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MROTEK®
Integrating Next Generation Networks

MRO: FS: 17-18:433

05th October, 2017

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400 051

Fax No. 022-2659 8237/38

The Manager
Listing Department
BSE Limited
PJ Towers, Dalal Street, Fort
Mumbai – 400 001

Fax No. 022- 2272 3121

Dear Sir/Madam,

Sub: Copy of approved and adopted Annual Report for the year 2016-17

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the adopted copy of Annual Report of 33rd Annual General Meeting of the Company held on September 28, 2017 at 12:00 P M at Krishna Hall, Woodlands Hotel, # 5, Rajaram Mohan Roy Road , Bangalore -560 025 as per the Companies Act, 2013.

Please take the documents on record and kindly treat this as compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you
Yours faithfully

For MRO-TEK Realty Limited

Barun Pandey

Company Secretary and Compliance Officer

(Encl.: as above)

| | |
|--------------------|-----------------------|
| Scrip Code: | |
| NSE | : MRO-TEK |
| BSE | : 532376 |
| Demat ISIN | : INE398B01018 |

MRO-TEK REALTY LIMITED

(FORMERLY KNOWN AS MRO-TEK LIMITED)

Registered & Corporate Office

No.6, New BEL Road,

Chikkamahanahalli,

Bangalore - 560 054

Ph : +91 80 42499000

Email : info@mro-tek.com

CIN No. L28112KA1984PLC005873

Factory Address :

Factory : No. 29B,

Electronics City,

Hosur Road,

Bangalore - 560 100,

Phone : +91 80 28520544, 28520717,

+91 80 42499300

www.mro-tek.com

Integrating Next Generation Networks



BOARD OF DIRECTORS

| | |
|-----------------------------|--|
| Aniruddha Bhanuprasad Mehta | Chairman & Managing Director |
| Gauri Aniruddha Mehta | Director |
| S Radhakrishnan | Director |
| M V Sampath Kumar | Director |
| Sudhir Kumar Hasija | Director |
| Srivatsa | Chief Financial Officer |
| Barun Pandey | Company Secretary & Compliance Officer |

Registered Office

6, New BEL Road,
Chikkamaranahalli,
Bangalore - 560 054
Ph : (91) (80) 4249 9000

Manufacturing Unit

29-B, Electronic City
Hosur Road, Bangalore - 560 100
Ph : (91) (80) 2852 0544

Marketing Office

Flat No. A3, Building No.65,
Gandhi nagar, Bandra (E)
Mumbai - 400 051
Ph : (91) (22) 2640 7311

Flat No. 210, Gadore House
51-52, Nehru Place,
New Delhi - 110 019

Bankers

State Bank of India

Statutory Auditors

M/s. K.S. Aiyar & Co.,
Chartered Accountants,
No. 10, 1st Floor, 18th Cross,
Near 6th Main, Malleshwaram,
Bengaluru - 560 055

Secretarial Auditors

Vijayakrishna KT
Company Secretary
496/4, II Floor,
10th Cross, Near Bashyam Circle,
Sadashivanagar,
Bangalore-560 080

Internal Auditors

Messrs Ishwar and Gopal
Chartered Accountants,
21/3, Sri Vinayaka Building,
TSP Road, Kalasipalyam,
Bangalore - 560002

Registrars & Share transfer Agents

Karvy Selenium Tower B,
Plot number 31 & 32
Financial District
Gachibowli Hyderabad 500 032
Ph no: 040-67162222
Fax : 040-23001153
e-mail : einward.ris@karvy.com

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NOTICE

To
The Members
MRO-TEK REALTY LIMITED

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Company will be held at 12:00 Noon on Thursday, the 28th day of September, 2017, at Woodlands Hotel, # 5, Rajaram Mohan Roy Road, Bangalore -560 025 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements as at 31st March, 2017 along with the Board's Report including Auditors' Report thereon.
2. To appoint Mrs. Gauri Aniruddha Mehta (DIN-00720443), Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To Appoint Statutory auditors and to fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding Rules and based on the recommendation of the Audit Committee and of the Board of Directors, Messrs K. S. Aiyar and Co. Bangalore, (Firm Registration No. 100186W), who have offered themselves for appointment and have confirmed their eligibility under the relevant provisions of Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, be and are hereby appointed as Statutory Auditors of the Company, to hold office for a period of four(4) years from the conclusion of the 33rd Annual General Meeting up to the conclusion of fourth Annual General Meeting to be held after the 33rd Annual General Meeting, subject to ratification at every Annual General Meeting at a remuneration as may be decided by the Board of Directors of the Company every year."

ORDINARY BUSINESS

4. Fees for delivery of any document through a particular mode of delivery to a Member.

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

"RESOLVED THAT pursuant to Section 20 of the Companies Act, 2013 and the Rules made there under (hereinafter referred to as 'the Act'), consent of the

Company be and is hereby accorded to the Board of Directors of the Company to serve document(s) on Member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their address, or by such electronic or other mode prescribed under the Act and desired by Member(s), from time to time.

RESOLVED FURTHER THAT upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in a particular mode.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Barun Pandey

Company Secretary and
Compliance Officer
ACS : 39508

Place: Bangalore
Date: 03.08.2017

Notes:

1. A Member entitled to attend and vote at the Meeting, is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company. The instrument of proxy in order to be effective must be deposited/ lodged at the Registered / Corporate Office of the Company duly completed and signed not later than 48 hours before the time fixed for holding the Meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/ authority, as applicable.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
3. The Register of Members and Share transfer books of the Company will remain closed from 21st September, 2017 to 28th September, 2017 (both days inclusive) for the purpose of Annual General Meeting.

4. The amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund (IEPF). Shareholders may please note that all unclaimed dividends declared upto Financial Year 2009 had been transferred to IEPF on 30th July, 2017 and no claims shall lie against the Company or the said Fund in respect of the said amount.

Further please note that as per Section 124(6) of the companies Act, 2013 all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more will be transferred by the Company to IEPF (Suspense Account). The Shareholders may claim above mentioned shares in accordance with such procedure and on submission of such documents as may be prescribed.

5. Members are requested to address all their communications:

- relating to dividend or any other grievance/s, directly to the Shares Department to the Company's Registered Office or send e-mail to the dedicated e-mail id - grd@mro-tek.com;
- relating to change of Bank account details, address etc, directly to their respective Depository Participant (DP), with whom Demat Account is held.

6. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited ('Karvy').

7. The instructions for e-Voting are as under:

Voting through electronic voting system (Remote E-Voting):

Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 21st September, 2017 (Thursday) i.e. the date prior to the commencement of Book closure date are entitled to vote on the Resolution set forth in this

Notice. The remote e-voting period will commence at 9 A.M. on 25th September, 2017 (Monday) to 5.00 P.M. on 27th September, 2017 (Wednesday). It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility, and a Member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for the Annual General Meeting. The Members desiring to vote through remote e-voting mode may refer to the detailed procedure on e-voting given hereinafter.

INSTRUCTION FOR REMOTE E-VOTING:

To use the following URL for remote e-voting:

From Karvy website : <https://evoting.karvy.com>

- (a) Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.
- (b) Enter the login credentials [i.e., user id and password mentioned in the Notice of the AGM]. The Event No+ Folio No/DP ID-Client ID will be your user ID.
- (c) After entering the details appropriately, click on LOGIN.
- (d) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@,#,\$). The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the EVENT i.e., 'MRO-TEK REALTY LIMITED' and click on SUBMIT.
- (g) Now you are ready for e-voting as "Cast Vote" page opens. On the voting page, the number of shares as held by the Shareholder as on 21st September, 2017 (record date) will appear. If you

desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click FOR / AGAINST as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option ABSTAIN in case you wish to abstain from voting.

- (h) Shareholders holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
- (i) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- (j) Once the vote on the resolution is cast by the Shareholder, he shall not be allowed to change it subsequently.
- (k) The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of the AGM. Accordingly, the Portal will be open for voting from 9 A.M. on September 25, 2017 (Monday) to 5.00 P.M. on September 27, 2017 (Wednesday). The e-voting module shall be disabled by Karvy at 5.00 p.m on the same day. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2017 (record date.), may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. P. Srikrishna of Karvy Computershare Private Ltd at 040-67162222 8 OR at Tel No. 1800 345 4001 (toll free).
- (m) The Company has appointed Mr. Vijayakrishna K T, Practising Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner: provided that the Scrutinizer so appointed may take assistance of a person who is not in

employment of the Company and who is well-versed with the electronic voting system.

- (n) The voting rights of the Shareholders shall be in proportion to their shares of the Paid-up Equity Share Capital of the Company as on the cut-off date of 21st September, 2017(Thursday).
- (o) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 21st September, 2017(Thursday) are entitled to vote on the Resolutions set forth in this Notice.
- (p) Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Annual Report and holding shares as of the cut-off date i.e. 21st September, 2017 (Thursday). May obtain the login ID and password by sending an email to evoting@karvy.com by mentioning their Folio No./DP ID and Client ID No. Else, if your Mobile number is registered against Folio No./DP ID-Client ID, the Member may send SMS:MYEPWD <space> Event Number + Folio or DP ID Client ID to +91 9212993399.

Example for NSDL :MYEPWD <SPACE>
IN12345612345678

Example for CDSL :MYEPWD <SPACE>
1402345612345678

Example for PHYSICAL :MYEPWD <SPACE>
XXX1234567

However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If e-mail or mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate as password.

- (q) A Member may participate in the Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting.
- (r) Voting at AGM: The Members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM. The Company will make arrangements of Ballot Papers in this regards at the AGM Venue.
- (s) The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast at the Meeting, thereafter unblock

the votes cast through remote e-voting in the presence of at least two(2) witnesses not in the employment of the Company and make, not later than two(2) days of conclusion of the Meeting a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

- (t) The results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.mro-tek.com and on <https://evoting.karvy.com> immediately after the result is declared by the Chairman. The Company shall simultaneously forward the results to the Stock Exchanges where the shares are listed.
- (u) In case of joint shareholders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (v) Institutional Members (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., to the Scrutinizer through e-mail at vijaykt@vjkt.in, with a copy marked to evoting@karvy.com. File naming convention should be 'Corporate Name EVENT NO.' The documents should reach the Scrutinizer on or before the close of working hours on 21st September, 2017 (Thursday).
- (w) 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) in the permitted mode:
 - (i) Initial password as below is given in the attendance slip for the AGM:

| EVEN (E-Voting Event Number) | USER ID | PASSWORD |
|------------------------------|---------|-----------|
| XXXXXXX | XXXXXXX | XXXXXXXXX |

- (ii) Please follow all steps from Sl. No. (2)(c) to (2)(j) above to cast your vote

By Order of the Board of Directors

Barun Pandey

Place: Bangalore
Date: 03.08.2017

Company Secretary and
Compliance Officer
ACS : 39508

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 4:

Pursuant to the provisions of Section 20 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, a document may be served on a Member of the Company by sending the same to him by post or by registered post or by speed post or by courier or by delivering it at his office or address, or by such electronic or other mode as may be prescribed. However, proviso to sub-section (2) of Section 20 of the Act states that a Member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the company at its Annual General Meeting.

Further, Listed Companies are required to send financial statements:

- (a) by electronic mode to such Members whose shareholding is in Demat form and whose E-mail IDs are registered with Depository for communication purposes;
- (b) where shareholding is held otherwise than by Demat form, to such Members who have positively consented in writing for receiving by electronic mode; and
- (c) by despatch of physical copies through any recognised mode of delivery as specified under Section 20 of the Act, in all other cases.

Therefore, to enable the Members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly recommend the Ordinary Resolution at Item no. 4 of this Notice for approval of the Shareholders.

Except Mrs. Gauri A Mehta being appointee and Mr. Anniruddha B. Mehta

None of the Directors, Key Managerial Personnel or their relatives, is interested or concerned in this Resolution.

By Order of the Board of Directors

Barun Pandey

Place: Bangalore
Date: 03.08.2017

Company Secretary and
Compliance Officer
ACS : 39508

Additional information on Directors seeking Appointment/Re-appointment at the Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2:

| Particulars | Gauri Aniruddha Mehta (DIN : 00720443) |
|--|---|
| Date of Birth | 14.01.1964 |
| Effective date of Appointment | 08.08.2016 |
| Qualification(s) | Graduate in Arts |
| Expertise in specific functional areas | Business |
| Directorships held in other Public companies (including Foreign Companies) as on date | NIL |
| Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee) | NIL |
| Number of shares held in the Company | 4,86,064 (i.e. 2.60%) |

BOARD'S REPORT

To
THE MEMBERS OF
MRO-TEK REALTY LIMITED

Your Board of Directors has pleasure in presenting the 33rd Annual Report and the Audited financial results for the year ended 31st March, 2017 together with the Independent Auditors' Report and the Secretarial Audit Report.

1. FINANCIAL RESULTS:

| Particulars | 2016-17 (Rs. in Lakhs) | 2015-16 (Rs. in Lakhs) |
|--|---------------------------|---------------------------|
| Net Revenue from operations | 3,774.87 | 2,928.52 |
| Other Income | 58.38 | 24.70 |
| Operation Profit (Loss) before Interest and Depreciation | 1,050.84 | 9.29 |
| Operation Profit (Loss) before Interest | 911.85 | (109.61) |
| Interest and other Finance Costs | (210.43) | (149.02) |
| Operation Profit (Loss) before Taxation and Extraordinary/ Exceptional items | 701.42 | (258.63) |
| Exceptional Items and Extraordinary items | (68.89) | (1,288.97) |
| Profit /(Loss) before Tax | 632.53 | (1547.60) |
| Provision for Taxation (Deferred Tax Adjustments) | 220.55 | (0.88) |
| Profit / (Loss) after Taxation | 853.08 | (1548.48) |
| Loss from Discontinuing Operations | (23.08) | (1,320.90) |
| Profit/(Loss) for the period | 830.00 | (2,869.38) |

PERFORMANCE:

Your Company has earned profits after seven years. At the outset the Management would like to convey gratitude to the Shareholders for having trust and confidence in the Company and for being continuously supporting the Company.

Under the leadership of the new Management and Promoters, the Company made turnaround, achieving Rs. 830 Lakhs profit for the year 2016-17 as against a loss of Rs. (2869.38) Lakhs in the previous year.

The brief review of the financials by the Directors is as follows:

- The Company has earned Operating Profit of Rs. 1,050.84 Lakhs before exceptional items / extraordinary

items, discontinuing operations, finance cost and depreciation during the year 2016-17 as against Operational Profit of Rs. 9.29 Lakhs during the previous year.

