, pursuant to provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

4. Re-appointment of Mr. Irfan Ajaz Ahmad Khan (DIN: 02258102), as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Irfan Ajaz Ahmad Khan (DIN: 02258102) who was appointed as an Independent Director and who holds office as an Independent Director up to 31st March, 2019 and, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him proposing his candidature for the office of Director and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to 31st March, 2024.”

5. Authorisation to give loans/ guarantees, provide securities and make investments in accordance with section 186 of Companies Act, 2013

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sub-section (2) and (3) of Section 186 and other applicable provisions, if any, of Companies Act, 2013 and read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactments thereof) and subject to such approvals, permissions, sanctions and consents of appropriate authorities, as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors

- (a) to give any loan to any person or other body corporate in one or more tranches;
- (b) to give any guarantee or provide any security in connection with a loan to any other body corporate or person; and/or
- (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate,

as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time,

in future, shall not exceed a sum of Rs. 6 Crores (Rupees Six Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters, arising out of, and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of the Directors or any other principal officer(s) of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

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

Date: 13th August, 2018
Place: Mumbai

(Rajesh Pawar)
Whole Time Director
DIN: 00232533

NOTES:

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

3. Members/Proxies should bring the enclosed Attendance Slip duly filled in, for attending the meeting 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. The relevant Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, in respect of item no. 3 to 5 of the Notice as set out above, is annexed hereto and forms part of the Notice.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Individual Shareholders can avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the share holder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. The facility of nomination is not available to non-individual shareholders such as Bodies Corporate, Kartas of Hindu Undivided Families, Partnership Firms, Societies, Trusts and holders of Power of Attorney. For further details, please contact the Company's Corporate office.
8. Members are requested to:
 - a) intimate to the Company's Registrar and Share Transfer Agents, changes, if any, in their respective addresses along with Pin Code Number at an early date.
 - b) Quote Folio Numbers in all their correspondence.
 - c) Consolidate holdings into one folio in case of multiplicity of Folios with names in identical orders.
9. **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. Sharex Dynamic (India) Private Limited for assistance in this regard.**
10. 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.

11. The Register of Members and the Share Transfer Books of the Company will be closed from Friday, 21st September, 2018 to Thursday, 27th September, 2018 (both days inclusive) for the purpose of Annual General Meeting of the Company.

12. 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 remote e-voting period commences on Monday, 24th September, 2018 (9:00 am) and ends on Wednesday, 26th September, 2017 (5:00 pm). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 20th September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

- A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open the attached PDF file viz; “Kratos Energy and Infrastructure e-Voting.pdf” with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - (iii) Click on “Shareholder-Login.”
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot

your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com.

- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Homepage of remote e-voting opens. Click on e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” of Kratos Energy and Infrastructure Limited. The remote e-voting period commences on Monday, 24th September, 2018 (9:00 am) and ends on Wednesday, 26th September, 2018 (5:00 pm)
 - (viii) Now you are ready for remote e-voting as “Cast Vote” page opens.
 - (ix) Cast your vote by selecting the appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once you have voted on a resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email to jayshreelalpuria@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM.
 - (ii) Please follow all the steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- V. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2018.
- IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e.

20th September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in

- X. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through Poll.
- XII. Mrs. Jayshree A. Lalpuria, Practicing Company Secretary (Membership No. 17629) of Jayshree A. Lalpuria & Co. has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, through Poll for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the company www.kratosenergy.in/about.html and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

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

(Rajesh Pawar)
Whole Time Director
DIN: 00232533

Date: 13th August, 2018
Place: Mumbai

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 (“Act”), sets out all material facts relating to the business mentioned at Item No. 3 to 5 of the accompanying Notice dated 13th August, 2018:

Item No. 3

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed, pursuant to Section 161(1) of the Companies Act, 2013 (hereinafter referred to as the “Act”) and Articles of Association of the Company, Mr. Vivek Gadiyar (DIN - 01486488) as an Additional Director of the Company with effect from 4th December, 2017 and he holds office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company.

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

Keeping in view his expertise and knowledge, it will be in the interest of the Company that he is appointed as a Director.

Apart from Mr. Vivek Gadiyar, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 3 of the Notice for the appointment of Mr. Vivek Gadiyar as a Director.

Details of Mr. Vivek Gadiyar are provided in the “Annexure” to this Notice.

Item No. 4

Mr. Irfan Ajaz Ahmad Khan (DIN: 02258102), was appointed as an Independent Director of the Company under the provisions of the Companies Act, 2013, vide resolution passed by the members at the Annual General Meeting held on 30th September, 2014 and he hold office as an Independent Director of the Company up to 31st March, 2019 (“first term”).

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in Board’s report.

The Nomination and Remuneration Committee (NRC) of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Irfan Ajaz Ahmad Khan as Independent Directors for a second term

of 5 (five) consecutive years on the Board of the Company from 1st April, 2019 to 31st March, 2024.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that given his background and experience and contributions made by him during his tenure, the continued association of Mr. Irfan Ajaz Ahmad Khan would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Irfan Ajaz Ahmad Khan as Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Irfan Ajaz Ahmad Khan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received notices in writing under Section 160 of the Act proposing the candidature of Mr. Irfan Ajaz Ahmad Khan for the office of Independent Director of the Company.

The Company has also received declaration from Mr. Irfan Ajaz Ahmad Khan that he meets the criteria of independence as prescribed under Section 149(6) of the Act.

In the opinion of the Board, Mr. Irfan Ajaz Ahmad Khan fulfils the conditions for appointment as Independent Director as specified in the Act. Mr. Irfan Ajaz Ahmad Khan is independent of the management.

Details of Mr. Irfan Ajaz Ahmad Khan are provided in the “Annexure” to this Notice.

Copy of draft letter of appointment of Mr. Irfan Ajaz Ahmad Khan setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Mr. Irfan Ajaz Ahmad Khan is interested in the resolution set out at Item No. 4 of the Notice with regard to his re-appointment. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act.

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

Item No. 5

Pursuant to the provisions of Section 186 of the Companies Act, 2013 and rules thereunder, the Company can make loans to, give guarantees, provide securities to and make investments in the securities of any other person/other bodies corporate to the extent of 60%

of its paid-up share capital, free reserves and security premium account or 100% of its free reserves and security premium account, whichever is higher, with the approval of the Board of Directors. Where the aggregate of loans and investments made, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of a special resolution except for the loans, guarantee or security provided to wholly owned subsidiary or a joint venture or investments made in the wholly owned subsidiary.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, it is proposed that the Board of Directors of the Company be authorized to make investment/ extend guarantee/ provide security/ give loan upto an amount of Rs. 6 Crores (Rupees Six Crores only) which, in the opinion of the Board, is directly or indirectly, beneficial to and in the interest of the Company. The source of funds for making these investments would be met from borrowings/surplus funds generated by the Company through operations or from such other sources as the Board may deem appropriate.

The Board, accordingly, recommends the special resolution as set out at Item No. 5 of the notice for approval by the members.

None of the Directors & Key Managerial Personnel of the Company and their relatives are concerned or interested in the said resolution except to the extent of their shareholdings.

