

J.C Desai & Company
Chartered Accountants
610 A, Commerce House
140 Ngindas Master Road

Fort

Mumbai 400001

Email : jcdesai622@yahoo.co.in

Mob.No.9323469428

Kratos Energy & Infrastructure Limited

L40102MH1979PLC021614

ANNUAL REPORT

ACCOUNTING YEAR 2016-17

A.Y. 2017-18

Phone: 9323469428

J. C. DESAI & CO.
CHARTERED ACCOUNTANTS

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KRATOS ENERGY & INFRASTRUCTURE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **KRATOS ENERGY & INFRASTRUCTURE LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its Profit and its cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure -A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

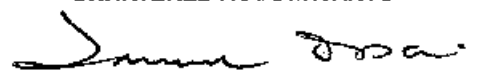
(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(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 are no pending litigations which would impact its financial position.
- ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- vi) The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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


(Jayesh Desai)

Proprietor
M. No. 39907

Mumbai
Dated: 30th May, 2017



J. C. DESAI & CO.
CHARTERED ACCOUNTANTS

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

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

ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS IN OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2017 OF KRATOS ENERGY & INFRASTRUCTURE LIMITED

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

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

(b) The assets have been physically verified by the management in accordance with a phased programme of verifications adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge no material discrepancies have been noticed on such verifications.

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

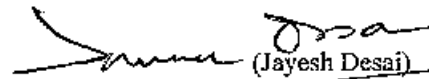


2

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

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

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


(Jayesh Desai)
Proprietor
M. No. 39907

Mumbai
Dated: 30th May, 2017



controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

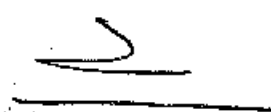
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over





Kratos Energy & Infrastructure Limited
Balance Sheet as at March 31, 2017

| | Notes | As At 31 March 2017 | As At 31 March 2016 |
|--|--------|------------------------|------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 2 | 1,00,00,000 | 1,00,00,000 |
| Reserves and surplus | 3 | 2,24,70,598 | 1,99,33,093 |
| | | 3,24,70,598 | 2,99,33,093 |
| Non-current liabilities | | | |
| Long-term borrowings | 4 | 25,95,000 | 26,35,000 |
| Current liabilities | | | |
| Trade payables | | | |
| A) total outstanding dues of micro enterprises and small enterprises | | | |
| B) total outstanding dues of creditors other than micro enterprises and small enterprises. | 5 | 2,27,50,984 | 3,99,85,982 |
| Other current liabilities | 6 | 7,45,680 | 15,53,469 |
| Short-term provisions | 7 | 11,01,201 | 8,73,545 |
| | | 2,45,97,865 | 4,24,12,996 |
| TOTAL | | 5,96,63,463 | 7,49,81,090 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | 8 | 1,55,318 | 1,78,690 |
| Investments | 9 | 1,12,04,549 | 1,67,51,760 |
| Deferred tax assets (net) | 10 | 2,04,799 | 2,33,179 |
| Long Term Loans & Advances | 11 | 2,92,11,897 | 3,53,83,924 |
| | | 4,07,76,563 | 5,25,47,553 |
| Current assets | | | |
| Trade receivables | 12 | - | - |
| Cash and bank balances | 13 | 1,03,24,536 | 12,31,553 |
| Other current assets | 14 | 85,62,364 | 2,12,01,983 |
| | | 1,88,86,900 | 2,24,33,536 |
| TOTAL | | 5,96,63,463 | 7,49,81,089 |
| Significant Accounting policies & Notes on Financial Statements | 1 & 20 | | |

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

For and on behalf of the Board of Directors

Directors

Directors

JAYESH DESAI
Proprietor
M. No.039907
Place : Mumbai
Date: 30th May,2017



CFO

Kratos Energy & Infrastructure Limited

Statement of Profit and Loss for the period ended 31st March, 2017

(Amount Rs.)