- As a result of restructuring measures carried out in the previous year, the Company could reduce manpower cost commensurate to the requirements of business and significantly control outgo from Rs. 842 Lakhs (previous year 2015-16) to Rs. 198.13 Lakhs (Current year 2016-17). The required manpower resources are being met on need basis by hiring through external agencies.
- Chairman and Managing Director of the Company infused Rs. 5.4 Crores till March 31, 2017 as Working Capital for managing day to day operations. The Company has been repaying interest and principal on existing loans to banks within stipulated time promptly.
- The Company could realize Rs. 75 Lakhs from the discontinued operations and is in the process of liquidating the assets. The balance amount of Rs. 38 Lakhs is lying in the books, pending for realization from discontinuing business assets.
- During the year, the Company has incurred retrenchment related expenditure of Rs. 45 Lakhs as against Rs. 353.01 Lakhs during the previous year.
- The Company has incurred a loss of Rs. 23.08 Lakhs from discontinuing operations of Solar business segment during the year as against Rs. 1320.90 Lakhs during the corresponding previous year.
- The Company has shifted the Registered and Corporate Offices to rented premises and incurred Rs. 23.88 Lakhs as relocation expenses apart from capital expenditure of Rs. 17.92 Lakhs during the year.
- The Board of Directors of RAD-MRO Manufacturing Private Limited, a Joint Venture Company, proposed to initiate the liquidation proceedings.
- The total sales turnover of the Company increased to Rs. 3833.25 Lakhs from Rs. 2953.22 Lakhs as compared to previous year. Details on segmental revenue and performance are furnished in Para II (g) of Note 26 on 'Additional Notes' to Accounts.
- The net worth of the Company has improved to Rs. 618.01 Lakhs as at March 31, 2017 as against Rs. (212) Lakhs as at March 31, 2016.
- The Bruhat Bengaluru Mahanagara Palike (BBMP) has issued plan approval for the construction of building at Bellary Road, Hebbal.

2. SHARE CAPITAL:

The Company has an Authorised share capital of Rs. 15,00,00,000/- (Rs. Fifteen Crores Only) divided into 3,00,00,000 (Three crores) Equity Share of Rs. 5/- (Rs. Five only) each. During the year there were no changes in the Company's Paid-up Equity Capital and as on 31st March, 2017 it is Rs. 9, 34, 23,010/- (Rs. Nine Crores Thirty Four Lakhs Twenty Three Thousand and Ten only) divided into 1, 86, 84,602 Equity Shares of Rs. 5/- (Rs. Five only) each.

During the year under review the Company has not issued shares with/without differential voting rights nor granted Stock Options nor Sweat Equity Shares.

3. CHANGE IN NATURE OF BUSINESS:

There were no changes in the nature of business during the year under review as prescribed in Rule 8(ii) of the Companies (Accounts) Rules, 2014.

4. MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

The Members of RAD-MRO Manufacturing Private Limited, a Joint Venture Company, have given their approval for voluntary liquidation of that the Company as on 31st July, 2017.

Other than above, there are no material changes and commitments between the end of the Financial Year and the Date of the Report, which affect the financial position of the Company.

5. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no significant events subsequent to the date of financial statements apart from the matters mention about point.

6. DIVIDEND:

Your Company has registered profit for the current year after a gap of seven years. Whilst your Directors understand the sentiments of the investors, due to the losses incurred during the past years, the Company's recovery remains work in progress and much more needs to be done and as such this constrains the Board from recommending the dividend.

The Directors will strive hard to bring the Company back to dividend track as soon as possible and the improving performance of the Company is expected to continue to facilitate consideration of dividend in the years to come.

7. BOARD MEETINGS:

During the year, five (5) meetings of the Board of Directors were held on the following dates: 05.05.2016, 28.05.2016, 08.08.2016, 09.11.2016, and 03.02.2017 and related details including that of the various Committees constituted by the Board, are made available in the Report of Directors on Corporate Governance forming part of the Annual report placed before the Members.

Committees of the Board:

Currently, the Board has three Committees viz. the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee. A detailed note on the composition of the Board and its Committees and other related particulars are provided in the Report on Corporate Governance forming part of this Annual Report.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Consequent upon the Open Offer and change in Management, the compositions of Committees were reconstituted on 8th August, 2016 and the information on the same are as below:

Re-constitution of the Board of Directors:

Past Directors:

Mr. S. Narayanan, Chairman and Managing Director and Mr. H. Nandi, Managing Director, Mr. N. Sivaram, Mr. N.K. Rajasekharan and Mr. K. Rajamani as Independent Directors.

New Directors:

Mr. Aniruddha Bhanuprasad Mehta as Chairman and Managing Director, Mrs. Gauri A Mehta as Non Independent Director, Mr. S.Radhakrishnan, Mr. Sudhir Kumar Hasija, and Mr. M V Sampat Kumar as Independent Directors.

Brief profile of each new Director:

1. Mr. Aniruddha Bhanuprasad Mehta – Chairman & Managing Director : (Age:55 years)

Mr. Aniruddha Bhanuprasad Mehta, entrepreneur and a visionary leader from a family with generations of tradition in successful businesses, has been the iconic figure behind the success of the Umiya Group. He possesses a wide range of expertise and special skills, which is instrumental in creating a company, committed to develop quality projects with passion, diligence and a burning desire to achieve excellence comparable to global standards.

He is a graduate from Mumbai University, Mr. Aniruddha Bhanuprasad Mehta possesses keen business acumen that was honed while working with his uncle, who also ran a Public Limited Company and his grandfather in import/export services business. An opportunity that presented itself while on a business trip established him in Bangalore.

A small up market residential project saw the birth of Umiya in the year 2000 and the Group has gone from strength to strength since then. A few more residential projects gave Mr. Mehta the confidence to expand his horizon beyond Bangalore and the first step to his dream was fulfilled by setting up his business in Goa in the year 2007.

2. Mrs. Gauri Aniruddha Mehta - Non Executive Non Independent Director : (Age: 52 years)

Mrs. Gauri Aniruddha Mehta, born in to a business family, graduated in Arts and a landscape architect by passion, having vast experience in designing.

3. Mr. Radhakrishnan Seetharaman – Independent Director : (Age:51 years)

Controller (Sales, Plant) Head of Shared Services; CIO at Nestlé India; Chartered Accountant (FCA); Company Secretary (ACS); Mr. Radhakrishnan Seetharaman is a dynamic professional having vast experience in the field of Finance and Accounts; He had worked in different positions in top Management during his entire career and contributed in improving efficiency, cost and performance.

4. Mr. Sudhir Kumar Hasija – Independent Director: (Age: 60 years)

Mr. Sudhir Kumar Hasija, a first generation entrepreneur and pioneer in the field of electronics and telecommunication. He is the founder of the well-known mobile brand " KARBONN", which is a Make In India success story – locally designed, manufactured and sold communications devices.

5. Mr. M V Sampath Kumar – Independent Director: (Age:72 years)

Mr. M.V. Sampath Kumar is Bachelor of Engineering, Mech., Bangalore University and Post Graduate Diploma from IIM-Kolkata, has been a successful manager with a proven track record and is now holding a senior position in a large organization.

He held Management consultant positions in Indonesia - commonwealth – UK, President / Director in various companies in India, Africa, Indonesia, with offices in Europe, USA, Canada, and South East Asia.

Your Management has recruited Mr. Barun Pandey, a qualified Company Secretary and appointed him as Company Secretary and Compliance officer with effect from August 8, 2016.

The newly constituted Board thanks Mr. S Narayanan and Mr. H Nandi, who have promoted your Company and who have been responsible for nourishing the Company for almost 30 years.

Your Board places on record its appreciation for the contribution and support extended by the outgoing Directors.

9. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director of the Company under Section 149(6) & 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of Independence laid down in Section 149(6) (**Annexure I**).

10. COMPOSITION OF THE COMMITTEE, THE NOMINATION AND REMUNERATION COMMITTEE & THE STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Following are the compositions of various Committees:

Up to 8.8.2016

Post 8.8.2016

i) Audit Committee:

- | | | |
|--------------------------|-------------------------|------------|
| a) Mr. K. Rajamani | Mr. S. Radhakrishnan | - Chairman |
| b) Mr. N. Sivaram | Mr. Sudhir Kumar Hasija | - Member |
| c) Mr. N K. Rajasekharan | Mr. M V Sampath Kumar | - Member |
| d) -- | Mrs. Gauri A Mehta | - Member |

ii) Nomination and Remuneration Committee

- | | | |
|--------------------------|-------------------------|------------|
| a) Mr. K Rajamani | Mr. Sudhir kumar Hasija | - Chairman |
| b) Mr. N. Sivaram | Mr. S. Radhakrishnan | - Member |
| c) Mr. N K. Rajasekharan | Mr. M V Sampath Kumar | - Member |
| d) - | Mrs. Gauri A Mehta | - Member |

iii) Stakeholders' Relationship Committee:

- | | | |
|--------------------------|-------------------------|------------|
| a) Mr. K Rajamani | Mr. Sudhir Kumar Hasija | - Chairman |
| b) Mr. N. Sivaram | Mr. S. Radhakrishnan | - Member |
| c) Mr. N K. Rajasekharan | Mr. M V Sampath Kumar | - Member |
| d) - | Mrs. Gauri A Mehta | - Member |

11. VIGIL MECHANISM:

Your Company has established Whistleblower Policy for Vigil Mechanism (for Directors and Employees to report genuine concerns) pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and as per Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is available on the website of the Company at <http://mro-tek.com/pdf/Whistle%20Blower%20Policy.pdf>

12. DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) 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 and loss of the company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. EXTRACT OF ANNUAL RETURN:

As required under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 attached as a part of this Annual Report (**Annexure II**).

14. AUDITORS:

The Auditors, Messrs K. S. Aiyar and Co, Chartered Accountants (registered with ICAI, Firm Registration Number is 100186W), retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. In terms of the requirement of the Companies Act, 2013, it is proposed to appoint the Auditors for the next 4 years subject to ratification at every Annual General Meeting of the Company.

The Company has received a certificate under Section 141 of the Companies Act, 2013 from the said firm that their appointment would be within the limits specified therein.

Your Directors recommend the appointment of Messrs K. S. Aiyar and Co., Chartered Accountants as the Statutory Auditors for a term of 4 years. The Resolution seeking approval of the Members for appointment of Statutory Auditors and fixation of their remuneration and authorization to the Board of Directors are included in the notice convening the ensuing Annual General Meeting.

15. SECRETARIAL AUDIT:

The Secretarial Audit for the Financial year 2016-17 was conducted as required under Section 204 of the Companies Act, 2013 by Mr. Vijayakrishna K T, Company Secretary in terms of Section 204(3) of the Act. The Secretarial Audit report is enclosed to the Report of the Board of Directors in terms of Section 134(3) (f) read with Section 204 (1) of the Act is annexed to this Report (**Annexure III**). Your Management has given their write response upon some of the Observation made by Secretarial Auditor.

16. DISCLOSURE ABOUT COST AUDIT:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, dated December 31, 2014 issued by the Ministry of Corporate Affairs (MCA), the cost audit records maintained by such companies, as may be prescribed, in respect of the products covered as per the above dated notification issued by the MCA is required to be audited by a Cost Accountant.

However, the Company not being a prescribed company as per the rules, the Cost Audit is not applicable for the year under Report.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(a) Conservation of Energy:

Your Company is duly certified under ISO 14001:2004 (Environment Management System). Every possible effort is being made / introduced to conserve and avoid wastage of energy.

Adequate facilities have been installed for rain water harvesting, recycling of used water, solar-powered energy and maximum usage of natural lighting and ventilation, and thus implementing Go Green Policy in its total spirit.

(b) Technology Absorption:

Efforts also continue to maximize utilization of the technological skills, in finding state-of-the-art solutions, to provide more effective and revolutionary solutions, for all segments of Networking Products Industry.

During the year no amount was incurred towards Capital Expenditure in this division. On revenue account, an amount of Rs. 0.30 Crores (Prev. year- Rs. 1.24 Crores) was expended and absorbed in these accounts, in accordance with the applicable Accounting Standards.

The in-house technical and commercial teams consistently engage themselves in their endeavor to indigenize technology and components, as well as implementation of value-engineering and cost-saving methods.

(c) Foreign Exchange Earnings and Outgo:

Full details of foreign exchange earnings and expenditure are furnished under Para (e) of Note 26 II on 'Notes on accounts and other explanatory information.

18. DEPOSITS:

Your Company has not invited/accepted/renewed any deposits from the public as defined under the provisions of the Companies Act, 2013 and accordingly, there were no deposits which were due for repayment on or before 31st March, 2017.

19. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

The Company continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as

compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's Management at all levels of the organization.

The Audit Committee, which meets at least four times a year, actively reviews internal control related to financial reporting and financial disclosures, statutory compliances with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not made any Loan, Guarantees or Investments of any nature during the year under review.

21. RISK MANAGEMENT POLICY:

The Company has formulated a Risk Management Policy and has in place a mechanism to inform the Board about risk assessment and minimization procedures and periodical review to ensure that executive Management controls risk by means of a properly designed framework. The policy details available at this link http://www.mro-tek.com/pdf/MRO-TEK-Risk_Management_Policy.pdf

22. RISK AND AREA OF CONCERN:

The Company laid down a well defined Risk Management mechanism covering the risk mapping and trending analysis, risk exposure, potential impact and risk mitigating process. A detail exercise is being carried out to identify, evaluate, manage and monitor and non business risk. The Audit Committee, Risk Management Committee, and the Board periodically review the risks and suggest steps to be taken to manage/mitigate the same.

During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may threaten the existence of the Company.

23. NOMINATION AND REMUNERATION COMMITTEE POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and for other employees and their remuneration. The same has been disclosed in the website at http://www.mro-tek.com/pdf/Nomination_and_Remuneration_Policy.pdf /

24. CORPORATE SOCIAL RESPONSIBILITY:

The Company has continuously been incurring losses

from past three financial years. Hence, the Company was not required to incur any CSR Expenditures during the year.

25. RELATED PARTY TRANSACTIONS:

All Related Party Transactions which were entered into, during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interests of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee was obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all Related Party Transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. Web link for the same is http://mro-tek.com/pdf/20_5_15_RPT_Policy.pdf and also Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 is annexed to this report as **(Annexure IV)**.

26. ANNUAL BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

27. RATIO OF REMUNERATION TO EACH DIRECTOR:

Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration are annexed to this report as **(Annexure-V)**.