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

Particulars	Mrs. Sandhya Kotian	Mr. Vivek Gadiyar	Mr. Irfan Ajaz Ahmad Khan
Age	56	36	51
Qualification	Graduate	B.E. & M.B.A.	B.A.
Experience	Day to day administration of the Company	15 years of international business experience in areas of information technology, financial services, consulting and international trade	15 years of experience in the field of travel & tourism and 10 years of experience in the field of share and securities
Terms & Conditions of appointment/ re-appointment	Re-appointment as Director liable to retire by rotation.	Regularization and appointment as Director liable to retire by rotation.	Re-appointment as Independent Director for second term of 5 years from 1st April 2019 to 31st March, 2024
Remuneration to be paid	Nil	Nil	Nil
Remuneration last drawn	Nil	Nil	Nil
Date of first appointment on Board	24 th March, 2015	4 th December, 2017	23 rd July, 2008
Shareholding in the Company	Nil	Nil	19351
Relationship with other Directors/Manager/Key Managerial Personnel	Nil	Nil	Nil
Number of Board Meetings attended during 2017-18	5	5	4
List of Companies in which outside Directorships held as on 31st March, 2018	Nil	1. Jitendra Harjivandas Securities Pvt. Ltd. 2. Arma Financial Services Ltd. 3. Bloomfield Advisors Pvt. Ltd. 4. Canos Trading Pvt. Ltd.	Arma Financial Services Limited
Chairman / Member of the Committees of other Companies on which he / she is a Director as on 31st March, 2018	Nil	Nil	Nil

DIRECTORS' REPORT

To
The Members,

Your Directors present herewith their Audited Financial Statement for the year ended 31st March 2018.

1. FINANCIAL RESULTS:

	(in Rs.)	
	Year ended on 31-03-2018	Year ended on 31-03-2017
Total Income	4,42,87,657	3,89,27,112
Gross Profit before Depreciation and Tax	97,52,765	36,56,185
Less: Depreciation	26,467	23,372
Profit / (Loss) before Tax	97,26,298	35,64,926
Less: Provision for Current Taxation	19,00,000	10,85,755
Less: Deferred Tax Asset	57,797	28,380
Profit/(Loss) after Taxation	77,68,501	24,50,791
Balance brought forward from previous year	23,36,190	(1,33,429)
Add: Excess provision of income tax Written back	-	18,828
Balance carried forward to Balance Sheet	1,01,04,691	23,36,190

2. OPERATIONS & STATE OF AFFAIRS OF THE COMPANY

During the current year of operation, your Company has registered revenue from operation of Rs. 334.25 lakhs, as compared to Rs. 360.00 lakhs in the previous financial year, a decline of about 7.15%. The other income stood at Rs. 108.63 lakhs as compared to Rs. 29.27 lakhs in the previous year. Your company has earned net profit after tax of Rs. 77.68 lakhs as compared to profit of Rs. 24.51 lakhs in the previous financial year.

Your company performed well during the year. The overall performance of the Company was good and the directors expect to do better in the next financial year.

3. CHANGE IN NATURE OF BUSINESS

During the financial year 2017-18, 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 has M/s. E'L Dorado Guarantee Limited as its Associate Company in which the Company holds 44.22% of equity share capital the entire value of which had been written off earlier. The statement containing the salient features of the financial statement of the Associate Company as required under Section 129(3) of the Companies Act, 2013 in Form AOC-1 is annexed herewith as '**Annexure I**'. However, your Company does not have

Subsidiary or Joint Venture as on 31st March, 2018. During the financial year, no Company became or ceased to be the 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 2017-18 and no amount has been transferred to any Reserve for the year ended 2017-18.

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. Sandhya Kotian (DIN: 07129237), Director of the Company retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.
2. In accordance with the provision of Section 161(1) of the Companies Act, 2013, Mr. Vivek Gadiyar (DIN – 01486488) was appointed as an Additional Director w.e.f. 4th December, 2017 and holds office until the conclusion of the ensuing Annual General Meeting and being eligible, offers himself for appointment as s Director, liable to retire by rotation.
3. In accordance with the provision of Section 203 of the Companies Act, 2013, Mrs. Pooja Lahoty was appointed as the Company Secretary of the Company with effect from 13th September, 2017.

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

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

11. MEETINGS

During the year, 9 (nine) meetings of the Board of Directors of the Company were convened and held. The details of date of meetings and the attendance of each director at the Board Meetings and Committees are annexed herewith as **“Annexure III”**. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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 had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for the period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis;
- (v) the proper internal financial controls were in place and that the financial controls were adequate and operating effectively.
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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 2017-18.

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 Ijaz Ahmed Khan	Chairman
Mr. Rohinton Sam Poonawala	Member
Mrs. Sandhya Kotian	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-IV”.

15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the company has not given guarantee or provided any security to any persons or body corporate. The Company has made investments and loans within the meaning of Section 186 of the Companies Act, 2013 and the particulars of investments and loans as on the year ended are provided in Note no. 7 and 10 respectively forming part of the financial statement.

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. 28 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 2017-18, 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 – V**' to the Directors' Report.

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

25. AUDITORS

Statutory Auditors

At the Company's 37th Annual General Meeting held on 29th September, 2017, M/s. Bajrang Paras & Co., Chartered Accountants (ICAI Firm Registration No. 118663W), were appointed as Company's Statutory Auditors to hold office till the conclusion of the 42nd Annual General Meeting, subject to ratification by the members at every Annual General Meeting until the expiry of the period of original appointment. However, the Companies Amendment Act, 2017 (Vide notification dated 7th May, 2018 issued by Ministry of Corporate Affairs) omits the provision related to annual ratification from Companies Act, 2013 and the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 38th AGM.

Secretarial Auditor

The Board had appointed M/s. Jayshree A. Lalpuria & Co, Practising Company Secretaries, to conduct Secretarial Audit to the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed herewith as "**Annexure VI**".

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 –VII**' and forms a part of the Annual Report.

27. AUDITOR'S REPORT

As regard the Auditors' remark in their Report for the financial year ended 31st March, 2018 relating to non preparation of consolidated financial statements as required under section 133 of the Companies Act, 2013, the Directors wish to state that the Company could not prepare the same as the financial statement of Limited Liability Partnership where the Company is having investment as well as of Associate Company were not ready and were not made available to the Company till the date of signing of this Report.

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

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

SECRETARIAL AUDITOR'S REPORT

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

-The Company was looking for a suitable candidate to be appointed as Company Secretary pursuant to section 203(1) of the Companies Act, 2013 and Rule 8 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, after the resignation of earlier Company Secretary, but appoint the new CS only on 13th September, 2017.

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

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

ACKNOWLEDGEMENT

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

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

Place: Mumbai
Date: 13th August, 2018

(Rajesh Pawar)	(Sandhya Kotian)
Whole Time Director	Director
DIN: 00232533	DIN: 07129237

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

PART "B": ASSOCIATES
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and
Joint Ventures

Name of Associates	E'L Dorado Guarantee Limited
1. Latest audited Balance Sheet Date	As on March 31, 2018
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate/Joint Ventures held by the company on the year end	
- No. of Shares	1989989 Equity Shares of Rs. 10/- each
- Amount of Investment in Associates/Joint Venture	The investment value has been written off in the books of the Company earlier
- Extend of Holding %	44.22%
4. Description of how there is significant influence	Since the Company is holding more than 25% of the Shareholding of E'L Dorado Guarantee Limited., the Company has significant influence
5. Reason why the associate/joint venture is not consolidated	- NA -
6. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. (2,14,21,281)
7. Profit / Loss for the year	
i. Considered in Consolidation	No
ii. Not Considered in Consolidation	Yes

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

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

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

Place: Mumbai
Date: 13th August, 2018

(Rajesh Pawar) **(Sandhya Kotian)**
Whole Time Director **Director**
DIN: 00232533 **DIN: 07129237**

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Consulting charges for power transaction	70200	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

(i) Category-wise Share Holding

[illegible]

e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
i) Others (specify)	0	0	0	0	0	0	0	0	-
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	165616	41450	207066	20.71	165616	41450	207066	20.71	-
ii) Overseas	0	0	0	0	0	0	0	0	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	500	40804	41304	4.13	500	40804	41304	4.13	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	258779	258779	25.88	0	258779	258779	25.88	-
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	-
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	-
Foreign Nationals	0	0	0	0	0	0	0	0	-
Clearing Members	2800	0	2800	0.28	2800	0	2800	0.28	-
Trusts	0	0	0	0	0	0	0	0	-
Foreign Bodies - D R	0	0	0	0	0	0	0	0	-
Sub-total (B)(2):-	168916	341033	509949	50.99	168916	341033	509949	50.99	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	168916	341033	509949	50.99	168916	341033	509949	50.99	-