| Particulars | Note No | Year ended 31st March 2017 Rs. | Year ended 31st March 2016 Rs. |
|--|---------|-----------------------------------|-----------------------------------|
| Income | | | |
| Revenue from operations | 15 | 3,60,00,000 | 4,79,58,022 |
| Other Income | 16 | 29,94,999 | - |
| Total Revenue | | 3,89,94,999 | 4,79,58,022 |
| Expenses: | | | |
| Purchases & Management expenses | 17 | 3,26,29,096 | 4,37,26,391 |
| Employee benefit expense | 18 | 9,51,100 | 9,18,480 |
| Depreciation | 8 | 23,372 | 2,51,516 |
| Other expenses | 19 | 17,58,618 | 25,37,498 |
| Total Expenses | | 3,53,62,186 | 4,74,33,885 |
| Profit before tax | | 36,32,813 | 5,24,137 |
| Tax expenses: | | | |
| (1) Current tax | | 1085755 | 560000 |
| (2) Excess/short Tx provision w/off | | | - |
| (2) Deferred Tax Liability (Asset) | | 28380 | 419901 |
| Profit/(Loss) for the period | | 25,18,678 | (4,55,764) |
| Earning per equity share of face value Rs. 10 each | | | |
| (1) Basic & Diluted | | 2.52 | (0.46) |

Significant Accounting policies & Notes on Financial Statements 1 & 20

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

For and on behalf of the Board of Directors

Jayesh Desai

Directors

Directors

JAYESH DESAI
 Proprietor
 M. No.039907
 Place : Mumbai
 Date : 30th May,2017



Sandhyaat Kohari



CFO

Kratos Energy & Infrastructure Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

Amount (Rs.)

| A. CASH FLOW FROM OPERATING ACTIVITIES : | 31/03/2017 | 31/03/2016 |
|---|----------------------|--------------------|
| Net Profit before taxation | 3632813 | 5,24,137 |
| Adjustments for: | | |
| Depreciation | 23372 | 2,51,516 |
| Gain on sale of investment | (15,52,789) | |
| Loss on sale of assets | - | 12,14,123 |
| Operating Profit before changes in working capital changes | 21,03,396 | 19,89,776 |
| Adjustments for | | |
| Trade & other receivables | (28,000) | 12,291 |
| Trade & other payable | (1,80,42,787) | 1,02,14,777 |
| Other current assets | 12639619 | 25,27,760 |
| Payment of Income-tax (net) | 5360755 | (37,00,000) |
| Net cash generated from operating activities | (A) 20,32,983 | 1,10,44,604 |
| B.CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale(Purchase) of Investments | 7100000 | (1,25,00,000) |
| Addition to fixed assets | - | (32,000) |
| Proceeds from sale of assets | - | 33,50,000 |
| Net cash generated from investing activities | (B) 71,00,000 | (91,82,000) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Decrease in long term borrowings | (40,000) | (18,13,832) |
| Net cash generated from financing activities | (C) (40,000) | (18,13,832) |
| Net increase(decrease) in cash and cash equivalents (A+B+C) | 90,92,983 | 48,772 |
| Opening Cash & cash equivalents | 12,31,553 | 11,82,781 |
| Closing Cash & cash equivalents | 1,03,24,536 | 12,31,553 |

As per our report of even date

For J C DESAI & COMPANY

FRN 102311W

Chartered Accountants

Jayesh Desai

JAYESH DESAI

Proprietor

M. No.039907

Place : Mumbai

Date: 30th May,2017



For and on behalf of the Board of Directors

Sandhya T. Kher

Director



S. Pawar

Director

H. W. ...

CFO

KRATOS ENERGY & INFRASTRUCTURE LIMITED

Note -1 Notes forming parts of Accounts for the year ended 31st March, 2017

Note 1:- Significant Accounting Policies & Notes on Accounts

I. Significant Accounting Policies

a) **Basis of Accounting**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis, (Except provision for retirement benefits of the Employee, Leave Salary & Bonus which are recorded on Cash Basis). GAAP comprises Standard Accounting (AS) issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

b) **Revenue Recognition**

All income and expenditure have a material bearing on the financial statements are recognised on accrual basis except interest on Government Securities and Dividend which have been accounted on receipt basis.

c) **Fixed Assets**

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes taxes, duties, freight and other incidental expenses but net of Cenvat availed related to acquisition and installation of the respective fixed assets. Advances paid towards the acquisition of fixed assets outstanding as on Balance Sheet date is disclosed under long term loans and advances.

d) **Impairment of Fixed Assets:**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Asssets" issued by the ICAI. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference

e) **Depreciation**

Depreciation on Fixed Assets has been provided on 'Straight Line Method' as per the useful life and in the manner specified in Scheduled II of the Companies Act, 2013. Depreciation on Additions / deletions has been accounted on pro-rata basis.

f) **Valuation of Inventories**

Inventories are valued at lower of cost or realisable value including necessary provision for obsolescence. As informed by management there is no stock in hand in existence at the year end.