28. LISTING WITH STOCK EXCHANGES:

The Equity shares of the Company continued to be listed on the BSE Limited (BSE) Mumbai and the National Stock Exchange of India Ltd. (NSE), Mumbai. The Company confirms that it has paid the Annual Listing Fees for the year 2017-2018 to NSE and BSE

where the Company's Shares are listed.

Mr. Barun Pandey, Company Secretary, has been appointed as Compliance Officer of the Company. The Board of Directors has authorized Chairman, Managing Director and the Chief Financial Officer, severally for reporting disclosure of the material events, if any in terms of Regulations 30 of the listing Regulations.

29. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

As required under the Companies Act, 2013, your Company has taken adequate steps to adhere to all the stipulations laid down under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report as **(Annexure –VI)**.

Certificate from a Practising Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, obtained is attached to this report.

30. CAPITAL EXPENDITURE:

As on 31st March, 2017, the gross tangible and intangible assets stood at Rs. 21, 21, 53, 964/- and the net tangible and intangible assets, at Rs. 7,86,84,048/-. Additions during the year amounted to Rs. 46,55,318/-. The Company has recognized impairment loss of Rs. 48,20, 843/- during the year. The Company incurred lease hold improvement expenditure of Rs. 17,91,515 during the year.

31. JOINT VENTURE:

The Board of the the JV Company viz., RAD-MRO Manufacturing Private Limited, Bangalore, proposed the appointment of liquidator to the shareholders and approved the statement of affairs dated July 22, 2017. The shareholders of Joint Venture Company approved the proposal for liquidation and appointed liquidator to carry out the liquidation proceedings.

The summary of statement of affairs of Joint Venture Company as on June 30, 2017 is as follows:

| | |
|--|---------------|
| | Rs. |
| Share Capital: | 1, 48, 00,000 |
| Reserves and Surplus: | 2, 38, 01,441 |
| Cash and Bank Balances: | 3, 86, 01,441 |
| Your Company owns 49% shareholding in the Joint Venture Company. | |

32. MATERIAL ORDER PASSED BY ANY COURT OR REGULATOR OR TRIBUNALS IMPACTING GOING CONCERN STATUS OF COMPANY:

No order was passed by any court or regulator or tribunal during the period under review which in the opinion of the Board affects going concern status of the Company.

33. INDUSTRIAL RELATIONS:

Industrial relations have been cordial and constructive, which have helped your Company to achieve production targets.

34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17:

No of complaints received : NIL

No of complaints disposed off: NIL

35. MANAGEMENT DISCUSSION AND ANALYSIS:

The following Management Discussion and Analysis ("MD&A") should be read in conjunction with the financial statements and accompanying notes ("Financial Statements") of MRO-TEK REALTY LIMITED for Financial Year ended March 31, 2017.

1. Segment wise or Product wise performance
2. Risk and Concerns
3. Internal Control Systems and their adequacy
4. Discussion on financial performance with respect to operational performance
5. Material Developments in Industrial Relations front

In addition to the above, the following points have been furnished below.

Restructuring and Re-organization

The Company has undertaken serious effort to revive the business during the last two years. The Board decided to optimize the existing property situated at

Hebbal by entering into the development agreement with Messrs Umiya Builders and Developers on January 1, 2016. The construction plan approval has been obtained from BBMP in March 2017.

The Company discontinued the loss making segment of Solar business on January 14, 2016 and reduced the number of employees and workers to the optimum level to run the existing core business of networking products. With this, the Company could reduce the overhead significantly and improved the cash flow position.

The founder Promoters of the Company opted to exit in favour of a new Management to revive the Company. Chairman of Umiya Group, Mr Aniruddha Bhanuprasad Mehta along with its other promoters, Mrs Gauri A Mehta and Umiya Holding Private Limited entered into Share Purchase agreement with founder promoters on May 19, 2016. As per the requirements of SAST Regulations, Umiya Group made an Open Offer to the Public to acquire 25% of the share from the Public apart from the Promoters.

The new Promoter Mr. Aniruddha Bhanuprasad Mehta was appointed as Chairman and Managing Director of the Company with effect from August 8, 2016. The board inducted three Independent Directors having good experience and credentials in the market who can contribute to the Growth of the Company.

The Company's turnaround actions brought the situation to positive in the year 2016-17, which clearly shows the road map and vision of the Company's future. The published financial results for the year 2016-17 is attached here with for your information.

FORWARD LOOKING AND CAUTIONARY STATEMENTS

The statements in this report describing the Company's Vision, Mission, objectives, estimations, expectations or projections, outlook etc., may constitute forward looking statements within the meaning of the applicable Rules, Laws and Regulations. Actual results may vary from such expectations, projections etc., whether express or implied. These statements are based on certain assumptions and expectations of future events over which the Company has no direct control.

MISSION STATEMENT:

Create happiness for employees, value for stakeholders and partners, be a responsible corporate citizen.

VISION STATEMENT: To be a world class provider of Technology products, solutions and services to our customers anywhere, at all times.

QUALITY POLICY:

To always deliver high quality, zero defect, high performance products, solutions and services to our customers everywhere.

Industry structure and development, Strengths, Weakness, Opportunities and threats, major initiatives undertaken and planned to ensure sustained performance and growth:

The Government of India introduced a major national initiative designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure under **"Make In India"**. The Indian Manufacturing Companies gets significant opportunity under this scheme.

MRO-TEK is a Public Limited Company that is doing its bit to help hold the flag of indigenous technology and manufacturing prowess in the networking space for India. Since its inception in 1984, the Company has been, is and will be, an indigenous player in the true sense of the word with a roadmap to go global from India.

Smart Cities Mission is an urban renewal and retrofitting program by the Government of India with a mission to develop 100 cities all over the country making them citizen friendly and sustainable. The Union Ministry of Urban Development is responsible for implementing the mission in collaboration with the State Governments of the respective cities. The Company expects to have good opportunity to supply its products and provide solutions for various applications for the accomplishment of smart city projects. Such projects create significant opportunities for the company's network technology and present a valuable revenue opportunity.

The Government of India has budget estimates of Rs. 2.62 lakh Crores for the year 2017-18 as against revised estimates of Rs. 2.48 lakh Crores for the year 2016-17. The Company is exploring the opportunities with security solutions to supply and provide core networking infrastructure and technology and its related areas.

This will have a positive impact on the Company, as it gives lot of emphasis on the indigenous development of products. MRO-TEK has always tried to do indigenization of R&D and manufacture to reduce the cost of the equipments and less dependency on the foreign vendors for spares and other maintenance activities.

During the year, the BBMP had issued plan approval for the construction of commercial property building at the Company's Hebbal land.

SWOT ANALYSIS

MRO-TEK'S Strengths

- "MRO-TEK" is a pioneer in the manufacture and trading of last mile networking access. The Company has very good product brand name "MRO-TEK" in the country and is one among very few players in India.
- "MRO-TEK" being the manufacturer gets significant opportunities under "MAKE IN INDIA" Scheme.
- The Company has its potentiality to participate indirectly in large smart city and surveillance projects initiated by the Government of India.
- The opportunities in Homeland and Industrial security sector is significant and the Company has a roadmap of products, solutions and technology to exploit these opportunities.
- The Company has its own Research and Development unit recognized by Department of Scientific and Industrial Research.
- Since our core strength is Quality, Solution Design, on time delivery and effective 24/7 after sales support across India and hence we are recognized for our brand "MRO-TEK".

MRO-TEK'S Weaknesses

- Rapid obsolescence of technology, commoditization of products by Chinese cloners, variation in business dynamics of service providers due to their own velocity of business.
- Over dependence on telecom service providers as major customer segment.
- Competitors may enjoy new technology which has just changed

MRO-TEK'S Opportunities

- The Government's initiative of Make In India enables the Company to work on Indigenisation of spectrum of networking products.
- The Company foresees benefits through participation in Smart City and surveillance projects in the coming years.
- The Company has good potential to work on security solutions segment.

- New technologies, increasing consumer base of service providers will force them to increase the capex which will give the Company an opportunity to increase business in physical network infrastructure for 4G/5G roll out, as all our products are internet connectivity oriented, this will serve as excellent growth curve and rapidly benefit us in our revenue.

MRO-TEK'S Threats

- Rapid rising of labor costs due to quantum jumps in labor wages by the Government, increasing competition and increased Government Regulations are just a few external threats that can limit the Company's future success. Threats are outside events or influences that create future hurdles for a Company.
- Increase in non-moving or slow moving inventory situations due to continuous obsolescence of technology.
- Lack of adequate Working Capital.

Material Developments in Human Resources

In order to retain the skilled employees, the Company made an effort to evaluate the performances of the employees and accordingly, increased the remuneration during the year.

36. CODE OF CONDUCT:

In terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Members of the Board and Senior Management Personnel have affirmed compliance

with the Code of Conduct of the Board of Directors and Senior Management for the year FY 2016-17. As required under Schedule V (D) of the said Regulations, a declaration signed by the Managing Director and Chief Finance Officer of the Company stating that the Members of the Board and the Senior Management Personnel have affirmed compliance of their respective code of Conduct.

37. ACKNOWLEDGEMENTS

Your Directors would like to acknowledge the role of all its Stakeholders viz, Shareholders, Bankers, Lenders, Customers, Vendors, and all other acquaintances for their continued support to your Company and the confidence and faith that they have always reposed in your Company.

Your Directors acknowledge and appreciate the guidance and support extended by all the Governmental agencies, the Regulatory authorities including the Securities Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Registrar of Companies, Karnataka, Stock Exchanges BSE/NSE and the NSDL/CDSL.

For & on behalf of the Board of Directors

Aniruddha Bhanuprasad Mehta

Chairman & Managing Director

DIN: 00720504

Place : Bangalore

Date : 03.08.2017

ANNEXURE - I
DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To,
THE BOARD OF DIRECTORS,
MRO-TEK REALTY LIMITED
BANGLORE-560 054

Dear Sirs,

We undertake to comply with the conditions as required under the Regulations 25 & 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 (6) and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) We declare that up to the date of this certificate, apart from receiving Director's remuneration, we did not have any material pecuniary relationship or transactions with the Company, its Promoters, Senior Management or its Associates as named in the Annexure thereto which may affect my independence as Director on the Board of the Company. We further declare that we will not enter into any such relationship/transactions. However, if and when we intend to enter into such relationships/transactions, whether material or non-material we shall take prior approval of the Board. We agree that we shall cease to be an Independent Director from the date of entering into such relationship/transaction.
- (b) We declare that we are not related to Promoters or persons occupying Management positions at one level below the Board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) We were not a Partner or an Executive or was also not Partner or Executive during the preceding three years, of any of the following:
 - (i) the Statutory Audit Firm or the Internal Audit Firm that is associated with the Company and
 - (ii) the Legal Firm(s) and Consulting Firm(s) that have a material association with the Company
- (d) We have not been a Material Suppliers, Service Provider or Customer or Lesser or Lessee of the Company, which may affect independence of the Director, and were not a substantial Shareholder of the Company i.e., owning two percent or more of the block of voting shares.

S Radhakrishnan
DIN: 07492511
Date: 01.04.2017

Sudhir Kumar Hasija
DIN: 00157168
Date: 01.04.2017

M V Sampath Kumar
DIN: 07613043
Date: 01.04.2017

ANNEXURE-II

Form No.MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Period ended on March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:** - L28112KA1984PLC005873
- ii) **Registration Date:** 10.02.1984
- iii) **Name of the Company:** MRO-TEK REALTY LIMITED
- iv) **Category /Sub-Category of the Company:** Company limited by shares and Indian Non Government Company
- v) **Address of the registered office and contact details:**
Registered Office: #6, New BEL Road, Chikkamaranhalli, Bangalore-560 054
Tel.: 080-42499000
Fax.: 080-2333 3415,
Email: grd@mro-tek.com
Website: www.mro-tek.com
- vi) **Whether listed company:** Yes

Details of stock exchanges where the shares are listed:

| Sl. No. | Stock Exchange Name | Stock Exchange Code |
|---------|---|---------------------|
| 1 | National Stock Exchange of India Limited (NSE), | MRO-TEK |
| 2 | BSE Limited (BSE). | 532376 |

vii) **Name, Address and Contact details of Registrar and Transfer Registrars:**

Karvy Computershare Private Ltd
Karvy Selenium Tower B, Plot No.31 & 32, Financial District,
Gachibowli, Hyderabad- 500 032
Phone No: 040-67162222
Fax No : 040-23001153
E-Mail: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

The entire business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products/ services | NIC Code of the Product/ Service | % total turnover of the Company |
|---------|---|----------------------------------|---------------------------------|
| 1 | Networking product Space | 9983325 | 78.23% |
| 2 | Real Estate Development | 68100 | 21.77% |

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 | RAD-MRO Manufacturing Private Limited | U03220KA1997PTC022152 | Associate Company | 49% | 2(6) |