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	168916	831084	1000000	100	168916	831084	1000000	100	-

(ii) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year [As on 1-April-2017]			Shareholding at the end of the year [As on 31-March-2018]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	E'l dorado Guarantee Limited	490051	49.01	0	490051	49.01	0	-
	TOTAL	490051	49.01	0	490051	49.01	0	-

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

Sr. No.	Name	Shareholding		Date	Increase /decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the company				No. of shares	% of total shares of the company
1.	E'l dorado Guarantee Limited	490051	49.01	01.04.2016				
					Nil			
		490051	49.01	31.03.2017				

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

Sr. No	Name	Shareholding		Date	Increase /decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total shares of the company
1.	Amoha	46375	4.64	01.04.2017				

	Traders Pvt. Ltd.		NO CHANGE					
		46375	4.64	31.03.2018				
2.	Rustom M. Vajifdar	45950	4.60	01.04.2017				
			NO CHANGE					
		45950	4.60	31.03.2018				
3.	Canos Trading Pvt. Ltd.	45650	4.57	01.04.2017				
			NO CHANGE					
		45650	4.57	31.03.2018				
4.	E'l Dorado Securities Pvt. Ltd.	41000	4.10	01.04.2017				
			NO CHANGE					
		41000	4.10	31.03.2018				
5.	Arma Financial Services P Ltd.	38101	3.81	01.04.2017				
			NO CHANGE					
		38101	3.81	31.03.2018				
6.	Bomi Pirojsh Sachinwala	28000	2.80	01.04.2017				
			NO CHANGE					
		28000	2.80	31.03.2018				
7.	Suresh Ramtrilok Singh	27000	2.70	01.04.2017				
			NO CHANGE					
		27000	2.70	31.03.2018				
8.	Umesh Srichand Nagpal	26000	2.60	01.04.2017				
			NO CHANGE					
		26000	2.60	31.03.2018				
9.	Behroze Maneckshaw	22000	2.20	01.04.2017				
			NO CHANGE					
		22000	2.20	31.03.2018				
10.	Imtiyaz Hassan Khan	20150	2.02	01.04.2017				
			NO CHANGE					
		20150	2.02	31.03.2018				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding		Date	Increase /decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total shares of the company				No. of shares	% of total shares of the company
A. Directors								
1.	Irfan Ajaz Ahmad Khan	19351	1.94	01.04.2017				
			NO CHANGE					
		19351	1.94	31.03.2018			Nil	Nil
2.	Rohinton Sam Poonawala	Nil	Nil	13.11.2017				
			NO CHANGE					
		Nil	Nil	31.03.2018			Nil	Nil
3.	Sandhya Taranath Kotian	Nil	Nil	01.04.2017				
			NO CHANGE					
		Nil	Nil	31.03.2018			Nil	Nil
4.	# Vivek Gadiyar	Nil	Nil	01.04.2017				
			NO CHANGE					
		Nil	Nil	31.03.2018			Nil	Nil
B. Key Managerial Personnel (KMP's)								
5.	Rajesh Pawar (Whole-time Director)	Nil	Nil	01.04.2017				
			NO CHANGE					
		Nil	Nil	31.03.2018			Nil	Nil
6.	*Pooja Lahoty (CS)	Nil	Nil	01.04.2017				
			NO CHANGE					
		Nil	Nil	31.03.2018			Nil	Nil
7.	Muralidharan Pisharam (CFO)	Nil	Nil	01.04.2017				
			NO CHANGE					
		Nil	Nil	31.03.2018			Nil	Nil

Appointed w.e.f. 4th December, 2017.* Appointed w.e.f. 13th September, 2017.

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	37,95,000	0	37,95,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	37,95,000	0	37,95,000
Change in Indebtedness during the financial year				
Addition	0	1,58,38,436	0	1,58,38,436
Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	1,96,33,436	0	1,96,33,436
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	1,96,33,436	0	1,96,33,436

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In Rs.)

SN.	Particulars of Remuneration	Rajesh Pawar - Whole-time Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	100,000	100,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission- as % of profit - others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	100,000	100,000
	Ceiling as per the Act	Pusuant to provision of Section 196 and 197 of the Companies Act, 2013 and Part II of Schedule V, limit of yearly remuneration payable shall not exceed Rs. 60 Lacs	

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

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Irfan Ajaz Ahmad Khan	Rohinton Sam Poonawala	Sandhya Kotian	
1	Independent Directors				
	Fee for attending board committee meetings	Nil	Nil	NA	Nil
	Commission	Nil	Nil	NA	Nil
	Others, please specify	Nil	Nil	NA	Nil
	Total (1)	Nil	Nil	NA	Nil
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	NA	NA	56,000	56,000
	Commission	NA	NA	Nil	Nil
	Others -Specify	NA	NA	Nil	Nil
	Total (2)	Nil	Nil	56,000	56,000
	Total (B)=(1+2)	Nil	Nil	56,000	56,000
	Total Managerial Remuneration (A+B)				1,56,000
	Overall Ceiling as per the Act	11% of the net profit of the Company			

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS*	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	98,877	90,996	1,89,873
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission- as % of profit - others, specify	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	98,877	90,996	1,89,873

*Appointed w.e.f. 13th September, 2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Date: 13th August, 2018
Place: Mumbai

(Rajesh Pawar)
Whole Time Director
DIN: 00232533

(Sandhya Kotian)
Director
DIN: 07129237

ANNEXURE III

Board Meetings:

The Board Meetings for the financial year ended 31st March, 2018 were held on 30th May, 2017, 4th August, 2017, 7th August, 2017, 13th September, 2017, 4th December, 2017, 29th December, 2017, 1st January, 2018, 14th February, 2018 and 28th February, 2018 . The details of attendance of each director at the Board Meetings are as given below:

Name of Director	No. of Meetings attended
Mr. Irfan Ijaz Ahmed Khan	5
Mr. Rajesh Pawar	9
Mr. Rohinton Sam Poonawala	9
Mrs. Sandhya Kotian	5
Mr. Vivek Gadiyar*	5

* Appointed as Additional Director w.e.f. 4th December, 2017

Audit Committee meetings:

The Meetings of the Audit Committee for the financial year ended 31st March, 2018 were held on 30th May, 2017, 13th September, 2017, 4th December, 2017 and 14th February, 2018. The details of attendance of each director at the Audit Committee Meetings are as given below:

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

Nomination & Remuneration Committee meetings:

The Meetings of the Nomination & Remuneration Committee for the financial year ended 31st March, 2018 were held on 30th May, 2017, 13th September, 2017 and 4th November, 2017. The details of attendance of each director at the Nomination & Remuneration Committee Meetings are as given below:

Name of Director	No. of Meetings attended
Mr. Irfan Ijaz Ahmed Khan	3
Mr. Rohinton Sam Poonawala	3
Mrs. Sandhya Kotian	3

Stakeholders Relationship Committee meetings:

The was no meeting of the Stakeholders Relationship Committee for the financial year ended 31st March, 2018 since there was no application for transfer, transmission of shares and no complains or grievances received from the stakeholders. The composition of the Stakeholders Relationship Committee is as under:

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

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

The Board of Directors of Kratos Energy & Infrastructure Limited (“the Company”) constituted “Nomination and Remuneration Committee” at the Meeting held on 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 V

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 2017-18	Mr. Rajesh Pawar – Whole-time Director - 1:1			
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year 2017-18.	Name & Designation	2016-17 (in Rs.)	2017-18 (in Rs.)	% increase
	Rajesh Pawar - WTD	80,000	100,000	25.00
	Muralidharan P. P. -CFO	75,000	90996	21.33
	Pooja Lahoty – CS *	-	98877	N.A.
The percentage increase in the median remuneration of employees in the financial year 2017-18.	The Median Remuneration of Employees (MRE) of the Company during the financial year 2017-18 was Rs. 1,00,000/- and for previous year it was Rs. 77,500/-.			
	% increase – 29.03 %			
The number of permanent employees on the rolls of company	10			
Average percentage increase in the salary of non-managerial personnel: 42.92% Average percentage increase in the salary of managerial personnel: 25% justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:				

* Appointed w.e.f. 13th September, 2017

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

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,
The Members,
Kratos Energy & Infrastructure Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- (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.