A handwritten signature in black ink, consisting of a stylized 'Z' or similar shape.

KRATOS ENERGY & INFRASTRUCTURE LIMITED

Note -1 Notes forming parts of Accounts for the year ended 31st March, 2017

g) **Investment**

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

h) **Provisions and Contingent Liabilities**

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

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

Current Taxes

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

Deferred Taxes

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



Kratos Energy & Infrastructure Limited
Notes to the financial statements for the year ended 31 March 2017

(Amount in Rs.)

Note 2 Share Capital

a. Details of Authorised, Issued & subscribed share capital

| Share Capital | As at 31 March 2017 | | As at 31 March 2016 | |
|--|---------------------|-------------|---------------------|-------------|
| | Number | Rs. | Number | Rs. |
| Authorised Equity Shares of Rs.10 each | 50,00,000 | 5,00,00,000 | 50,00,000 | 5,00,00,000 |
| Issued, Subscribed & Paid up Equity Shares of Rs.10 each fully paid up | 10,00,000 | 1,00,00,000 | 10,00,000 | 1,00,00,000 |
| Total | 10,00,000 | 1,00,00,000 | 10,00,000 | 1,00,00,000 |

b. Terms and conditions

Equity shares

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

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of Shareholders having more than 5% shareholding

Equity Shares

| Name of Shareholder | As at 31 March 2017 | | As at 31 March 2016 | |
|-------------------------|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Eldorado Guarantee Ltd. | 4,90,051 | 49.01% | 4,90,051 | 49.01% |

d. Reconciliation of number of shares

Equity Shares

| Particulars | As at 31 March 2017 | | As at 31 March 2016 | |
|---|---------------------|-------------|---------------------|-------------|
| | Number | Rs. | Number | Rs. |
| Shares outstanding at the beginning of the year | 10,00,000 | 1,00,00,000 | 10,00,000 | 1,00,00,000 |
| Shares Issued during the period | - | - | - | - |
| Shares bought back during the period | - | - | - | - |
| Shares outstanding at the end of the year | 10,00,000 | 1,00,00,000 | 10,00,000 | 1,00,00,000 |

Note 3 Reserves & Surplus

| Reserves & Surplus | As at 31 March 2017 | As at 31 March 2016 |
|--|---------------------|---------------------|
| | Rs. | Rs. |
| a. Surplus/ (deficit) in the statement of profit and loss | | |
| Opening balance | (11,52,881) | (6,97,117) |
| (+) Net Profit/(Net Loss) For the current year | 25,18,678 | (4,55,764) |
| (+) Excess provision of Income tax Written back | 18,828 | - |
| Closing Balance | 13,84,625 | (11,52,880) |
| b. General Reserve | | |
| Opening balance | 2,10,85,973 | 2,10,85,973 |
| Addition / transfers during the year | - | - |
| Closing Balance | 2,10,85,973 | 2,10,85,973 |
| Gross Total ... | 2,24,70,598 | 1,99,33,093 |



Kratos Energy & Infrastructure Limited
Notes to the financial statements for the year ended 31 March 2017