Note: - The Associate Company is under the process of winding –up

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

i) Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01-Apr-2016] | | | | No. of Shares held at the end of the year [As on 31-March-2017] | | | | % Change during the year |
|---|--|---------------|-----------------|-------------------|--|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 7410056 | 0.00 | 7410056 | 39.66 | 8637011 | 0.00 | 8637011 | 46.23 | 6.57 |
| b) Central Govt. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| c) State Govt.(s) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| d) Bodies Corp. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| e) Banks / FI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| f) Any other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total shareholding of Promoter (A) (1) | 7410056 | 0.00 | 7410056 | 39.66 | 8637011 | 0.00 | 8637011 | 46.23 | 6.57 |
| (2) Foreign | | | | | | | | | |
| a) Individual / HUF | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| b) Bodies Corporate | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total shareholding of Promoter (A) (2) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Shareholding Promoter & Promoter Group (A)=(A) (1)+(A)(2) | 7410056 | 0.00 | 7410056 | 39.66 | 8637011 | 0.00 | 8637011 | 46.23 | 6.57 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| a) Mutual Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| b) Banks / FI | 3500 | 0.00 | 3500 | 0.02 | 3500 | 0.00 | 3500 | 0.02 | 0.00 |
| c) Central Govt. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| d) State Govt.(s) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| f) Insurance Companies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| g) FIIs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| i) Others (specify) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub-total (B)(1):- | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 679182 | 0.00 | 679182 | 3.63 | 518509 | 0.00 | 518509 | 2.78 | (0.85) |
| i) Indian | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ii) Overseas | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| b) Individuals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| i) Individual shareholders holding nominal share capital up to Rs. 2 Lakh | 6615871 | 131812 | 6747683 | 36.11 | 4698037 | 122312 | 4820349 | 25.80 | (10.31) |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh | 3712296 | 0.00 | 3712296 | 19.87 | 4629468 | 0.00 | 4629468 | 24.78 | 4.91 |
| c) Others (specify) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non Resident Indians | 81258 | 0.00 | 81258 | 0.43 | 59184 | 0.00 | 59184 | 0.32 | (0.11) |
| Overseas Corporate Bodies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Foreign Nationals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Clearing Members | 49825 | 0.00 | 49825 | 0.27 | 15731 | 0.00 | 15731 | 0.08 | 0.13 |
| NBFC | 802 | 0.00 | 802 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Foreign Bodies -D R | | | | | | | | | |
| Sub-total (B)(2):- | 11139234 | 131812 | 11271046 | 60.32 | 9921779 | 122312 | 10044091 | 53.76 | (6.56) |
| Total Public Shareholding (B)= (B)(1)+ (B)(2) | 11137234 | 133812 | 11274546 | 60.34 | 9925279 | 122312 | 10047591 | 53.77 | (6.55) |
| C. Shares held by Custodian for GDRs. & ADRs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 18550790 | 133812 | 18684602 | 100 | 18562290 | 122312 | 18684602 | 100.00 | 0.00 |

ii) Shareholding of Promoters:

| Sl. No. | Share holder's Name | Shareholding at the beginning of the period | | | Shareholding at the end of the period | | | % change in share holding during the period |
|---------|-------------------------------|---|----------------------------------|---|---------------------------------------|----------------------------------|---|---|
| | | 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 | |
| | Messrs | | | | | | | |
| 1 | Himadri Nandi | 3140903 | 16.81 | 0 | 0 | 0 | 0 | (100) |
| 2 | S .Narayanan | 3092916 | 16.55 | 0 | 0 | 0 | 0 | (100) |
| 3 | Jayashree Narayanan | 584228 | 3.13 | 0 | 0 | 0 | 0 | (100) |
| 4 | Shyamali Nandi | 558789 | 2.99 | 0 | 0 | 0 | 0 | (100) |
| 5 | Murari Narayanan | 21820 | 0.12 | 0 | 0 | 0 | 0 | (100) |
| 6 | Prakrithy N | 11400 | 0.06 | 0 | 0 | 0 | 0 | (100) |
| 7 | Aniruddha Bhanuprasad Mehta | 0 | 0 | 0 | 3012223 | 16.12 | 0 | 100 |
| 8 | Gauri Aniruddha Mehta | 0 | 0 | 0 | 486064 | 2.60 | 0 | 100 |
| 9 | Umiya Holding Private Limited | 0 | 0 | 0 | 5138724 | 27.50 | 0 | 100 |
| | TOTAL | 7410056 | 39.66 | 0 | 8637011 | 46.23 | 0 | 6.57 |

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

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 7410056 | 39.66 | 8637011 | 46.23 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | 0 | 0 | 0 | 0 |
| | At the End of the year | 7410056 | 39.66 | 8637011 | 46.23 |

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

| Sl. No. | | Share holding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For Each of the Top10 Shareholders Name Messrs | | | | |
| 1 | Jitendra Mohandas Virwani | 1932596 | 10.34 | 3704684 | 19.83 |
| 2 | Prakash Peraje Pai | 456544 | 2.44 | 276148 | 1.48 |
| 3 | Ketan Narendra Suraiya | 144472 | 0.77 | 156517 | 0.84 |
| 4 | Anil Kathotia | 0 | 0 | 157195 | 0.51 |
| 5 | Babita Kathotia | 0 | 0 | 95467 | 0.51 |
| 6 | Athul Vasudeva Kudva | 0 | 0 | 80240 | 0.43 |
| 7 | Paresh Lalitchandra Mehta | 0 | 0 | 53050 | 0.28 |
| 8 | Snehalatha Singhi | 0 | 0 | 47362 | 0.25 |
| 9 | Suraj Khandelwal | 0 | 0 | 45000 | 0.24 |
| 10 | Prashant Jayantilal Patel | 0 | 0 | 38404 | 0.21 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For Each of the Directors and KMP | | | | |
| | At the beginning of the year | | | | |
| | Mr. S. Narayanan | 3092916 | 16.55 | 3092916 | 16.55 |
| | Mr. Himadri Nandi | 3140903 | 16.81 | 3140903 | 16.81 |
| | Mr. Anirudha B. Mehta | 0 | 0 | 0 | 0 |
| | Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | 0 | 0 | 0 | 0 |
| | At the end of the Year | | | | |
| | Mr. S. Narayanan | 0 | 0 | 0 | 0 |
| | Mr. Himadri Nandi | 0 | 0 | 0 | 0 |
| | Mr. Anirudha B. Mehta | 30,12,223 | 16.12 | 30,12,223 | 16.12 |

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment - Rs. 21, 01, 62,063/-

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

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | Total Amount |
|---------|---|---|---|---------------|--------------|
| | | Mr. S. Narayanan | Mr. H. Nandi | Mr. Aniruddha | |
| 1 | 1. Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | NIL (Up to the date of resignation) | NIL (Up to the date of resignation) | NIL | NIL |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | | | | |
| | - as % of profit | | | | |
| | - Others, specify... | | | | |
| 5 | Others, please specify | | | | |
| | Total (A) | NIL | NIL | NIL | NIL |
| | Ceiling as per the Act | | | | |

B. Remuneration to other Directors:

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration | Name of Directors (Messrs) | | | | | | | Total Amount |
|---------|--|----------------------------|------------|-------------|-----------------|-------------------|------------------|---------------|--------------|
| | | N. K. Rajasekharan | N. Sivaram | K. Rajamani | S Radhakrishnan | M V Sampath Kumar | Sudhir Ku Hasija | Gauri A Mehta | |
| 1 | Independent Directors | | | | | | | | |
| | • Fee for attending board / committee meetings | 48000 | 48000 | 48000 | 52000 | 52000 | 52000 | 26000 | 326000 |
| | • Commission | | | | | | | | |
| | • Others, please specify | | | | | | | | |
| | Total (1) | 48000 | 48000 | 48000 | 52000 | 52000 | 52000 | 26000 | 326000 |
| 2 | Other Non-Executive Directors | | | | | | | | |
| | • Fee for attending board / committee Meetings | 0 | 0 | 0 | 0 | | | | 0 |
| | • Commission | | | | | | | | |
| | • Others, please specify | | | | | | | | |
| | Total (2) | 0 | 0 | 0 | 0 | | | | 0 |
| | Total (B)=(1+2) | 48000 | 48000 | 48000 | 52000 | 52000 | 52000 | 26000 | 326000 |
| | Total Managerial Remuneration | | | | | | | | 326000 |
| | Overall Ceiling as per the Act | | | | | | | | 84,00,000 |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|---------|---|--------------------------|-------------------|-----------|--------------|
| | | CEO | Company Secretary | CFO | |
| 1 | 1. Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 3,21,391 | 33,16,867 | 36,38,258 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | | | | |
| | - as % of profit | | | | |
| | - others, specify... | | | | |
| 5 | Others, please specify | | | | |
| | Total | | 3,21,391 | 33,16,867 | 36,38,258 |

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 NIL | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS NIL | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT NIL | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

For & on behalf of the Board of Directors

Aniruddha Bhanuprasad Mehta
Chairman and Managing Director
DIN: 00720504

Place: Bangalore
Date: 03.08.2017

ANNEXURE-III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To
The Members
MRO-TEK REALTY LIMITED
Bangalore

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MRO-TEK REALTY LIMITED (CIN: L28112KA1984PLC005873) (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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2017 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and,
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.

(vii) The other general laws as may be applicable to the Company including the following:

(1) Employer/Employee Related laws & Rules:

- i. Industries (Development & Regulation) Act, 1951
- ii. The Factories Act, 1948
- iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- iv. The Apprentices Act, 1961
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923
- viii. The Maternity Benefits Act, 1961
- ix. The Payment of Gratuity Act, 1972
- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
- xxiii. Dangerous Machines (Regulation) Act, 1983
- xxiv. Indian Boilers Act, 1923
- xxv. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxvi. The Labour Welfare Fund Act, 1965
- xxvii. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxviii. For majority of Central Labour Laws the respective States have introduced Rules [names of each of the Rules is not included here]

(2) Environment Related Acts & Rules:

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981
- iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

3) Economic/Commercial Laws & Rules:

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872
- iii. The Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS – 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable during the year under review. Certain non material findings made during the course of the audit relating to the provisions of Companies Act, Secretarial Standards, Labour Laws were addressed suitably by the Management. The following observations which were according to me are material which required the attention of the Members:

1. There were delays in filing certain forms including Form MGT 10 which are required to be filed under the Companies Act, 2013.
2. There were some non compliances noticed under the Employer/Employee Related Laws & Rules relating to maintenance of registers, filing of certain returns and displaying the abstracts.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

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 which 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 is carried through while the dissenting Members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

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 year under report, the composition of the Promoters of the Company and the Board of Directors of the Company has been changed as follows:

| Name of the Promoters Directors at the beginning of the year | Designation | Name of the Promoters/ Directors at the end of the year | Designation |
|---|--|--|--|
| Mr. S. Narayan | Promoter, Chairman & Managing Director | Mr. Aniruddha Bhanuprasad Mehta | Promoter, Chairman & Managing Director |
| Mr. H. Nandi | Promoter & Managing Director | Mrs. Gauri A. Mehta | Promoter & Non Executive Director |
| Mrs. Jayashree Narayan | Promoter | Umiya Holding Private Limited | Promoter |
| Mrs. Shyamali Nandi | Promoter | | |
| Mr. Murali Narayan | Promoter | | |
| Mrs. Prakrithy N | Promoter | | |
| Mr. N. Sivaram | Independent & Non Executive Director | Mr. Shudir Kumar Hasija | Independent & Non Executive Director |
| Mr. N. K. Rajasekharan | Independent & Non Executive Director | Mr. S Radhakrishnan | Independent & Non Executive Director |
| Mr. K. Rajamani | Independent & Non Executive Director | Mr. M V Sampath Kumar | Independent & Non Executive Director |

I further report that during the year under report, Mr. Aniruddha Bhanuprasad Mehta, Mrs. Gauri A. Mehta and Umiya Holding Private Limited (collectively called as 'acquirers') purchased 39.66% shares of the Company i.e. 74,10,056 Equity Shares from the Promoters of the Company vide Share Purchase Agreement dated 19th May, 2016. The said acquirers made an Open Offer for purchase of the shares of the Company in open market. The Offer was open for a period of 14 days i.e. from 8th July, 2016

to 21st July, 2016. The acquirers have made the Offer for purchase of 26% shares of the Company i.e. 48,57,997 Equity Shares at the offer price of Rs. 42/- per share. However, they could acquire 1.59% shares of the Company i.e. 2,97,006 Equity Shares at the offer price of Rs. 42/- per share.

I further report that during the year under report, the Company had received a special notice vide letter dated 28th August, 2016 from a shareholder, Mr. Jitendra Virwani for circulation to its Members. The Company had made an application to the Regional Director, Ministry of Corporate Affairs, in accordance with Section 111(3) of Companies Act, 2013, who after hearing the parties had passed order that it will not be necessary to circulate the special notice as sought. Hence, the said special notice was not circulated to the Members at the previous Annual General Meeting.

I further report that during the year under report, Mr. Jitendra Virwani, shareholder of the Company had filed various petitions against the Company and its Directors and former Promoters before the Securities and Exchange Board of India, Court at Bangalore, Company Law Board (shifted to National Company law Tribunal, Bangalore), Hon'ble High Court of Karnataka etc. and these were suitably represented by the Company. Since some of the matters are before these authorities, I am refraining from making comments on the same in my report.

Place: Bangalore

Date: 03.08.2017

(Vijayakrishna KT)

FCS No.: 1788

C P No.: 980

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

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of Financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Central and State Sales Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
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.

Place: Bangalore

Date: 03.08.2017

(Vijayakrishna KT)

FCS No.: 1788

C P No.: 980

ANNEXURE - IV

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso there to.

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at Arm's Length basis:

- (a) Name(s) of the Related Party and nature of relationship: **NIL**
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts/arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions:
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188.

2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship:
 - 1. RAD MRO Manufacturing Private Limited - Joint Venture
- (b) Nature of contracts/arrangements/transactions:
 - 1. RAD MRO Manufacturing Private Limited: - Professional Services and Rent receipts
- (c) Duration of the contracts/arrangements/transactions : Open Ended Contract.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - 1. Professional & Rent Charges for related business : Rs. 11,03,200/-
- (e) Date(s) of approval by the Board, if any : 28th May, 2016

For & on behalf of the Board of Directors

Aniruddha Bhanuprasad Mehta

Chairman & Managing Director

DIN: 00720504

ANNEXURE – V
THE RATIO OF THE REMUNERATION OF EACH DIRECTOR

| (i) The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year; | <table> <thead> <tr> <th>Name of Director</th><th>Ratio</th></tr> </thead> <tbody> <tr> <td>• Aniruddha Bhanuprasad Mehta</td><td>0</td></tr> <tr> <td>• S Radhakrishnan</td><td>0.13:1</td></tr> <tr> <td>• Sudhir Kumar Hasija</td><td>0.13:1</td></tr> <tr> <td>• M V Sampath Kumar</td><td>0.13:1</td></tr> <tr> <td>• Gauri Aniruddha Mehta</td><td>0.65:1</td></tr> </tbody> </table> | Name of Director | Ratio | • Aniruddha Bhanuprasad Mehta | 0 | • S Radhakrishnan | 0.13:1 | • Sudhir Kumar Hasija | 0.13:1 | • M V Sampath Kumar | 0.13:1 | • Gauri Aniruddha Mehta | 0.65:1 |
|---|---|-------------------------|--------------|--------------------------------------|----------|--------------------------|---------------|------------------------------|---------------|----------------------------|---------------|--------------------------------|---------------|
| Name of Director | Ratio | | | | | | | | | | | | |
| • Aniruddha Bhanuprasad Mehta | 0 | | | | | | | | | | | | |
| • S Radhakrishnan | 0.13:1 | | | | | | | | | | | | |
| • Sudhir Kumar Hasija | 0.13:1 | | | | | | | | | | | | |
| • M V Sampath Kumar | 0.13:1 | | | | | | | | | | | | |
| • Gauri Aniruddha Mehta | 0.65:1 | | | | | | | | | | | | |
| (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year; | There was no increase in Remuneration to Directors. Chief Financial Officer and Company Secretary got 21.43% and 13.64% increase in remuneration during the year respectively. | | | | | | | | | | | | |
| (iii) The percentage increase in the median remuneration of employees in the Financial Year; | 77.78% * | | | | | | | | | | | | |
| (iv) The number of permanent employees on the rolls of Company as on 31.03.2017; | 14 | | | | | | | | | | | | |
| (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | Increase in Salaries of Employees other than KMP was average of 15.45 % Average Increase in percentage salaries to KMP is 11.69% | | | | | | | | | | | | |
| (vi) The key parameters for any variable component of remuneration availed by the Directors; | Not Applicable | | | | | | | | | | | | |
| (vii) Affirmation that the remuneration is as per the remuneration policy of the Company. | Yes | | | | | | | | | | | | |

* **It may be noted that the Company retained critical positions and hence the median remuneration increased. Factory workers opted for terminal benefits and the eligible compensation was discharged by the Company. During the year number of permanent employee is reduced to 14 from 98.**

* **Median Remuneration for the year ended 31st March, 2017 is Rs. 56,898/-.**

CORPORATE GOVERNANCE

(Pursuant to Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is aimed at assisting the top Management of your Company in the efficient and ethical conduct of its business, in meeting its obligations to Shareholders, Stakeholders, Government and the society at large.