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

1. *The Company Secretary of the Company had resigned w.e.f. 3rd January, 2017. As per section 203(4) of the Act, this vacancy should have been filled by the Board within a period of six months from the date of such vacancy. However the new Company Secretary pursuant to section 203(1) of the Companies Act, 2013 and Rule 8 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 was appointed on 13th September, 2017.*
2. *The Company has given advances to persons & companies and made investments within the limit prescribed in section 186 of the Companies Act, 2013, however the company has not charged interest for the same and not complied with the provisions of said section to that extent.*
3. *The Company has not complied with Regulation 31(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the hundred percent shareholding of promoter is not in dematerialised form.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

(Jayshree A. Lalpuria)

Proprietor

ACS: 17629 CP: 7109

Place: Mumbai
Date: 23rd July, 2018

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

To,
The Members,
Kratos Energy & Infrastructure Limited

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

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

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

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

Place: Mumbai
Date: 23rd July, 2018

MANAGEMENT DISCUSSION AND ANALYSIS:

Industry Structure and Developments:

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

Opportunities and threats:

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

Segment wise or product wise performance:

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

Outlook:

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

Risk and concerns:

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

Internal control systems and their adequacy:

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

Discussion on financial performance with respect to operational performance:

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

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

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 10 employees of the Company as on 31.03.2018.

BAJRANG PARAS & CO.

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Kratos Energy & Infrastructure Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Kratos Energy & Infrastructure Limited ("the Company"), CIN: L40102MH1979PLC021614, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and order under section 143(11) of the Act. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

- 1) The company is required to prepare consolidated financial statements as per section 133 of the Companies Act, 2013, as the company is having investment in one Limited Liability Partnership and one associate company. However, the Company has not prepared the consolidated financial statements as required.
- 2) The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 prepared in accordance with Ind AS, included in these Ind AS financial statements, have been audited by the then statutory auditors and their audit report furnished to us by the Management have been relied by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There is no pending litigations which would impact its financial position in its Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Bajrang Paras & Co
Chartered Accountants
ICAI Firm Registration No: 118663W

Hitesh Solanki
Partner
Membership No: 136487

Place: Mumbai
Date: 29 May 2018

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verifications.

(c) According to the information and explanations given to us and on the basis of the records of the Company, the Company is not having any immovable property and hence whether the title deeds of immovable properties are held in the name of the company is not applicable.
- ii. The company has not carried on any activity involving inventories, this clause is not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. According to the information and explanations given to us by the management, the Company is not engaged in any of the activity prescribed by the Central government under sub-section (1) of section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, sales-tax, service tax, goods and services tax, cess and other statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, custom duty and excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, goods and services tax, value added tax and cess which have not been deposited on account of any dispute.
- viii. The Company has no outstanding dues in respect of Financial Institution, bank, debenture holders or government during the year. Therefore, in our opinion, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- ix. According to the information and explanations given to us by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud /material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given to us by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given to us by the management, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

Kratos Energy & Infrastructure Limited
Independent Auditor's Report for the year ended March 31, 2018
Page 6 of 8

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Bajrang Paras& Co
Chartered Accountants
ICAI Firm Registration No: 118663W

Hitesh Solanki
Partner
Membership No: 136487

Place: Mumbai
Date: 29 May 2018

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Kratos Energy & Infrastructure Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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 as specified 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 judgement, 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 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 March 31, 2018, 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 Bajrang Paras & Co

Chartered Accountants
ICAI Firm Registration No: 118663W

Hitesh Solanki

Partner
Membership No: 136487

Place: Mumbai
Date: 29 May 2018

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Balance Sheet as at 31st March 2018

(Amount in Rs.)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
ASSETS				
Non - current assets				
(a) Property, plant and equipment	2	2,18,047	1,55,318	1,78,690
(b) Financial assets				
(i) Investments	3	57,66,086	32,40,222	27,68,847
(ii) Other financial assets	4	2,64,26,136	2,64,26,136	2,64,26,136
(c) Income tax assets (net)	5	31,56,911	16,56,560	80,84,243
(d) Deferred tax assets (net)	6	1,47,002	2,04,799	2,33,179
Total Non-current assets		3,57,14,182	3,16,83,035	3,76,91,095
Current assets				
(a) Financial assets				
(i) Investments	7	1,23,61,286	89,15,892	1,50,02,365
(ii) Cash and cash equivalents	8	12,30,216	26,24,536	12,31,553
(iii) Bank balances other than cash and cash equivalents	9	77,00,000	77,00,000	-
(iv) Loans	10	30,67,631	79,56,411	2,01,41,411
(v) Other financial assets	11	-	28,000	-
(b) Other current assets	12	10,43,549	6,05,953	10,60,572
Total Current assets		2,54,02,682	2,78,30,792	3,74,35,901
TOTAL ASSETS		6,11,16,864	5,95,13,827	7,51,26,996
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13	1,00,00,000	1,00,00,000	1,00,00,000
(b) Other equity	14	3,11,90,664	2,34,22,163	2,09,52,544
Total equity		4,11,90,664	3,34,22,163	3,09,52,544
Liabilities				
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	15	1,96,33,436	37,95,000	50,85,000
(ii) Trade payables	16	38,800	81,32,980	1,14,01,298
(b) Other liabilities	17	2,53,964	1,41,63,684	2,76,88,154
Total Current liabilities		1,99,26,200	2,60,91,664	4,41,74,452
Total liabilities		1,99,26,200	2,60,91,664	4,41,74,452
TOTAL EQUITY AND LIABILITIES		6,11,16,864	5,95,13,827	7,51,26,996

Significant accounting policies 1
Notes forming part of financial statements 2-34

As per our report of even date attached

FOR BAJRANG PARAS & CO
Chartered Accountants
ICAI Firm Registration No: 118663W

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

Rajesh R. Pawar
Wholetime Director
DIN-00232533

Sandhya T. Kotian
Director
DIN-07129237

Hitesh Solanki
Partner
Membership No: 136487

Muralidharan P. Pisharam
Chief Financial Officer

Pooja Lahoty
Company Secretary

Place : Mumbai
Date :29 May 2018

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Statement of Profit and Loss for the year ended 31st March 2018

(Amount in Rs.)