| Particulars | As at 31 March 2017 Rs. | As at 31 March 2016 Rs. |
|---|-------------------------------|-------------------------------|
| Note 4. Long Term Borrowings | | |
| <u>Secured</u> | | |
| <u>Unsecured</u> | | |
| (i) Intercorporate Loans | 25,95,000 | 26,35,000 |
| Total | 25,95,000 | 26,35,000 |
| Other information regarding unsecured loans : | | |
| 1. Intercorporate loans amounting to Rs.20,85,000/- (PY Rs11,35,000) is unsecured and interest free and either repayable on call basis or to be utilised towards future business transactions. | | |
| Note 5. Trade payables | | |
| Due to Micro and small enterprises | | |
| Other than Micro and small enterprises | 78,74,298 | 1,13,74,298 |
| Creditors for Expenses | 12,58,682 | 16,77,000 |
| Advance recd. from Customers | 1,36,18,004 | 2,69,34,684 |
| Total | 2,27,50,984 | 3,99,85,982 |
| The name of the Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" could not be identified, as the necessary evidence is not in the possession of the Company. | | |
| Note 6. Other current liabilities | | |
| <u>(i) Duties & Taxes payable</u> | | |
| TDS out of Professional fees | 5,45,680 | 7,53,469 |
| (ii) Advances received | 2,00,000 | 8,00,000 |
| Total | 7,45,680 | 15,53,469 |
| Note 7. Short Term Provisions | | |
| Provision for taxation | 11,01,201 | 8,73,545 |
| Total | 11,01,201 | 8,73,545 |
| Note 9. Investments | | |
| <u>Long-Term-Unquoted:</u> | | |
| (i) Mutual Fund - HDFC Floating Rate Income Fund | 200000 | 200000 |
| (ii) 384705 (Previous year 384705) Equity Shares of Ring Plus Aqua Ltd of Rs. 10/- | 20,51,760 | 20,51,760 |
| (iii) Mutual Fund - Templeton India Ultra Short Bond Fund | 89,52,789 | 1,45,00,000 |
| (iv) 19,89,989/- (Previous year 19,89,989) Equity shares of El Dorado Guarantee Ltd. of Rs. 10/- each - fully paid up | | |
| Total | 1,12,04,549 | 1,67,51,760 |
| Note 10. Deferred Tax Assets | | |
| Excess of Depreciation on net block of assets as per income tax over net block as per books | 204799 | 2,33,179 |
| Total | 2,04,799 | 2,33,179 |
| Note 11. Long Term Loans & Advances | | |
| Deposits | 2,64,54,136 | 2,64,26,136 |
| Advance tax & TDS Paid | 27,57,761 | 89,57,788 |
| Total | 2,92,11,897 | 3,53,83,924 |
| Note 12. Trade Receivables | | |
| (Unsecured and considered good) | | |
| Over six months | | |
| Others | | |
| Total | | |
| Note 13. Cash and Bank Balances | | |
| Cash and cash equivalents | | |
| Balances with banks | | |



2

KRAIDS ENERGY & INFRASTRUCTURE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

8. FIXED ASSETS

| Sl. No. | Particulars | Life | GROSS BLOCK | | | DEPRECIATION AND AMORTIZATION | | | NET BLOCK | | | |
|---------------------------|-----------------------------|------|--------------------|---------------------------|----------------------------|-------------------------------|------------------|-----------------|----------------------------|------------------|----------------------|----------------------|
| | | | As on 01.04.2016 | Additions during the year | Deductions during the year | As on 31.03.2016 | Up to 31.03.2017 | For the Year | Deductions during the year | Up to 31.03.2017 | WDV as on 31.03.2017 | WDV as on 31.03.2016 |
| I. Tangible Assets | | | | | | | | | | | | |
| 1) | Computers | 3 | 32,24,282 | - | - | 32,24,282 | 31,85,503 | 17,968 | - | 32,03,471 | 20,811 | 38,779 |
| 2) | Office Equipment | 5 | 11,73,246 | - | - | 11,73,246 | 10,97,275 | 2,364 | - | 10,99,639 | 73,607 | 75,971 |
| 3) | Furniture and Fixture | 10 | 6,72,702 | - | - | 6,72,702 | 6,39,067 | - | - | 6,39,067 | 33,635 | 33,635 |
| 4) | Air conditioner | 10 | 32,000 | - | - | 32,000 | 3,040 | 3,040 | - | 6,080 | 26,820 | 28,960 |
| 5) | Mobile Handset | | 26,899 | - | - | 26,899 | 25,554 | - | - | 25,554 | 1,345 | 1,345 |
| | Total (Current Year) | | 51,29,129 | - | - | 51,29,129 | 49,50,439 | 23,372 | - | 49,73,811 | 1,55,318 | 1,76,690 |
| | (Previous Year) | | 1,08,47,474 | 32,000 | 57,50,345 | 51,29,129 | 55,85,145 | 2,51,516 | 11,86,222 | 49,50,439 | 1,78,830 | 49,62,329 |