MRO-TEK's business objective and that of its Management and Employees is to manufacture and market the company's products in such a way as to create value that can be sustained over the long term for Consumers, Shareholders, Employees, Business Partners and the National Economy. The Company has initiated appropriate actions to pro actively change its business model in line with the dynamic business scenario. This enables the Company to undertake the right actions in the right strategic directions.

MRO-TEK is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its Management and employees. In addition to compliance with regulatory requirement, MRO-TEK endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the Organization.

Board of Directors:

Composition:

The present strength of the Board is five Directors, comprising of one Executive, one Non-Executive and three Non-Executive, Independent Directors.

The Board is primarily responsible for the overall Management of the Company's business.

The present Board comprises of 5 Members, three of whom are Independent Directors, one Executive Chairman and another is Non-Executive Non-Independent Director. The Company has an Executive Chairman and the number of Independent Directors is more than half of the total number of Directors. The Company is in compliance with the requirements relating to the composition of the Board of Directors.

The Chairman and Managing Director is primarily responsible for;

a. Ensuring that the Board provides effective governance to the Company and in doing so presides over meetings of the Board and Shareholders of the Company. The Chairman takes a lead role in managing the Board and facilitating effective communication among Directors.

b. Corporate strategy, planning and other Management matters. Managing Director and the Senior Management Personnel being responsible for achieving annual business targets, acquisitions, new initiatives and investments make periodic presentations to the Board on their responsibilities and performance.

Board Meetings are held generally at the Registered Office Bangalore, India. The agenda for each Board Meeting along with explanatory notes are distributed in advance to the Directors. The Board meets at least once a quarter to review the quarterly results and other items of agenda and also on the occasion of the Annual General Meeting of the Shareholders.

The details of the appointment and resignation of Non-Executive Independent Director since the last Annual General Meeting is as follows:

NIL

Board Meetings:

Number of Board Meetings, Directors' attendance record and directorships held by all Directors:

A total of five Meetings of the Board of Directors were held during the year under review, on 5th May 2016, 28th May 2016, 8th August 2016, 9th November, 2016, and 3rd February, 2017. Attendance of Directors at the Board Meetings held during the year 2016-17 and the details of directorships, Committee Chairmanships and Memberships are exhibited below:

Upto 8th August, 2016 *:

| Name of Director Messrs | Position | No. of Board Meetings Attended upto 08.08.2016 | Attendance at Prev. AGM on 21.09.2016 | No. of outside Director-ships held | No. of Membership / chairmanship in other Board Committees# |
|--|------------------------------|--|---------------------------------------|------------------------------------|---|
| Executive Directors: | | | | | |
| S. Narayanan | Chairman & Managing Director | 3 | NA | - | - |
| H. Nandi | Managing Director | 3 | NA | - | - |
| Non-Executive, Independent Directors: | | | | | |
| N. K. Rajasekaran | Director | 3 | NA | 2 | - |
| N. Sivaram | Director | 3 | NA | 1 | - |
| K. Rajamani | Director | 3 | NA | - | - |

Note: All the above mentioned Directors resigned on 8th August, 2016.

After 8th August, 2016 *:

| Name of Director Messrs | Position | No. of Board Meetings Attended after 08.08.2016 | Attendance at Prev. AGM on 21.09.2016 | No. of outside Director-ships held | No. of Membership / Chairmanship in other Board Committees# |
|--|------------------------------|---|---------------------------------------|------------------------------------|---|
| Executive Directors: | | | | | |
| Aniruddha Bhanuprasad Mehta | Chairman & Managing Director | 2 | Present | 4 | - |
| Non-Executive, Non-Independent Directors: | | | | | |
| Gauri Aniruddha Mehta | Director | 2 | Present | 5 | - |
| Non-Executive, Independent Directors: | | | | | |
| S. Radhakrishnan | Director | 2 | Present | 3 | - |
| M V Sampath Kumar | Director | 2 | Present | - | - |
| Sudhir Kumar Hasija | Director | 2 | Not Present | 6 | 1 |

Note: All the above mentioned Directors Appointed on 8th August, 2016.

Chairmanship/Membership in Board, Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Audit Committee:

The qualified and independent Audit Committee of the Board has been exercising its powers and responsibilities judiciously. The Committee has three experienced and learned Members including the Chairman of the Committee and all are Independent Directors. The Audit Committee comprised of Mr. K. Rajamani as the Chairman of the Audit Committee with Mr. N. Sivaram, Mr. N. K. Rajasekharan as the other Members of the Committee worked upto 8th August, 2016; Thereafter, Mr. S Radhakrishnan was appointed as a Chairman of the Audit Committee, Mr. Sudhir Kumar Hasija, Mr. M V Sampath Kumar and Mrs. Gauri Aniruddha Mehta as Members of the Audit Committee – except Mrs. Gauri A Mehta all the others being Independent and Non-Executive Directors.

During the year, Mr. Barun Pandey was appointed as Company Secretary and Key Managerial Personnel of the Company and also the Secretary of the Audit Committee. Further, Mr. Barun Pandey was also designated as Compliance Officer of the Company.

The role and terms of reference to the Audit Committee covers the areas mentioned under the Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and under Section 177 of Companies Act 2013. From time to time, other terms may be referred by the Board of Directors.

The broad terms of reference to the Audit Committee, is to review with the Management, the Internal Auditors and the Statutory Auditors:

- the Company's accounting & financial controls and reporting processes– quarterly & annual.
- accounting & financial policies and practices.
- internal control and internal audit systems.
- compliance with Company policies and applicable laws and regulations.
- to recommend to the Board, regarding the appointment / re-appointment of Statutory, Internal and Cost Auditors and the remuneration payable to them.
- accounting of ESOP Costs in accordance with SEBI guidelines.
- allotment of options under ESOP and Buyback proposal.
- ensure compliance of all mandatory requirements.

The Audit Committee also reviews with the Management, the Auditors on any specific matters relating to suspected fraud or irregularity or failure of internal control systems of material nature and report the same to the Board.

The Committee also holds pre and post-audit discussion with the Statutory Auditors about the nature and scope of audit and audit observations/areas of concern/reasons for defaults, if any. In addition, the Committee annually reviews the performance of the internal and statutory auditors, their appointment/ removal/terms of remuneration, the functioning of the Whistle Blower mechanism, Management discussions and analysis of financial conditions and results of operations, statement of the significant related party transactions as submitted by Management, reports on internal control weaknesses, if any. It is the prerogative of the Committee to invite executives and auditors of the Company to be present at the meetings to provide additional inputs/clarifications on the subject being discussed by the Committee.

The Chairman of the Committee was present at 32nd Annual General Meeting of the Company to answer shareholders' queries.

During the year, the Committee met five times on 05.05.2016, 28.05.2016, 08.08.2015, 09.11.2016 and 03.02.2017. The Maximum interval between any two meetings did not exceed 120 days as prescribed under the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations 2015.

The particulars of Members of the Committee and number of Meetings attended during the year are mentioned hereunder:

Upto 8th August, 2016

| Name of Directors | Designation | No. of Meetings Attended |
|--------------------------|--------------------|---------------------------------|
| Mr. N. Sivaram | Chairman | 3 |
| Mr. N. K. Rajasekharan | Member | 3 |
| Mr. K. Rajamani | Member | 3 |

| Name of Directors | Designation | No. of Meetings Attended |
|---------------------------|--------------------|---------------------------------|
| Mr. S Radhakrishnan | Chairman | 2 |
| Mr. M V Sampath Kumar | Member | 2 |
| Mr. Sudhir Kumar Hasija | Member | 2 |
| Mr. Gauri Aniruddha Mehta | Member | 1 |

After 8th August, 2016

Nomination and Remuneration Committee:

Nomination and Remuneration Committee constituted as per the Companies Act, 2013, comprised of Mr. K. Rajamani as the Chairman of the Committee, with Mr. N. Sivaram, Mr. N. K. Rajasekaran as the other Members of the Committee upto 8th August, 2016, After that Mr. S Radhakrishnan was appointed as an Chairman of the Committee, Mr. Sudhir Kumar Hasija, Mr. M V Sampath Kumar and Mrs. Gauri Aniruddha Mehta as Members of the Nomination and Remuneration Committee – except Mrs. Gauri A Mehta all the others being Independent and Non-Executive Directors.

The Board has authorized the Committee with clear roles and responsibilities in terms of the provisions of the Act and rules made there under and also with those set out in the SEBI (LODR) Regulations, 2015. The Nomination and Remuneration Policy of the Company, duly approved by the Board, covers the criteria for determining qualifications, positive attributes and independence of a Director, evaluation of Independent directors and the Board, authorization to identify persons who are qualified to become Directors, Senior Management, recommending to the Board their appointment/removal and also the remuneration policy. The Nomination and Remuneration Policy of the Company is available on the website of the Company (http://www.mro-tek.com/pdf/Nomination_and_Remuneration_Policy.pdf /)

Nomination policy, among other things, includes:

- i) Laying down the criteria which shall form the basis for enabling the Nomination and Remuneration committee to identify persons who are qualified to become Directors of the Company, including Board Diversity.
- ii) Laying down the criteria which shall form the basis for enabling the Nomination and Remuneration committee to identify persons who may be appointed in Senior Management of the company.
- iii) Formulation of criteria for determining qualifications, positive attributes and independence of a Director.
- iv) Evaluation of every Director's performance by Nomination and Remuneration committee.

The Remuneration policy, among other things, covers:

- i) Remuneration for the Directors, Key Managerial Personnel and other employees of the Company.

Details of the remuneration to the Directors are detailed in the relevant schedules forming a part of the Annual Accounts for the year ended 31st March, 2017. No stock options were granted/allotted under ESOS, to any of the Directors.

During the year, the Committee met three (3) times on 8th August, 2016, 9th November, 2016 and 3rd February, 2017.

Upto 8th August, 2016

| Name of Director | Designation | No. of Meetings Attended |
|----------------------|-------------|--------------------------|
| Mr. K.Rajamani | Chairman | 1 |
| Mr. N K Rajashekaran | Member | 1 |
| Mr. N. Sivaram | Member | 1 |

| Name of Director | Designation | No. of Meetings Attended |
|---------------------------|-------------|--------------------------|
| Mr. S Radhakrishnan | Chairman | 2 |
| Mr. M V Sampath Kumar | Member | 2 |
| Mr. Sudhir Kumar Hasija | Member | 2 |
| Mr. Gauri Aniruddha Mehta | Member | 1 |

After 8th August, 2016

A copy of Nomination and Remuneration policy is annexed as Annexure VII as part of Board's Report and Corporate Governance.

Disclosures with respect to remuneration of Directors (in terms of Schedule V of SEBI (LODR) Regulations 2015

- i) All elements of remuneration package of individual Directors are summarized under the major groups, such as salary, benefits, bonuses etc.

For remuneration of particulars of the Managing Director, you may please refer page of extract of Annual Report in Form MGT-9 attached to the Report of Directors.

- ii) Service contracts, notice period, severance fee: not applicable.
- iii) Stock Option details, if any and whether issued at a discount as well as period over which accrued and over which exercisable: not applicable.

Remuneration of Directors for 2016-17 (from 1st April, 2016 to 8th August, 2016):

(In Rupees)

| Name of the Director Messrs | Sitting Fee* | Salaries | Provident Fund & Superannuation | Total |
|-----------------------------|--------------|----------|---------------------------------|-------|
| S. Narayanan | Nil | 1 | - | - |
| H. Nandi | Nil | 1 | - | - |
| N. K. Rajasekharan | 48,000 | NIL | NIL | NA |
| N. Sivaram | 48, 000 | NIL | NIL | NA |
| K. Rajamani | 48, 000 | NIL | NIL | NA |

After 8th August, 2016 to 31st March, 2017

(In Rupees)

| Name of the Director Messrs | Sitting Fee* | Salaries | Provident Fund & Superannuation | Total |
|-----------------------------|--------------|----------|---------------------------------|-------|
| Aniruddha Bhanuprasad Mehta | Nil | 1 | - | - |
| Gauri Aniruddha Mehta | 26,000 | NIL | NIL | NA |
| S Radhakrishnan | 52,000 | NIL | NIL | NA |
| M V Sampath Kumar | 52,000 | NIL | NIL | NA |
| Sudhir Kumar Hasija | 52,000 | NIL | NIL | NA |

*Sitting Fee disclosed above is net of service tax

Stakeholders' Relationship Committee:

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and the Listing Regulations, 2015, the Board has constituted Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee considers and approves share transfers, transmissions, transposition of name, issues split/duplicate certificates, ratify confirmations made to the demat requests received by the Company and reviews the status report on redressal of shareholders' complaints received by the Company/ Share Transfer Agents.

The Committee comprises of Mr. K. Rajamani as the Chairman of the Committee, with Mr. N. Sivaram and Mr. N. K. Rajasekaran as the other Members of the Committee upto 8th August, 2016 and after that Mr. S Radhakrishnan was appointed as Chairman of the Committee, Mr. Sudhir Kumar Hasija, Mr. M. V. Sampath Kumar and Mrs. Gauri Aniruddha Mehta as Members of the Committee – except Mrs. Gauri A Mehta all the others being Independent and Non-Executive Directors.

During the year, the Committee met two times as on 08th August, 2016 and 9th November 2016.