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from Operations	18	3,34,25,000	3,60,00,000
Other income	19	1,08,62,657	29,27,112
Total Income		4,42,87,657	3,89,27,112
Expenses			
Employee benefits expense	20	16,45,914	9,51,100
Depreciation and amortisation expenses	2	26,467	23,372
Other expenses	21	3,28,88,978	3,43,87,714
Total expenses		3,45,61,359	3,53,62,186
Profit / (Loss) before tax		97,26,298	35,64,926
Tax expense			
- Current tax		19,00,000	10,85,755
- Deferred tax		57,797	28,380
		19,57,797	11,14,135
Profit / (Loss) for the Year		77,68,501	24,50,791
Other comprehensive income		-	-
Total Comprehensive Income for the Year		77,68,501	24,50,791
Earning per share (EPS) (of Rs 10 each)	26		
Basic		7.77	2.45
Diluted		7.77	2.45

Significant accounting policies

1

Notes forming part of financial statements

2-34

As per our report of even date attached

FOR BAJRANG PARAS & CO

Chartered Accountants

ICAI Firm Registration No: 118663W

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

Rajesh R. Pawar
Wholetime Director
DIN-00232533

Sandhya T. Kotian
Director
DIN-07129237

Hitesh Solanki

Partner

Membership No: 136487

Muralidharan P. Pisharam
Chief Financial Officer

Pooja Lahoty
Company Secretary

Place : Mumbai

Date :29 May 2018

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Cash Flow Statement for the year ended 31st March 2018

(Amount in Rs.)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit (Loss) before Tax	97,26,298	35,64,926
Adjustments for :		
Depreciation	26,467	23,372
Dividend income	(1,93,452)	-
Profit / (Loss) on Sale of Investments	(13,18,591)	(15,52,789)
Ind AS effect on Investments at fair value	(28,02,667)	67,887
Operating Profit (Loss) before changes in working capital	54,38,055	21,03,396
Adjustments for :		
Increase/(Decrease) in Trade payable & other Liabilities	(2,20,03,900)	(1,67,92,788)
Increase/(Decrease) in Trade Receivable and Other assets	44,79,184	1,26,11,621
Cash generated from Operations	(1,20,86,660)	(20,77,771)
Income Tax Paid (Net of Refund)	34,00,352	53,60,754
Net cash generated from operating activities (A)	(1,54,87,012)	32,82,983
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale/(Purchases) of Investments	(18,50,000)	71,00,000
Sale/(Purchases) of Fixed Assets	(89,196)	-
Fixed Deposit not considered as cash and cash equivalents	-	(77,00,000)
Dividend income	1,93,452	-
Net cash generated from investing activities (B)	(17,45,744)	(6,00,000)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds /(Repayment) of Short Term borrowings	1,58,38,436	(12,90,000)
Net cash generated from financing activities (C)	1,58,38,436	(12,90,000)
Net Increase (Decrease) in cash and cash equivalents (A+B+C)	(13,94,320)	13,92,983
Opening Cash & Cash equivalents at beginning of the year	26,24,536	12,31,553
Closing Cash & Cash equivalents at end of the year	12,30,216	26,24,536
Components of cash and cash equivalents		
Cash on hand	27,700	40,770
Balances with scheduled banks:		
- In current accounts	12,02,516	25,83,766
- In deposit accounts with original maturity less than 3 months	-	-
Total Cash and cash equivalents	12,30,216	26,24,536

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 1
Notes forming part of financial statements 2-34

As per our report of even date attached

FOR BAJRANG PARAS & CO
Chartered Accountants
ICAI Firm Registration No: 118663W

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

Rajesh R. Pawar **Sandhya T. Kotian**
Wholetime Director Director
DIN-00232533 DIN-07129237

Hitesh Solanki
Partner
Membership No: 136487

Muralidharan P. Pisharam **Pooja Lahoty**
Chief Financial Officer Company Secretary

Place : Mumbai
Date :29 May 2018

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Statement of Changes in Equity For the Year ended 31st March 2018

A. Equity Share Capital

(Amount in Rs.)

	No. of Shares	Amount
Equity shares of Rs.10/- each issued, subscribed and fully paid up		
As at 01 April 2016	10,00,000	1,00,00,000
Increase/(decrease) during the year	-	-
As at 31 March 2017	10,00,000	1,00,00,000
Increase/(decrease) during the year	-	-
As at 31 March 2018	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	
				(Amount in Rs.)
Balance as at 1 April 2016	2,10,85,973	(1,33,429)	-	2,09,52,544
Profit for the year	-	24,50,791	-	24,50,791
Excess Provision of income Tax	-	18,828	-	18,828
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	24,69,619	-	24,69,619
Balance as at 31 March 2017	2,10,85,973	23,36,190	-	2,34,22,163
Profit for the year	-	77,68,501	-	77,68,501
Excess Provision of income Tax	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	77,68,501	-	77,68,501
Balance as at 31 March 2018	2,10,85,973	1,01,04,691	-	3,11,90,664

Notes forming part of financial statements

2-34

As per our report of even date attached

FOR BAJRANG PARAS & CO

Chartered Accountants

ICAI Firm Registration No: 118663W

Hitesh Solanki

Partner

Membership No: 136487

For and on behalf of the Board of Directors of

KRATOS ENERGY & INFRASTRUCTURE LIMITED

Rajesh R. Pawar

Wholetime Director

DIN-00232533

Sandhya T. Kotian

Director

DIN-07129237

Muralidharan P. Pisharam

Chief Financial Officer

Pooja Lahoty

Company Secretary

Place : Mumbai

Date :29 May 2018

KRATOS ENERGY & INFRASTRUCTURE LIMITED

CIN : L40102MH1979PLC021614

Notes to the Financial Statements for the year ended 31st March, 2018

Corporate Information

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.

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is shown in the Notes to Accounts.

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.

KRATOS ENERGY & INFRASTRUCTURE LIMITED

CIN : L40102MH1979PLC021614

Notes to the Financial Statements for the year ended 31st March, 2018

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.

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.

KRATOS ENERGY & INFRASTRUCTURE LIMITED

CIN : L40102MH1979PLC021614

Notes to the Financial Statements for the year ended 31st March, 2018

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, 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).

Minimum Alternate Tax

MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent it is probable evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income-tax during the period for which the

KRATOS ENERGY & INFRASTRUCTURE LIMITED

CIN : L40102MH1979PLC021614

Notes to the Financial Statements for the year ended 31st March, 2018

MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written-down to the extent the aforesaid convincing evidence no longer exists.

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.

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.

1.4 First Time Adoption of Ind AS

The Company has adopted Ind AS with effect from 01 April 2016 with comparatives being restated. Accordingly, the impact of transition has been provided in the Retained earnings as at 01 April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirements of Ind AS and Schedule III.

KRATOS ENERGY & INFRASTRUCTURE LIMITED

CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March 2018

Note - 2 Property, Plant And Equipment :

(Amount in Rs.)

Particulars	Useful life	Gross carrying value				Depreciation / Amortisation				Net carrying value	
		As at 01.04.17	Additions during the year	Deductions/ Adjustments	As at 31.03.18	As at 01.04.17	Additions during the year	Deductions/ Adjustments	As at 31.03.18	As at 31.03.18	As at 31.03.17
Tangible Assets											
Computers	3	20,811	-	-	20,811	-	17,968	-	17,968	2,843	20,811
Office Equipment	5	73,607	-	-	73,607	-	2,364	-	2,364	71,243	73,607
Furniture and Fixture	10	33,635	-	-	33,635	-	-	-	-	33,635	33,635
Air Conditioner	10	25,920	-	-	25,920	-	3,040	-	3,040	22,880	25,920
Mobile Handset	3	1,345	89,196	-	90,541	-	3,095	-	3,095	87,446	1,345
		1,55,318	89,196	-	2,44,514	-	26,467	-	26,467	2,18,047	1,55,318

Property, Plant And Equipment- 31 March 2017

(Amount in Rs.)

Particulars	Useful life	Gross carrying value				Depreciation / Amortisation				Net carrying value	
		As at 01.04.16	Additions during the year	Deductions/ Adjustments	As at 31.03.17	As at 01.04.16	Additions during the year	Deductions/ Adjustments	As at 31.03.17	As at 31.03.17	As at 01.04.16
Tangible Assets											
Computers	3	38,779	-	-	38,779	-	17,968	-	17,968	20,811	38,779
Office Equipment	5	75,971	-	-	75,971	-	2,364	-	2,364	73,607	75,971
Furniture and Fixture	10	33,635	-	-	33,635	-	-	-	-	33,635	33,635
Air Conditioner	10	28,960	-	-	28,960	-	3,040	-	3,040	25,920	28,960
Mobile Handset	3	1,345	-	-	1,345	-	-	-	-	1,345	1,345
		1,78,690	-	-	1,78,690	-	23,372	-	23,372	1,55,318	1,78,690

Property, Plant And Equipment- 01 April 2016

(Amount in Rs.)