21

| | | |
|--|--------------------|------------------|
| - in current accounts | 25,83,767 | 11,99,997 |
| In deposit accounts maturity more than twelve months | 77,00,000 | - |
| Cash on hand | 40,770 | 31,556 |
| Total | 1,03,24,536 | 12,31,553 |

| | | |
|--|------------------|--------------------|
| Note 14. Other current assets | | |
| Interest accrued on fixed deposits | 326612 | |
| Input Service Tax cfd. | 279341 | 10,60,572 |
| Staff Loans | 37,900 | 37,900 |
| Advances to Others | 2715000 | 1500000 |
| <u>Short Term Loans/Advances recoverable in cash or kind</u> <u>(Unsecured and considered good)</u> | | |
| Intercorporate Loans/Advances | 52,03,511 | 1,86,03,511 |
| Total | 85,62,364 | 2,12,01,983 |

Other Information regarding Intercorporate Advances

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

| | For the period ended on 31st March 2017 Rs. | For the period ended on 31st March 2016 Rs. |
|---|--|--|
| Note 15. Revenue from operations | | |
| Sales of Machineries & Other materials | | 1,09,58,022 |
| Consultancy Chgs. | 3,60,00,000 | 3,70,00,000 |
| Total | 3,60,00,000 | 4,79,58,022 |
| Note 16. Other Income | | |
| Interest | 1187160 | - |
| Gain on Sale of Investment | 1552789 | - |
| Misc Receipt | 105000 | - |
| Balances written back | 150050 | - |
| Total | 29,94,999 | - |
| Note 17. Purchases & Management Expenses | | |
| Purchases of Machineries & Materials | | 9715033 |
| Labour charges paid | | 500000 |
| Professional fees pd. | 32629096 | 33511358 |
| Total | 3,26,29,096 | 4,37,26,391 |
| Note 18. Employees Cost | | |
| Salaries and Allowances | 951100 | 918480 |
| Total | 9,51,100 | 9,18,480 |
| Note 19. Other Administrative Expenses | | |
| Advertisement Exp. | 42305 | 26285 |
| Auditors Remuneration -Audit fees | 30000 | 30000 |
| Bank Charges | 460 | 246 |
| Business Promotion Exp. | 150314 | - |
| Cable & Internet Exp. | 31578 | 53798 |
| Car repairs | 14450 | 98386 |
| Conveyance Exp. | 83571 | 105000 |
| Electricity expenses | 81220 | 102670 |
| Interest on Vehicle Loan | - | 10503 |
| Listing fees | 200000 | 224720 |
| Motor Car Insurance | - | 86245 |
| Printing & Stationery & Courier chgs. | 54849 | 39918 |
| Repairs & Maintenance chgs. | 57544 | 20233 |
| Soc'y Maint.chgs. | 123780 | 97415 |
| Telephone Chgs. | 54409.02 | 15093 |
| Travelling Expenses | 185281 | 270406 |
| Rent | 154000 | 0 |
| Loss on sale of assets | - | 1214123 |
| Other Administrative Expenses | 494856 | 142477.24 |
| Total | 17,58,618 | 25,37,498 |



(Handwritten signature)

KRATOS ENERGY & INFRASTRUCTURE LIMITED

Note -1 Notes forming parts of Accounts for the year ended 31st March, 2017

Note :19 Notes On Accounts

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

Provision for taxation for the year has been made in accordance with the Provision of the Income Tax Act, 1961.
- 9) No Provision for retirement benefits as required by the Accounting Standard (AS-15) (Revised) is made.



KRATOS ENERGY & INFRASTRUCTURE LIMITED

Note -1 Notes forming parts of Accounts for the year ended 31st March, 2017

10) Earnings Per Share (EPS):

| Particulars | | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|-------------|---|--------------------------|--------------------------|
| A | Weighted average number of equity shares of Rs. 10/- each | | |
| i. | Number of shares at the beginning of the year | 10,00,000 | 10,00,000 |
| ii. | Number of shares at the end of the year | 10,00,000 | 10,00,000 |
| iii. | Weighted average number of Equity Shares outstanding during the year | 10,00,000 | 10,00,000 |
| B | Net Profit / (Loss) after tax available for equity shareholders (Rs.) | 25,18,678 | (455764) |
| C | Basic and diluted income / (Loss) per share (in rupees) | 2.52 | (0.46) |

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

11) Cash Flow Statement

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

12) Primary Segment Reporting:

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

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