Upto 8th August, 2016

| Name of Director | Designation | No. of Meetings Attended |
|-------------------------|--------------------|---------------------------------|
| MrK Rajamani | Chairman | 1 |
| Mr N. K Rajasekharan | Member | 1 |
| Mr N. Sivaram | Member | 1 |

After 8th August, 2016

| Name of Director | Designation | No. of Meetings Attended |
|--------------------------|--------------------|---------------------------------|
| Mr S Radhakrishnan | Chairman | 2 |
| Mr M V Sampath Kumar | Member | 2 |
| Mr Sudhir Kumar Hasija | Member | 2 |
| Ms Gauri Aniruddha Mehta | Member | 1 |

Reconciliation of the share capital is reviewed every quarter by a practising Company Secretary as per the prevailing guidelines of the SEBI, and the same is filed with the Stock Exchanges.

Information on Investor Complaints for the Year:

| Brought Forward | Received afresh | Disposed | Carried-over |
|------------------------|------------------------|-----------------|---------------------|
| NIL | NIL | NIL | NIL |

Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 03.02.2017 to review the performance of non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality , quantity and timeliness of flow of information between the Company Management and the Board.

The Company has issued formal letters of appointment to the Independent Directors and the terms and conditions of appointment have been disclosed on the website of the Company has in place the evaluation criteria for performance evaluation of Independent Directors wherein their preparation, deliberations, effective participation, skills and knowledge to discharge their duties as Independent Director, etc. are rated by all the Directors (excluding the Director being evaluated).

The Company had also further during the year, conducted Familiarization programme for Independent Directors of the Company and the details of such familiarization programmes are disseminated on the website of the Company (http://www.mro-tek.com/pdf/Familiarization_Programme_03_02_2017.pdf).

Declaration by the Independent Directors:

Independent Directors play a key role in the decision-making process of the Board. They are committed to act in what they believe, are in the best interests of the Company and oversee the performance of the Management periodically.

The Company and its Board benefit immensely from the in-depth knowledge, experience and expertise of its Independent Directors in achieving its desired level of business performance and good corporate governance.

None of the Independent Directors are promoters of the Company or its holding, subsidiary or associate company nor are they related to each other. None of the Independent Directors are related to promoters of the Company or others referred to above. The Independent Directors, apart from receiving the sitting fee, had no material pecuniary relationship with the Company/associates/promoters/directors during the two immediately preceding financial years/the current financial year.

They are independent of Management and free from any business or pecuniary relationship or transaction with the Company or associates or Directors or such other relationships which could materially interfere with the exercise of their independent judgement.

The Independent Directors have given a declaration to the Company confirming adherence to the code of conduct/criteria of independence, directorship etc as required under the Regulations 25 & 26 of SEBI (LODR) Regulations 2015 and also the provision u/s Section 149(6) of the Companies Act, 2013 and Schedule IV of the said Act.

Code of Conduct:

The Company has framed and adopted a Code of Conduct for its Directors and senior Management personnel, duly approved by the Board. For the year under review, all the Directors and senior Management personnel have affirmed compliance with the provisions of the said Code. A declaration from the Managing Director/CEO of the Company in terms of Regulations 34(3) read with Schedule V of SEBI (LODR) Regulations 2015 is placed as an annexure to the Report of Directors. The above annual affirmations were placed before the Board for Information.

In terms of the Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013 w.e.f. April 01, 2014, the Board has adopted the said Code and all the Independent Directors have affirmed that they abide by the said Code.

Risk Management:

Periodic assessments to identify the risk areas are carried out and Management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk Management with the following objectives:

- Provide an overview of the principles of risk Management
- Explain approach adopted by the Company for risk Management
- Define the organizational structure for effective risk Management
- Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets. (the policy is displayed on the website of the Company www.mro-tek.com.)

Related Party Transactions:

The Company has a policy in place on the Related Party Transactions. The policy defines clearly the transactions which require approval from Audit Committee, the Board of Directors and Members at the Annual General Meeting, provision for prior approval, periodical review, omnibus approval, transactions in the ordinary course of business or otherwise, transactions within arm's length basis or otherwise, materiality of the transactions as defined under Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as applicable, and threshold limits as defined and in conformity with the provisions of the Companies Act, 2013, the related rules and the requirements under said clauses/ regulations, as amended from time to time.

The Company has been entering into contracts and arrangements with the promoters in the ordinary course of business.

As on 31st March, 2017 there are no outstanding Related Party Transactions of the Company with promoters.

The disclosure in compliance with the Accounting Standard on 'Related Party Disclosures' as required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) 2015, are disclosed by the Company in the Notes forming part of the financial statements (Note No II (h) of the Annual Report) and the particulars of such contracts/ arrangements are provided as an annexure to this Report of Directors.

The Company's Related Party Transactions Policy is on the website of the Company placed at http://www.mro-tek.com/pdf/20_5_15_RPT_Policy.pdf.

Details of non Compliance, if any:

During the year, there was no Non- Compliance under the Companies Act, 2013 and other applicable laws on the Company, except delayed in filing some e-forms.

Details of establishment of Vigil Mechanism/ Whistle Blower Policy:

The Company has established a Whistle Blower Policy/ Vigil Mechanism for the Directors, Employees and other Stakeholders to enable them to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Under this mechanism, the improper practice, if any, in the Company, can be directly reported to the Audit Committee. A communication in that regard has been sent to all the employees of the Company and reiterated during the Branch Managers' Conference, training programmes and by circulars. The Company affirms that the mechanism provides adequate safeguards against victimization of Director(s)/Employee(s) who use the Mechanism, provides for direct access to the Chairman of the Audit Committee and also affirms that no personnel have been denied access to the Audit Committee.

The details of establishment of the mechanism has been placed by the Company on its website at <http://www.mro-tek.com/pdf/Whistle%20Blower%20Policy.pdf>

Details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and all the applicable clauses of Regulation 46(2) of the Listing Regulations.

This Corporate Governance Report of the Company for the FY 16-17 or as on March 31, 2017 are in compliance with the requirements of Corporate Governance under the Listing Agreement(s) with BSE Limited and National Stock Exchange of India or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

Adoption of the Non-Mandatory Requirements:

- i. Remuneration Committee has duly been constituted.
- ii. The Company is in the regime of unqualified financial statements.
- iii. The Company consistently trains its Board Members, on an on-going basis, in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as Directors, and the best ways to discharge them.
- iv. The Company has a procedure of bringing to the notice of Management, any matter/s regarding concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethics policy.
- v. Corporate Governance Voluntary Guidelines 2009:
 - Whole-time Directors of the Company are not holding any position as Non-Executive Directors or Independent directors of any other public limited companies or private companies that are either holding or subsidiary companies of public companies. The voluntary guidelines allows for holding such positions in seven such companies in aggregate.
 - Independent Directors of the Company have the option and freedom to meet Company Management regularly. They are provided with all information sought by them to perform their duty effectively and efficiently.
 - Non-whole time Directors are remunerated with an appropriate percent of the net profits of the company as allowed under the provisions of Companies Act, 2013, for their valuable contributions by way of guidance, directions and time devoted to the activities of your Company. Such remunerations paid is uniform among all Non-whole time Directors.
 - Remuneration Committee has duly been constituted to discuss issues, as detailed elsewhere in this report.
 - Audit Committee has duly been constituted, and its scope and functions has already detailed elsewhere in this report.
 - Matters referred to Audit Committee, as detailed elsewhere in the report include, inter alia, recommendation to Board, on appointment of Statutory, Internal and Cost Auditor/s.
 - Internal Auditor of the Company is an independent chartered accountant firm.
 - Rotation of audit partner has been implemented by the auditing firm.
 - Reconciliation of Share Capital Audit Report is conducted every financial quarter and placed before the Audit Committee and the Board for review.

General Body Meetings:

Location and time of previous three Annual General Meetings for the financial year ended on March 31, 2017:

| Year | Location | Date | Time |
|------|---|----------------------------------|-------------|
| 2014 | Hotel Woodlands, Bangalore | 17 th September 2014 | 11.30 Hours |
| 2015 | Royal Orchids Resorts & Convention Centre, | 23 rd September 2015 | 11.30 Hours |
| 2016 | Bhartiya Vidya Bhavan, # 43, Race Course Road, Bangalore -560 001 | 21 st September, 2016 | 12:30 Hours |

Special Resolutions passed in the previous three Annual General Meetings:

| Year | Special Resolutions |
|------|---|
| 2014 | <ol style="list-style-type: none"> 1. Increasing the Authorised Share Capital of the Company from Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 2,40,00,000 (Two Crores Forty Lakhs only) Equity Shares of Rs. 5/- (Rupees Five only) each to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 3,00,00,000 (Three Crores only) Equity Shares of Rs. 5/- (Rupees Five only) each. 2. Alteration of the Memorandum of Association of the Company for amending the Capital Clause. |
| 2015 | <ol style="list-style-type: none"> 1. Entering into Joint Venture including the Joint Development of the Properties through Postal Ballot. 2. Change in the name of the Company through Postal Ballot. 3. Alteration of the Memorandum of Association of the Company including main objects through Postal Ballot. 4. Alteration of Articles of Association through Postal Ballot. |
| 2016 | NIL |

Disclosure:

Transactions with Related Parties are disclosed in Note 26 Point (i) on 'Additional Notes to Accounts' in the Annual Report.

The Register of Contracts containing the transactions, in which Directors are interested, is regularly placed before the Board for its ratification and approval.

During the previous three years, or in any of the earlier years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

The Company's personnel have access to the Audit Committee to refer any matter/s regarding concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethics policy.

Means of Communication:

| | | |
|-----|--|--|
| I | Quarterly Results | Published in National and local dailies such as Financial Express (English) & Sanjevani and in official websites of National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com) |
| II | Publications in News Papers | Published in National and local dailies i.e Financial Express (English) & Sanjevani (Kannada) immediately next day |
| III | Publications in Websites | www.mro-tek.com |
| IV | Displaying of official news releases | www.mro-tek.com and official websites of NSE and BSE |
| V | Presentations to Institutional Investors or analysts | www.mro-tek.com |

SHAREHOLDER INFORMATION:

- a) Date, time & venue of the Annual General Meeting of Shareholders:

| Date | Time | Venue |
|-------------------|------------|---|
| September 28 2017 | 12:00 Noon | Hotel Woodlands, # 5, Rajaram Mohan Roy Road, Bangalore -560 025. |

- b) Particulars of Financial Calendar for 2016-17

| | |
|---|--|
| Financial Year | 1 April, 2017 to 31 March, 2018 |
| First, Second and Third Quarterly Results | Within 45 days of end of each quarter |
| Fourth Quarter & Financial Year Results | within sixty days of end of the financial year |

- c) Dates of Book Closure 21st September, 2017 –to 28th September, 2017 (both the days inclusive)

- d) Listing on Stock Exchanges:

- National Stock Exchange of India Limited (NSE), BSE Limited (BSE).
- Annual listing fee has been remitted for NSE and BSE for the year 2017-18.
- Annual custody fee has been remitted for NSDL and CDSL for the year 2017-18.

- e) Stock Exchange Codes

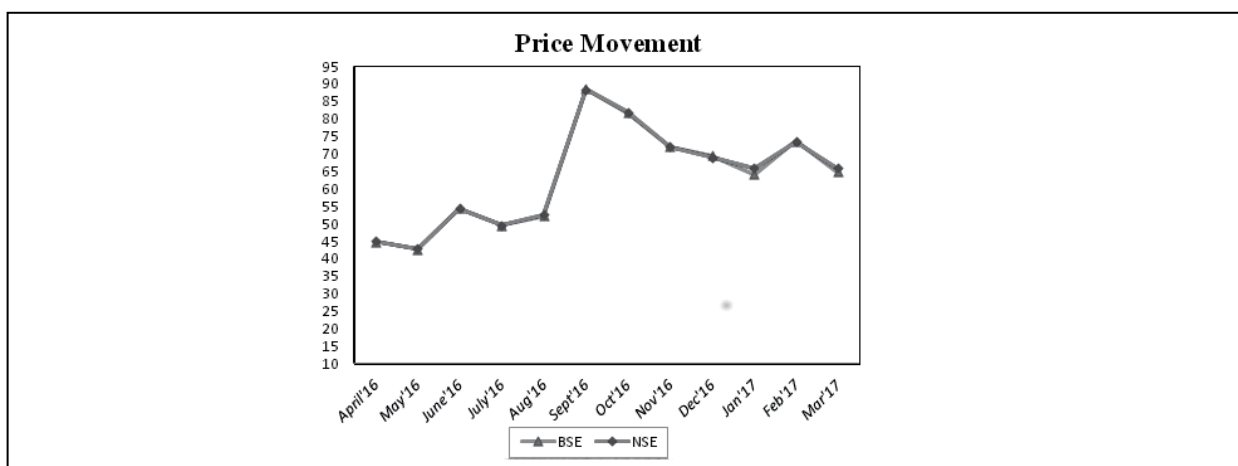
| Stock Exchange | Code |
|--|---------|
| National Stock Exchange of India a Limited, Mumbai | MRO-TEK |
| BSE Limited, Mumbai | 532376 |

- f) Demat arrangement with NSDL and CDSL. Demat ISIN – INE398B01018

- g) Market price data of shares traded

High/Low of market price of the Company's shares traded in BSE Limited and National Stock Exchange, during the financial year 2016-17 is furnished below:

| Month | BSE | | | NSE | | |
|--------|-------|-------|---------|-------|-------|-----------|
| | High | Low | Volume | High | Low | Volume |
| | Rs. | Rs. | Nos. | Rs. | Rs. | Nos. |
| Apr-16 | 44.95 | 40 | 187882 | 45.00 | 38.35 | 4,03,574 |
| May-16 | 42.65 | 39 | 161376 | 42.80 | 39.40 | 4,14,246 |
| Jun-16 | 54.4 | 39.75 | 845420 | 54.40 | 40.00 | 24,76,936 |
| Jul-16 | 49.6 | 42 | 617738 | 49.50 | 41.70 | 15,71,192 |
| Aug-16 | 52.2 | 41.1 | 512279 | 52.60 | 41.10 | 14,86,219 |
| Sep-16 | 88.6 | 43.1 | 2028071 | 88.40 | 43.35 | 71,37,253 |
| Oct-16 | 81.7 | 65.8 | 225077 | 81.95 | 62.10 | 8,24,798 |
| Nov-16 | 72 | 40.3 | 383953 | 72.00 | 40.15 | 15,72,698 |
| Dec-16 | 69.6 | 56 | 354394 | 68.90 | 56.00 | 13,61,485 |
| Jan-17 | 64.05 | 58.1 | 76208 | 66.00 | 57.10 | 4,11,069 |
| Feb-17 | 73.65 | 55.55 | 486294 | 73.50 | 59.50 | 10,66,992 |
| Mar-17 | 64.9 | 51 | 113462 | 65.95 | 47.75 | 3,72,797 |



h) Share Transfer System

In compliance of SEBI requirements, share transfers are entertained both under demat form as well as physical form. As reported hereinabove under "Stakeholders Relationship Committee", Share transfers, in respect of physical stocks, are normally affected within a maximum of 15 days from the date of receipt, if all required documentation is submitted.