Particulars	Useful life	Gross carrying value				Depreciation / Amortisation				Net carrying value	
		As at 01.04.16	Additions during the year	Deductions/ Adjustments	As at 01.04.2016	As at 01.04.16	Additions during the year	Deductions/ Adjustments	As at 01.04.16	As at 01.04.16	
Tangible Assets											
Computers	3	38,779	-	-	38,779	-	-	-	-	38,779	
Office Equipment	5	75,971	-	-	75,971	-	-	-	-	75,971	
Furniture and Fixture	10	33,635	-	-	33,635	-	-	-	-	33,635	
Air Conditioner	10	28,960	-	-	28,960	-	-	-	-	28,960	
Mobile Handset	3	1,345	-	-	1,345	-	-	-	-	1,345	
		1,78,690	-	-	1,78,690	-	-	-	-	1,78,690	

Note: For Property, Plant and Equipment existing as on 01 April 2016 i.e the date of transition to Ind AS, the Company has selected to use previous GAAP carrying values as deemed cost under Ind AS.

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March 2018

Note - 3 Non-Current Investments

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Investments in Equity Instruments, Mutual Fund and Partnership Firm :			
Equity Shares-(Long Term, Quoted)-At Fair Value through Profit and Loss 1,000 (31 March 2017 : Nil , 01 April 2016 : Nil) Equity Shares of Federal Bank Ltd of the face value of Rs. 10/- each	89,350	-	-
Mutual Fund-(Long Term, Quoted)-At Fair Value through Profit and Loss 9,516.831 (31 March 2017 : 9,516.831 , 01 April 2016 : 9,516.831) Units of HDFC Floating Rate Income Fund	2,89,735	2,73,148	2,50,945
Equity Shares (Long Term, Unquoted)-At Fair Value through Profit and Loss 44,475 (31 March 2017 : 44,475 , 01 April 2016 : 44,475) Equity Shares of Ring Plus Aqua Ltd of the face value of Rs. 10/- each	53,37,000	29,67,073	25,17,901
19,89,989 (31 March 2017 : 19,89,989 , 01 April 2016 : 19,89,989) Equity Shares of El Dorado Guarantee Ltd of the face value of Rs. 10/- each	1	1	1
Investment in Partnership Firm			
Manipal HR Solutions LLP (50% Share)	50,000	-	-
Name of the Partners in above LLP			
1) Manipal Holdings Private Ltd-50%			
2) Kratos Energy and Infrastructure Ltd-50%			
	57,66,086	32,40,222	27,68,847
Aggregate amount of quoted investments	2,00,000	2,00,000	2,00,000
Aggregate amount of unquoted investments	22,51,761	22,51,761	22,51,761
Aggregate Market Value of quoted investments	3,79,085	2,73,148	2,50,945
Aggregate provision for diminution in value of Investments	-	-	-

Note - 4 Other Financial Assets

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Unsecured -Considered Good			
Deposit with National Stock Exchange	1,95,43,251	1,95,43,251	1,95,43,251
Other Deposits-(Refer Note- 27)	68,82,885	68,82,885	68,82,885
	2,64,26,136	2,64,26,136	2,64,26,136

Note - 5 Income tax assets (Net)

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Tax Deducted at Source (Net of Provision for Tax)	31,56,911	16,56,560	80,84,243
	31,56,911	16,56,560	80,84,243

Note -6 Deferred tax asset (Net)

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
On Account of Timming Difference for Depreciation on Fixed Assests	1,47,002	2,04,799	2,33,179
	1,47,002	2,04,799	2,33,179

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March 2018

Note - 7 Current Investments

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Investments in Mutual Funds (Quoted):			
at Fair Value through Profit and Loss			
1,70,846.597 (31 March 2017 : 4,19,731.3490 , 01 April 2016 : 7,38,051.126) Units of Franklin - India Ultra Short Bond Super Institutional Plan (Growth)	41,09,390	89,15,892	1,50,02,365
4,13,098.802 (31 March 2017 : Nil , 01 April 2016 : Nil) Units of Franklin - India Low Duration Fund	82,51,896	-	-
	1,23,61,286	89,15,892	1,50,02,365
Aggregate amount of quoted investments	1,20,71,380	89,52,789	1,45,00,000
Aggregate amount of unquoted investments	-	-	-
Market value of quoted Investments	1,23,61,286	89,15,892	1,50,02,365
Aggregate provision for diminution in value of Investments	-	-	-

Note -8 Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balance with Bank in Current accounts	12,02,516	25,83,767	11,99,997
Cash in Hand	27,700	40,770	31,556
	12,30,216	26,24,536	12,31,553

Note -9 Bank balances other than cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Deposits with maturity of more than three months but less than twelve months	77,00,000	77,00,000	-
	77,00,000	77,00,000	-

Note 10: Loans

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Unsecured -Considered Good			
Intercompany Loans *	30,67,631	79,56,411	2,01,41,411
	30,67,631	79,56,411	2,01,41,411

* Above loans are repayable on demand and interest free

Note -11 Other Financial Assets

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Deposits with Others	-	28,000	-
	-	28,000	-

Note -12 Other Current Assets

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Interest Receivable	7,04,793	3,26,612	-
Dividend Receivable	1,92,352	-	-
Balance with Government Authorities	1,46,404	2,79,341	10,60,572
	10,43,549	6,05,953	10,60,572

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March 2018

Note - 13 Equity share capital			
Particulars	(Amount in Rs.)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Equity share capital			
Authorised :			
50,00,000 (50,00,000) (50,00,000) Equity Shares of Rs. 10 each	5,00,00,000	5,00,00,000	5,00,00,000
	5,00,00,000	5,00,00,000	5,00,00,000
Issued, Subscribed and paid up			
10,00,000(10,00,000) (10,00,000) Equity Shares of Rs. 10 each fully paid up	1,00,00,000	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000	1,00,00,000

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

Details of shareholders holding more than 5% shares in the Company						
Equity shares						
Particulars	As at 31 March 2018		As at 31 March 2017		As at 1st April 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Eldorado Guarantee Ltd	4,90,051	49.01	4,90,051	49.01	4,90,051	49.01

Reconciliation of Equity Shares outstanding

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1st April 2016	
	No. of Shares	Rs.	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	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	10,00,000	1,00,00,000

Note - 14 Other Equity			
Particulars	(Amount in Rs.)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
General Reserve			
Opening balance	2,10,85,973	2,10,85,973	2,10,85,973
Addition / transfers during the year	-	-	-
Closing balance	2,10,85,973	2,10,85,973	2,10,85,973
Retained Earnings			
Opening balance	23,36,190	(1,33,429)	(1,33,429)
Add : Net Profit (Loss) for the current year	77,68,501	24,50,791	-
Excess Provision of income Tax	-	18,828	-
	1,01,04,691	23,36,190	(1,33,429)
	3,11,90,664	2,34,22,163	2,09,52,544

Note - 15 Borrowings			
Particulars	(Amount in Rs.)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Unsecured Loans*			
Loan from Associate Company	10,80,000	10,80,000	11,00,000
Loan from Others	1,85,53,436	27,15,000	39,85,000
	1,96,33,436	37,95,000	50,85,000

*Above loans are repayable on demand and interest free

Note - 16 Trade payables			
Particulars	(Amount in Rs.)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Due to Micro and small enterprises	-	-	-
Others (Refer note 32)	38,800	81,32,980	1,14,01,298
	38,800	81,32,980	1,14,01,298

Note - 17 Other Current Liabilities			
Particulars	(Amount in Rs.)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance received from Customers	-	1,36,18,004	2,69,34,685
Statutory dues payable	2,53,964	5,45,680	7,53,470
	2,53,964	1,41,63,684	2,76,88,155

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March , 2018

Note - 18 Revenue from operations **(Amount in Rs.)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consultancy charges (excluding taxes)	3,34,25,000	3,60,00,000
	3,34,25,000	3,60,00,000

Note - 19 Other Income **(Amount in Rs.)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income on		
-Fixed Deposit	5,78,512	4,42,094
-Income Tax Refund	21,440	7,45,066
Dividend on Shares	1,93,452	-
Profit on sale of Investments	13,18,591	15,52,789
Liabilities/Assets no longer Payable/Receivable (Net)	54,89,568	1,50,050
Fair value gain/(loss) on financial instruments at fair value through profit & loss	28,02,667	(67,887)
Other Miscellaneous income	4,58,427	1,05,000
	1,08,62,657	29,27,112

Note - 20 Employee Benefits Expense **(Amount in Rs.)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and allowances	16,44,105	9,51,100
Staff Welfare Expenses	1,809	-
	16,45,914	9,51,100

Note - 21 Other Expenses **(Amount in Rs.)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Payment to Auditors		
- Audit Fees	30,000	30,000
- Limited Review Report and Certificate	13,000	-
Professional fees	3,13,13,859	3,26,29,096
Repairs and Maintenance charges		
-Repair to Machinery	-	-
-Repair to Building	-	-
-Repair to Others	60,541	57,544
Listing fees	2,50,000	2,00,000
Travelling and Conveyance expenses	2,13,987	2,68,852
Electricity expenses	80,150	81,220
Printing and Stationery expenses	59,946	54,849
Postage and Telephone expenses	43,549	54,409
CSR expenses (Refer note 33)	1,00,000	-
Service tax paid	49,808	1,35,332
Miscellaneous expense	6,74,138	8,76,412
	3,28,88,978	3,43,87,714

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March 2018

Note - 22 First Time Adoption Of Ind AS

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following-

- Balance Sheet as at 1st April, 2016 (Transition date);
- Balance Sheet as at 31st March, 2017;
- Statement of Profit and Loss for the year ended 31st March, 2017; and
- Statement of Cash flows for the year ended 31st March, 2017.

Exemptions Availed

Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Company has availed the following exemptions as per Ind AS 101:

- For financial instruments, wherein fair market values are not available (viz. interest free and below market rate security deposits or loans) the Company has recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.
- The Company has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.
- The carrying amounts of the Company's investments in its associate companies as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

Effect of Ind AS adoption on the Balance Sheet as at 01 April 2016		Previous GAAP	Effect of Transition to Ind AS	(Amount in Rs.) Ind AS
ASSETS				
Non - current assets				
(a) Property, plant and equipment		1,78,690	-	1,78,690
(b) Financial assets				
(i) Investments	Note - 22(a)	22,51,762	5,17,085	27,68,847
(ii) Other financial assets		2,64,26,136	-	2,64,26,136
(c) Income tax assets (net)		80,84,243	-	80,84,243
(d) Deferred tax assets (net)		2,33,179	-	2,33,179
Total Non-current assets		3,71,74,010	5,17,085	3,76,91,095
Current assets				
(a) Financial assets				
(i) Investments	Note - 22(b)	1,45,00,000	5,02,365	1,50,02,365
(ii) Cash and cash equivalents		12,31,553	-	12,31,553
(iii) Bank balances other than cash and cash equivalents		-	-	-
(iv) Loans		2,01,41,411	-	2,01,41,411
(v) Other financial assets		-	-	-
(b) Other Current assets		10,60,572	-	10,60,572
Total Current assets		3,69,33,536	5,02,365	3,74,35,901
TOTAL ASSETS		7,41,07,546	10,19,450	7,51,26,996
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		1,00,00,000	-	1,00,00,000
(b) Other equity		1,99,33,093	10,19,450	2,09,52,543
Total equity		2,99,33,093	10,19,450	3,09,52,543
Liabilities				
Current Liabilities				
(a) Financial liabilities				
(i) Short Borrowings		50,85,000	-	50,85,000
(ii) Trade payables		1,14,01,298	-	1,14,01,298
(b) Other liabilities		2,76,88,154	-	2,76,88,154
Total Current liabilities		4,41,74,452	-	4,41,74,452
Total liabilities		4,41,74,452	-	4,41,74,452
TOTAL EQUITY AND LIABILITIES		7,41,07,545	10,19,450	7,51,26,995

Note -22(a) Under IGAAP, Non Current investments were valued at cost. As per Ind AS 109, investments needs to be stated at fair value. The difference between fair value and book value as on 01 April 2016 has been recognised through retained earnings.

Note -22(b) Under IGAAP, Current Investments were valued at cost. As per Ind AS 109, investments needs to be stated at fair value. The difference between fair value and book value as on 01 April 2016 has been recognised through retained earnings.

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March 2018

Note - 22 (Continued)

Notes to the financial statements for the year ended 31st March 2018		(Amount in Rs.)	
Note - 22 (Continued)			
Effect of Ind AS adoption on the Balance Sheet as at 31 March 2017	Previous GAAP	Effect of Transition to Ind AS	Ind AS
ASSETS			
Non - current assets			
(a) Property, plant and equipment	1,55,318	-	1,55,318
(b) Financial assets			
(i) Investments	Note - 22 (c) 22,51,762	9,88,460	32,40,222
(ii) Other financial assets	2,64,26,136	-	2,64,26,136
(c) Income tax assets (net)	16,56,560	-	16,56,560
(d) Deferred tax assets (net)	2,04,799	-	2,04,799
Total Non-current assets	3,06,94,575	9,88,460	3,16,83,035
Current assets			
(a) Financial assets			
(i) Investments	Note - 22 (d) 89,52,789	(36,897)	89,15,892
(ii) Cash and cash equivalents	26,24,536	-	26,24,536
(iii) Bank balances other than cash and cash equivalents	77,00,000	-	77,00,000
(iv) Loans	79,56,411	-	79,56,411
(v) Other financial assets	28,000	-	28,000
(b) Other assets	6,05,953	-	6,05,953
Total Current assets	2,78,67,689	(36,897)	2,78,30,792
TOTAL ASSETS	5,85,62,264	9,51,563	5,95,13,827
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	1,00,00,000	-	1,00,00,000
(b) Other equity	2,24,70,600	9,51,563	2,34,22,163
Total equity	3,24,70,600	9,51,563	3,34,22,163
Liabilities			
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	37,95,000	-	37,95,000
(ii) Trade payables	81,32,980	-	81,32,980
(b) Other liabilities	1,41,63,683	-	1,41,63,683
Total Current liabilities	2,60,91,663	-	2,60,91,663
Total liabilities	2,60,91,663	-	2,60,91,663
TOTAL EQUITY AND LIABILITIES	5,85,62,263	9,51,563	5,95,13,826

Note -22 (c) Under IGAAP, Non Current investments were valued at cost. As per Ind AS 109, investments needs to be stated at fair value. The difference between fair value and book value as on 31 March 2017 has been recognised through retained earnings.

Note -22(d) Under IGAAP, Current Investments were valued at cost. As per Ind AS 109, investments needs to be stated at fair value. The difference between fair value and book value as on 31 March 2017 has been recognised through retained earnings.