j) Distribution of Shareholding as on 31 March, 2017:

| Sl. No | Category | Cases | % of Cases | Amount | % Amount |
|--------|----------------|--------------|---------------|--------------------|---------------|
| 1 | up to - 5000 | 11969 | 91.92 | 12454765.00 | 13.33 |
| 2 | 5001 - 10000 | 428 | 3.36 | 3318015.00 | 3.55 |
| 3 | 10001 - 20000 | 170 | 1.33 | 2490830.00 | 2.67 |
| 4 | 20001 - 30000 | 70 | 0.55 | 1751040.00 | 1.87 |
| 5 | 30001 - 40000 | 35 | 0.27 | 1267190.00 | 1.36 |
| 6 | 40001 - 50000 | 18 | 0.14 | 861020.00 | 0.92 |
| 7 | 50001 - 100000 | 25 | 0.20 | 1755205.00 | 1.88 |
| 8 | 100001 & ABOVE | 32 | 0.25 | 69524945.00 | 74.42 |
| | Total: | 12747 | 100.00 | 93423010.00 | 100.00 |

k) Categories of Shareholding as on 31st March, 2017.

| Category | No. of Shareholders | Total Shares | % | Equity Share Pledged | |
|-------------------------|---------------------|--------------------|---------------|----------------------|-----|
| | | | | No | % |
| Promoters Group | 3 | 8637011 | 46.23 | NIL | NIL |
| NRIs/ Foreign Nationals | 97 | 59252 | 0.32 | N/A | N/A |
| Banks/Mutual Funds/FIIs | 1 | 3,500 | 0.02 | N/A | N/A |
| Bodies Corporate | 238 | 518509 | 2.78 | N/A | N/A |
| Public | 12381 | 9449817 | 50.58 | N/A | N/A |
| CLEARING MEMBERS | 27 | 15731 | 0.070 | N/A | N/A |
| Total | 12,747 | 1,86,84,602 | 100.00 | | |

l) Dematerialization of Shares and Liquidity:

| Category – Demat/Physical | No. of Shareholders | % | No. of Shares | % |
|--|----------------------------|---------------|----------------------|---------------|
| Total No. of Shareholders holding shares physically | 431 | 3.00 | 122312 | 0.65 |
| Total No. of Shareholders in electronic (Demat) form | 12,316 | 97.00 | 1,85,62,990 | 99.35 |
| Total | 12, 747 | 100.00 | 1,86,84,602 | 100.00 |

m) Non-Executive Directors shareholding in the Company:

Mrs. Gauri A Mehta holds 486064 i.e 2.60% other than that none of the Directors viz. Mr. Sudhir Kumar Hasija, Mr. S Radhakrishnan and Mr. M V Sampath Kumarn holds any shares of your Company.

n) Plant Location:

No.29-B, Electronic City,
Hosur Road,
Bangalore – 560 100,
India
Tel : (91) (80) 2852 0544
Fax : (91) (80) 2852 0986

o) Address for Investor Correspondence (all matters):

MRO-TEK Realty Limited
#6, New BEL Road,
Chikkamaranahalli,
Bangalore - 560 024
Tel : (91) (80) 42499000
Fax : (91) (80) 2333 3415
E-mail : grd@mro-tek.com

p) Registrars & Share Transfer Agents :

Karvy Computershare Private Ltd
Karvy Selenium Tower B, Plot
No. 31 & 32, Financial District,
Gachibowli, Hyderabad- 500 032
Phone no : 040-67162222.
Fax no : 040-23001153
E-mail id : "einward.ris@karvy.com"

For & on behalf of the Board of Directors

Place : Bangalore
Date : 03.08.2017

Anirrudha Bhanuprasad Mehta
Chairman & Managing Director
DIN: 00720504

CEO & CFO CERTIFICATION

We have reviewed financial statements and the cash flow statement for the year ended 31st March 2017 and certify, to the best of our knowledge and belief, that:

- i. these statements present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations;
- ii. these statements do not contain any materially untrue statement, or omit any material fact, or contain statements that might be misleading ;
- iii. no transactions entered into by the Company during the year were fraudulent, illegal or violative of the Company's code of conduct and no instances of fraud took place;
- iv. we accept responsibility for establishing and maintaining internal controls for financial reporting;
- v. we have evaluated the effectiveness of the internal control systems of the Company, and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and have taken steps to rectify the same, wherever found;
- vi. significant changes in internal control over financial reporting, as well as changes in accounting policies, if any, have been intimated to the auditors and the Audit Committee, and been disclosed in the notes to the financial statements;

Place: Bangalore
Date: 03.08.2017

Aniruddha Bhanuprasad Mehta
Chairman & Managing Director
DIN: 00720504

Srivatsa
Chief Financial Officer

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of Regulation 26(3) read with Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, code of conduct of the Company has been displayed at the Company's website: <http://www.Mro-tek.com/>. All the Members of the Board and the Senior Management Personnel had affirmed compliance with the code for the year ended March 31, 2017.

Place: Bangalore
Date: 03.08.2017

Aniruddha Bhanuprasad Mehta
Chairman and Managing Director
DIN: 00720504

CERTIFICATE ON CORPORATE GOVERNANCE

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

To
The Members
MRO-TEK Realty Limited
Bangalore

I have examined all the relevant records of MRO-TEK Realty Limited ('the Company') for the purpose of certifying the compliance of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2017 as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

Place: Bangalore
Date: 03.08.2017

Vijayakrishna K T
Practising Company Secretary
FCS-1788
CP-980

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MRO-TEK REALTY LIMITED

(formerly known as "MRO-TEK Limited")

Report on the Financial Statements

We have audited the accompanying financial statements of MRO-TEK Realty Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017 and 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 Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these 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 the 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 auditors' 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 internal financial control relevant to the Company's preparation of the 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 the 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 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 financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

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 the paragraphs 3 and 4 of the Order.

As required by sub-section (3) of Section 143 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 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 31 March 2017 taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2017 from being appointed as a Director in terms of sub-section (2) of Section 164 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 the Annexure B; and
- 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:
 - 1. the Company has confirmed that there is no pending litigation against the Company bearing any financial implication except as disclosed in note-26(II) (o);
 - 2. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

- 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2017.
- 4. The Company has provided requisite disclosures in financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the Management representation we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management. Refer Note 26(II)(s).

For K.S.Aiyar & CO

Chartered Accountants

ICAI Firm's Registration number-100186W

Ramamohan R Hegde

Partner

Membership No: 23206

Place: Bangalore

Date: 26/05/2017

Annexure 'A' to the Independent Auditor's Report – 31 March 2017

With reference to the Annexure A referred to in the Independent Auditor's Report to the Members of the Company on the financial statements for the year ended 31 March 2017, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which the fixed assets are verified by the Management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain fixed assets during the year and we are informed that no discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 10 to the financial statements are held in the name of the Company.
- (ii) The inventory, other than stocks lying with third parties, has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. In respect of stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (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 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the loans given and investments made.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations provided to us, the Company is maintaining cost records in accordance with requirements of the sub-section (1) of section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014. Consequently, further comment under this clause does not arise.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise and Value added tax as at 31 March 2017, which have not been deposited with the appropriate authorities on account of any dispute except as provide below:

| Name of the Statute | Nature of dues | Amount (Rs. in Lacs) | Period to which amount relates | Forum where the dispute is pending |
|--------------------------|---------------------|-------------------------|-----------------------------------|--|
| Central Excise Act, 1944 | Central Excise Duty | 4,66,90,550/- | FY 2010-11 | Customs, Excise & Service Tax Appellate Tribunal, Bangalore |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or the government or bank. Consequently, further comment under this clause does not arise.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, the 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 and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered

into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act where applicable and the details of such related party transactions have been disclosed in the financial statements as required by Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For K.S.Aiyar & CO

Chartered Accountants

ICAI Firm's Registration number-100186W

Ramamohan R Hegde

Partner

Membership No: 23206

Place: Bangalore

Date: 26/05/2017

Annexure 'B' To The Independent Auditor's Report – 31 March 2017

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 the Company as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI 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 auditors' 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For K.S.Aiyar & CO

Chartered Accountants

ICAI Firm's Registration number-100186W

Ramamohan R Hegde

Partner

Place: Bangalore

Date: 26/05/2017

Membership No: 23206

BALANCE SHEET

AS AT 31ST MARCH, 2017

| Particulars | Note No. | As at 31-Mar-17 (Rs.) | As at 31-Mar-16 (Rs.) |
|--|----------|-----------------------------|-----------------------------|
| I Equity and Liabilities | | | |
| 1 Shareholders' funds | | | |
| a Share Capital | 1 | 93,423,010 | 93,423,010 |
| b Reserves and Surplus | 2 | (31,622,214) | (114,622,535) |
| 2 Non-current liabilities | | | |
| a Long-term borrowings | 3 | - | 2,671,001 |
| b Deferred tax liabilities (Net) | 4 | - | 10,246,497 |
| b Long-term provisions | 5 | 881,061 | 1,733,906 |
| 3 Current liabilities | | | |
| a Short-term borrowings | 6 | 210,162,063 | 182,040,207 |
| b Trade payables | 7 | - | |
| (i) total outstanding dues of micro enterprises and small enterprises | | 1,214,130 | 2,318,898 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 26,032,749 | 59,690,804 |
| c Other Current liabilities | 8 | 25,216,978 | 129,137,526 |
| d Short-term provisions | 9 | 2,774,651 | 474,032 |
| Total | | 328,082,428 | 367,113,346 |
| II Assets | | | |
| 1 Non-Current Assets | | | |
| a Fixed Assets | | | |
| i Tangible Assets | 10 | 78,684,048 | 94,198,598 |
| ii Intangible Assets | | - | - |
| b Non Current Investments | 11 | 7,252,000 | 7,252,000 |
| c Long-term loans and advances | 12 | 50,532,052 | 53,076,662 |
| d Other non-current assets | 13 | 7,675,932 | 9,705,732 |
| d Deferred Tax -Asset | 4 | 11,808,783 | - |
| 2 Current Assets | | | |
| a Inventories | 14 | 115,148,210 | 101,690,899 |
| b Trade receivables | 15 | 39,705,667 | 75,682,834 |
| c Cash and Cash equivalents | 16 | 3,252,409 | 7,507,127 |
| d Short-term loans and advances | 17 | 10,140,826 | 6,575,166 |
| e Other Current Assets | 18 | 3,882,501 | 11,424,328 |
| Total | | 328,082,428 | 367,113,346 |

Significant Accounting Policies and The Notes are an integral part of these financial statements

As per our attached report of even date.

For K.S.Aiyar & Co

Chartered Accountants

ICAI Firm's registration number:100186W

Ramamohan R Hegde

Partner

Membership Number : 23206

for and on behalf of the Board of Directors
of MRO-TEK Realty Limited

Aniruddha Bhanuprasad Mehta

Chairman & Managing Director

DIN No. 00720504

Chief Financial Officer

Gauri Mehta

Director

DIN No. 00720443

Company Secretary and
Compliance Officer

Place : Bengaluru

Date : 26th May, 2017

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

| Particulars | Note No. | Year Ended 31-Mar-17 (Rs.) | Year Ended 31-Mar-16 (Rs.) |
|--|----------|----------------------------------|----------------------------------|
| I Revenue from Operations (Gross) | 19 | 413,452,971 | 332,931,073 |
| Less: Excise Duty | 19 | 35,966,016 | 40,079,123 |
| Revenue from operations (Net) | | 377,486,955 | 292,851,950 |
| II Other Income | 20 | 5,838,036 | 2,469,586 |
| III Total Revenue (I + II) | | 383,324,991 | 295,321,536 |
| IV Expenses: | | | |
| Cost of materials consumed | 21 | 177,741,877 | 58,779,811 |
| Purchases of Traded goods | | - | 34,440,525 |
| Changes in inventories of Finished Goods, Work-in-progress and Traded Goods | 22 | (4,716,201) | 69,095,296 |
| Net cost of Materials Consumed | | 173,025,676 | 162,315,632 |
| Employee benefits expenses | 23 | 19,813,975 | 84,177,656 |
| Finance Cost | 24 | 21,043,534 | 14,901,638 |
| Depreciation and amortization expenses | 10 | 13,899,414 | 11,889,999 |
| Other Expenses | 25 | 85,401,256 | 47,899,560 |
| Total expenses | | 313,183,855 | 321,184,485 |
| V Profit/(Loss) before exceptional and extraordinary items and tax (III - IV) | | 70,141,136 | (25,862,949) |
| VI Exceptional Items | | 4,500,000 | 17,430,988 |
| VII Profit/(Loss) before extraordinary items and tax (V - VI) | | 65,641,136 | (43,293,937) |
| VIII Extraordinary Items | | 2,388,525 | 111,465,902 |
| IX Profit/(Loss) before tax (VII - VIII) | | 63,252,611 | (154,759,839) |
| X Tax Expenses | | | |
| 1. Current tax | | - | - |
| 2. Deferred tax | | (22,055,280) | 87,733 |
| XI Profit/(Loss) for the period (IX - X) | | 85,307,891 | (154,847,572) |
| XII Profit/(Loss) from Discontinuing operations | | (2,307,570) | (132,090,445) |
| XIII Tax expenses of discontinuing operations | | - | - |
| XIV Profit/(Loss) from Discontinuing operations (after tax) (XII - XIII) | | (2,307,570) | (132,090,445) |
| XV Profit / (loss) for the period (XI - XII - XIII) | | 83,000,321 | (286,938,017) |
| XVI Earnings per equity share (face value of Rs. 5 per share) | | | |
| 1. Basic & Diluted EPS excluding extraordinary items | | 4.57 | (9.39) |
| 2. Basic & Diluted EPS including extraordinary items | | 4.44 | (15.36) |
| 3. Number of shares used in computing earnings per shares | | 18,684,602 | 18,684,602 |

(i) Revenue from operation is only relating to primary business segment "Access & Networking"

(ii) Excise duty is gross of primary business segment "Access & Networking" and discontinued operation "Solar based equipments & projects".