		(Amount in Rs.)		
Reconciliation of total comprehensive income for the year ended 31st March, 2017	Notes to first-time adoption	Previous GAAP *	Ind AS adjustments	Ind AS
Income				
Revenue from Operations		3,60,00,000	-	3,60,00,000
Other Income		29,94,999	(67,887)	29,27,112
Total Income		3,89,94,999	(67,887)	3,89,27,112
Expenses:				
Employee benefits expense		9,51,100	-	9,51,100
Depreciation and amortisation expenses		23,372	-	23,372
Other Expenses		3,43,87,714	-	3,43,87,714
Total Expenses		3,53,62,186	-	3,53,62,186
Profit before Tax		36,32,813	(67,887)	35,64,926
Tax Expense:				
Current Tax		10,85,755	-	10,85,755
Deferred Tax		28,380	-	28,380
Total Tax Expense:		11,14,135	-	11,14,135
Profit for the year		25,18,678	(67,887)	24,50,791
Other Comprehensive Income		-	-	-
Total comprehensive income for the year		25,18,678	(67,887)	24,50,791

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March 2018

Reconciliation of total equity as at 31 March 2017 and 01 April 2016			(Amount in Rs.)
Particulars	31 March 2017	01 April 2016	
Total Equity under previous GAAP	3,24,70,600	2,99,33,093	
Ind AS adjustments:	9,51,563	10,19,451	
Total Equity under Ind AS	3,34,22,163	3,09,52,544	

Reconciliation of total comprehensive income for the year ended March 31, 2017			31 March 2017
Particulars			
Profit / (Loss) after tax under previous GAAP			25,18,678
Ind AS adjustments:			(67,887)
Total Equity under Ind AS			24,50,791

Note - 23 Fair Values

The carrying values of financial instruments of the Company are reasonable and approximations of fair values.

	Carrying amount		Fair Value	
	31 March 2017	01 April 2016	31 March 2017	01 April 2016
Financial assets				
<u>Financial assets measured at amortised cost</u>				
Loans	79,56,411	2,01,41,411	79,56,411	2,01,41,411
Other Financial Assets	2,64,26,136	2,64,26,136	2,64,26,136	2,64,26,136
Cash and cash equivalents	26,24,536	12,31,553	26,24,536	12,31,553
Bank balances other than cash and cash equivalents	77,00,000	-	77,00,000	-
Total financial assets carried at amortised cost	4,47,07,083	4,77,99,100	4,47,07,083	4,77,99,100
<u>Financial assets measured at fair value through statement of Profit & Loss</u>				
Investments (quoted)	91,52,789	1,47,00,000	91,89,040	1,52,53,310
Investments (unquoted)	22,51,761	22,51,761	29,67,074	25,17,902
Financial liabilities				
<u>Financial assets measured at amortised cost</u>				
Borrowings	37,95,000	50,85,000	37,95,000	50,85,000
Trade payables	81,32,980	1,14,01,298	81,32,980	1,14,01,298
Other liabilities	1,41,63,684	2,76,88,154	1,41,63,684	2,76,88,154

The management assessed that cash and cash equivalents, trade receivables, trade payable and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note - 24

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 - 25

Provision for taxation for the year has been made in accordance with the Provisions of the Income Tax Act, 1961.

Note - 26 Earnings per share

Particulars	31 March 2018	31 March 2017
a) Profit after tax as per Statement of Profit and Loss (Rs.)	77,68,501	24,50,791
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)	7.77	2.45

Note - 27

The Company had paid Rs. 68,00,000/- 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 shown as "Other deposit" (Note No-4) as Other Financial assets.

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March 2018
Note - 28

Related party transactions pursuant to Ind AS - 24

a) Related Parties:

Mr Rajesh Pawar (Wholetime Director)
Smt Sandya Kotian (Director)
Mr. Muralidharan Pisharam (Key Managerial Personnel)
Mrs Pooja Lahoty (Key Managerial Personnel)
Manipal HR Solutions LLP (Interested Concern)
El dorado Guarantee Ltd (Associate Company)

Nature Of Transaction	(Amount in Rs.)	
	Year 2017 - 2018	Year 2016 - 2017
b) Nature Of Transaction during the year		
1) Remuneration to Directors / Key Managerial Personnel		
Mr Rajesh Pawar (Director)	1,00,000	80,000
Smt Sandya Kotian (Director)	56,000	33,000
Mr. Muralidharan Pisharam (Key Managerial Personnel)	90,996	75,000
Mrs Pooja Lahoty (Key Managerial Personnel)	98,877	-
2) Consultancy Fees Paid		
Manipal HR Solutions LLP (Interested Concern)	40,000	-
3) Investment in Partnership Firm		
Manipal HR Solutions LLP	50,000	-
c) Outstanding balance at the end of the year		
4) Loans taken		
El dorado Guarantee Ltd (Associate Company)	10,80,000	10,80,000

Note - 29 Income tax expense

The major components of income tax expense for the years ended 31st March, 2018 and 31st March, 2017 are:

Particulars	(Amount in Rs.)	
	31 March 2018	31 March 2017
Current Income Tax:		
Current income tax charge	19,00,000	10,85,755
Deferred Tax		
Relating to origination and reversal of temporary differences	57,797	28,380
Income tax expense reported in the statement of profit or loss	19,57,797	11,14,135

Note - 30

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 - 31

No letter of Confirmation have been sent during the year for Loans and Advances, Other liabilities and Deposits and are subject to confirmation and reconciliation and are taken as per books of accounts.

Note - 32 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.

KRATOS ENERGY & INFRASTRUCTURE LIMITED
CIN-L40102MH1979PLC021614

Notes to the financial statements for the year ended 31st March 2018

Note - 33 Details of CSR expenditure

Particulars	(Amount in Rs.)	
	31 March 2018	31 March 2017
a) Gross amount required to be spent by the group during the year	1,00,000	-
b) Amount spent during the year ending on 31st March, 2018	-	-
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above*	1,00,000	-
Income tax expense reported in the statement of profit or loss	1,00,000	-

* Entire amount spent during the year

Note - 34

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

As per our report of even date attached

FOR BAJRANG PARAS & CO

Chartered Accountants

ICAI Firm Registration No: 118663W

Hitesh Solanki

Partner

Membership No: 136487

For and on behalf of the Board of Directors of

KRATOS ENERGY & INFRASTRUCTURE LIMITED

Rajesh R. Pawar

Wholetime Director

DIN-00232533

Sandhya T. Kotian

Director

DIN-07129237

Muralidharan P. Pisharam

Chief Financial Officer

Pooja Lahoty

Company Secretary

Place : Mumbai

Date :29 May 2018

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

ATTENDANCE SLIP

(38th Annual General Meeting)

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

No. of shares held.....

I hereby record my presence at the 38th Annual General Meeting held on Thursday, 27th September, 2018 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

PROXY FORM

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

Name of the member(s):

Email ID:

Registered Address:

Folio No. /Client ID:

DP Id:

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

1. Name:

Address:

E-mail Id:

Signature:

, or failing him

2. Name:

Address:

E-mail Id:

Signature:

, or failing him

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th
Annual General Meeting of the Company, to be held on Thursday, 27th September, 2018 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, 2018 together with the reports of the Directors' and Auditors' thereon.		
2	Appointment of Director in place of Mrs. Sandhya Kotian (DIN: 07129237) who retires by rotation and being eligible, offers herself for re-appointment.		
3	Appointment of Mr. Vivek Gadiyar (DIN – 01486488) as a Director of the Company		

4	Re-appointment of Mr. Irfan Ajaz Ahmad Khan (DIN: 02258102), as an Independent Director		
5	Authorisation to give loans/ guarantees, provide securities and make investments in accordance with section 186 of Companies Act, 2013		

*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 _____ 2018

Signature of Shareholder

Signature of Proxy holder (s)

Re.1/- Revenue Stamp

- 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 38TH AGM OF THE COMPANY