Significant Accounting Policies and

The Notes are an integral part of these financial statements

As per our attached report of even date.

For K.S. Aiyar & Co

Chartered Accountants

ICAI Firm's registration number:100186W

Ramamohan R Hegde

Partner

Membership Number : 23206

for and on behalf of the Board of Directors
of MRO-TEK Realty Limited

Aniruddha Bhanuprasad Mehta

Chairman & Managing Director

DIN : 00720504

Chief Financial Officer

Gauri Mehta

Director

DIN : 00720443

Company Secretary and
Compliance Officer
ACS:

Place : Bengaluru

Date : 26th May, 2017

NOTES FORMING PART OF BALANCE SHEET

AS AT 31ST MARCH, 2017

| Particulars | As at 31-Mar-17 (Rs.) | As at 31-Mar-16 (Rs.) |
|-------------|-----------------------------|-----------------------------|
|-------------|-----------------------------|-----------------------------|

Note - 1 - Share Capital

1 Authorised

3,00,00,000 Equity shares of Rs. 5 each 150,000,000 150,000,000

2 Issued, Subscribed & Paid Up

1,86,84,602 Equity Shares of Rs.5 each, fully paid-up 93,423,010 93,423,010
(Previous year 1,86,84,602 Equity Shares of Rs.5 each, fully paid-up)

3 Reconciliation of number of shares outstanding at the beginning & at the end of the reporting year

| | As at 31st March, 2017 | | As at 31st March 2016 | |
|------------------------------------|------------------------|-------------|-----------------------|-------------|
| | No of Shares | Value (Rs.) | No of Shares | Value (Rs.) |
| At the beginning of the year | 18,684,602 | 93,423,010 | 18,684,602 | 93,423,010 |
| Movement during the period | - | - | - | - |
| Outstanding at the end of the year | 18,684,602 | 93,423,010 | 18,684,602 | 93,423,010 |

4 Shareholders holding Equity Shares more than 5% of Share capital

| | 31-Mar-17 | | 31-Mar-16 | |
|-------------------------------|---------------|-----------|---------------|-----------|
| | No. of Shares | Holding % | No. of Shares | Holding % |
| Shareholder | | | | |
| UMIYA HOLDING PRIVATE LIMITED | 5,138,724 | 27.50 | - | - |
| ANIRUDDHA BHANUPRASAD MEHTA | 3,012,223 | 16.12 | - | - |
| JITENDRA VIRWANI | 3,704,684 | 19.83 | 1,932,596 | 10.34 |
| H.NANDI | - | - | 3,140,903 | 16.81 |
| S.NARAYANAN | - | - | 3,092,916 | 16.55 |
| Total | 11,855,631 | 63.45 | 8,166,415 | |

5 Equity Shares bought back during the last five years:

| Financial Year | No. of Shares |
|----------------|---------------|
| NA | NIL |
| Total | NIL |

Note - 2 Reserves and Surplus

| | | As at 31-Mar-17 (Rs.) | As at 31-Mar-16 (Rs.) |
|--|-----------|-----------------------------|-----------------------------|
| 1 Capital Reserve : | | | |
| State Government subsidy on Capital Investment | A | 110,000 | 110,000 |
| 2 Capital Redemption Reserve | B | 10,284,630 | 10,284,630 |
| 3 Securities Premium Account | C | 176,906,656 | 176,906,656 |
| 4 General Reserve | D | 483,000,000 | 483,000,000 |
| 5 Surplus/(deficit) in the statement of Profit & Loss | | | |
| Opening Balance | | (784,923,821) | (497,985,804) |
| Profit / (Loss) for the year | | 83,000,321 | (286,938,017) |
| Less: Appropriations | | - | - |
| Net Surplus/(deficit) in the statement of Profit & Loss | E | (701,923,500) | (784,923,821) |
| Total | A+B+C+D+E | (31,622,214) | (114,622,535) |

NOTES FORMING PART OF BALANCE SHEET

AS AT 31ST MARCH, 2017

| Particulars | As at 31-Mar-17 (Rs.) | As at 31-Mar-16 (Rs.) |
|-------------------------------------|-----------------------------|-----------------------------|
| Note - 3 Long-term borrowing | | |
| Sales Tax Deferment* | - | 2,671,001 |
| Total | - | 2,671,001 |

* Refers to interest free incentive granted, during the year 2001, by the State Government, to the extent of 150% of the investment in fixed assets, for expansion of production capacity, as provided under the Information Technology policy of 1997 and repayable in half yearly installments of Rs.3,52,000, starting from February 2012 and Rs.30,22,500, starting from January 2013.

Note - 4 Deferred tax (liability) / Asset

Deferred tax (liability)/ Assets on account of :

| | | |
|---|-------------------|--------------|
| Fixed Assets | 9,507,431 | (11,159,659) |
| Deferred tax asset on account of : | | |
| Others | 2,301,352 | 913,162 |
| Total | 11,808,783 | (10,246,497) |

Note - 5 Long-term provisions

| | | |
|------------------------------------|----------------|-----------|
| Provision for compensated absences | 881,061 | 1,733,906 |
| Total | 881,061 | 1,733,906 |

Note - 6 Short term borrowings

| | | |
|--------------------------------------|--------------------|-------------|
| Secured borrowings | | |
| a Loan repayable on demand | | |
| - from Bank - Over Draft * | 156,162,063 | 179,340,207 |
| Un-Secured borrowings from Directors | 54,000,000 | 2,700,000 |
| Un-Secured borrowings from ICD | | - |
| Total | 210,162,063 | 182,040,207 |

* Asset backed drop down Over Draft limits sanctioned by State Bank of India are secured against hypothecation of Book Debts, Inventory and also a first charge on all fixed assets of the Company, movable & immovable as collateral security.

Note - 7 Trade payables

Trade Payables

| | | |
|--|-------------------|------------|
| total outstanding dues of Micro enterprises and Small enterprises | 1,214,130 | 2,318,898 |
| total outstanding dues of creditors other than micro enterprises and Small enterprises | 26,032,749 | 59,690,804 |
| Total | 27,246,879 | 62,009,702 |

NOTES FORMING PART OF BALANCE SHEET

AS AT 31ST MARCH, 2017

| Particulars | As at 31-Mar-17 (Rs.) | As at 31-Mar-16 (Rs.) |
|---|-----------------------------|-----------------------------|
| Note - 8 Other current liabilities | | |
| Customer Credit Balances | 224,305 | 4,458,826 |
| Unclaimed dividends* | 241,489 | 468,938 |
| Sales Tax deferment - Current maturity | 3,023,001 | 6,749,000 |
| Statutory liabilities | 3,761,983 | 7,419,726 |
| Payable to Employees | 2,079,597 | 3,998,510 |
| Payable for Expenses | 15,886,603 | 16,042,526 |
| Non-refundable security deposit-Property Development ** | - | 90,000,000 |
| Total | 25,216,978 | 129,137,526 |

* Current Year - an amount of Rs.2,27,449/- was credited to Investor Education and Protection Fund as at 14.07.2016 (During the previous year an amount of Rs.2,41,754/- was credited to Investor Education and Protection Fund as at 22.07.2015)

**Current Year - Nil (Previous Year - Represents a sum of Rs. 9 crore as non refundable deposit received as per supplementary agreement dated January 04, 2016, pending the recognition to the Statement of Profit and Loss Account.)

Note - 9 Short-term provisions

| | | |
|------------------------------------|------------------|---------|
| Provision for Warranty | 2,692,485 | - |
| Provision for Gratuity | - | 341,122 |
| Provision for compensated absences | 82,166 | 132,910 |
| Total | 2,774,651 | 474,032 |

NOTES FORMING PART OF BALANCE SHEET

AS AT 31ST MARCH, 2017

NOTE - 10 FIXED ASSETS

| NATURE OF ASSET | GROSS BLOCK | | | Rate % | DEPRECIATION BLOCK | | | | | NET BLOCK | |
|---------------------------------|--------------------------|-----------------------------------|--------------------|------------------------------------|--------------------|------------------|--------------------|--------------------|--------------------|-------------------------|--|
| | COST AS ON 1 Apr 2016 | ADDITIONS DURING THE PERIOD | DELETIONS | TOTAL COST AS ON 31 Mar 2017 | FOR THE PERIOD | IMPAIR- MENT | ON DELETIONS | UPTO 31-Mar-17 | AS AT 31-Mar-17 | AS AT 31 Mar 2016 | |
| i. Tangible Assets: | | | | | | | | | | | |
| Land - Factory | 805,454 | - | - | 805,454 | - | - | - | - | 805,454 | 805,454 | |
| - Office | | | | | | | | | | | |
| Buildings- Factory | 74,688,904 | - | - | 74,688,904 | 2,287,866 | - | - | 27,711,148 | 46,977,756 | 49,265,622 | |
| - Office | | | | | | | | | | | |
| Plant & Machinery - R&D | 1,284,395 | - | 63,553 | 1,220,842 | 5,565 | - | 63,553 | 1,183,578 | 37,264 | 42,829 | |
| Plant & Machinery - Others | 73,086,796 | - | 14,544,763 | 58,542,033 | 1,795,001 | 1,137,515 | 14,333,118 | 46,479,107 | 12,062,926 | 15,207,087 | |
| Test Equipments - R&D | 21,132,452 | - | 9,529,830 | 11,602,622 | 523,485 | - | 9,529,830 | 7,480,128 | 4,122,494 | 4,645,979 | |
| Test Equipments - Others | 25,823,494 | - | 17,182,313 | 8,641,181 | 277,823 | 280,667 | 16,974,956 | 6,497,577 | 2,143,604 | 2,909,451 | |
| Electrical Installations | 20,251,474 | - | 17,209,283 | 3,042,191 | 319,655 | 17,928 | 16,997,197 | 1,335,789 | 1,706,402 | 2,256,071 | |
| Office Equipments - R&D | 169,598 | - | 130,233 | 39,365 | - | - | 130,233 | 39,365 | - | - | |
| Office Equipments - Others | 10,303,882 | 836,542 | 5,818,492 | 5,321,932 | 419,195 | 85,535 | 5,818,492 | 4,212,084 | 1,109,848 | 778,036 | |
| Computers, & Networking - R&D | 15,964,867 | - | 11,716,683 | 4,248,184 | - | - | 11,716,683 | 4,244,267 | 3,917 | 3,917 | |
| Computers & Networking - Others | 36,166,992 | 934,154 | 29,170,101 | 7,931,045 | 588,022 | 11,700 | 29,039,357 | 6,888,239 | 1,042,806 | 839,118 | |
| Furniture & Fixtures - R&D | 1,045,647 | - | 759,032 | 286,615 | 51,012 | - | 759,032 | 286,615 | - | 51,012 | |
| Furniture & Fixtures - Others | 40,465,915 | - | 21,448,887 | 19,017,028 | 1,538,925 | 3,246,990 | 21,448,887 | 13,024,077 | 5,992,951 | 10,778,866 | |
| Vehicles | 15,028,534 | 1,093,107 | 14,119,353 | 2,002,288 | 684,503 | - | 8,610,731 | 982,505 | 1,019,783 | 6,119,801 | |
| Air Conditioners - R&D | 77,866 | - | - | 77,866 | - | - | - | 77,866 | - | - | |
| Air Conditioners - Others | 3,787,323 | - | 237,512 | 3,549,811 | 152,131 | 40,508 | 237,512 | 3,247,095 | 302,716 | 495,355 | |
| Lease Hold Improvement | | 1,791,515 | - | 1,791,515 | 435,388 | - | - | 435,388 | 1,356,127 | - | |
| SUB TOTAL | 340,083,593 | 4,655,318 | 141,930,035 | 202,808,876 | 9,078,571 | 4,820,843 | 135,659,581 | 124,124,828 | 78,684,048 | 94,198,598 | |
| ii. Intangible Assets: | | | | | | | | | | | |
| Computer Software - R&D | 15,588,480 | - | 15,588,480 | - | - | - | 15,588,480 | - | - | - | |
| Computer Software Others | 10,208,194 | - | 863,106 | 9,345,088 | - | - | 863,106 | 9,345,088 | - | - | |
| SUB TOTAL | 25,796,674 | - | 16,451,586 | 9,345,088 | - | - | 16,451,586 | 9,345,088 | - | - | |
| TOTAL (i+ii) | 365,880,267 | 4,655,318 | 158,381,621 | 212,153,964 | 9,078,571 | 4,820,843 | 152,111,167 | 133,469,916 | 78,684,048 | 94,198,598 | |
| Previous Year | 541,298,605 | 72,001 | 175,490,339 | 365,880,267 | 1,889,999 | - | 46,452,415 | 271,681,669 | 94,198,598 | 94,198,598 | |

- Note: 1. Assets have been regrouped / reclassified during the year, wherever necessary.
2. Depreciation charge of Rs. 1,38,99,414/- for the year includes impairment of assets of Rs. 48,20,843/-
3. As per resolution passed in the Board meeting held on January 14, 2016, the Company has converted the Land situated at Hebbal in to Stock-in Trade. The land converted at the carrying cost of Rs. 5,05,23,211/- disclosed under "Inventory". The Same is disclosed under primary business segment "Real Estate Development"

NOTES FORMING PART OF BALANCE SHEET

AS AT 31ST MARCH, 2017

| Particulars | As at 31-Mar-17 (Rs.) | As at 31-Mar-16 (Rs.) |
|---|-----------------------------|-----------------------------|
| Note - 11 Non current Investments | | |
| Long term, trade, unquoted, at cost: | | |
| Investment in Equity Shares of Joint Venture: RAD-MRO Manufacturing Pvt Ltd, Bangalore 7,25,200 equity shares of Rs. 10 each, fully paid up | 7,252,000 | 7,252,000 |
| Total | 7,252,000 | 7,252,000 |
| Note - 12 Long-term Loans and advances (Unsecured - considered good) | | |
| Gratuity - Fund Balance | 624,454 | - |
| Earnest Money Deposit | 3,152,100 | 152,100 |
| Other Deposits | 2,189,278 | 2,159,214 |
| MAT Credit | 2,990,914 | 2,990,914 |
| Advance Tax and Tax Deducted at Source | 4,116,715 | 9,424,947 |
| Advances with - Central Excise | 23,971,823 | 23,971,823 |
| - Customs Duty Refundable (SAD) | 8,605,241 | 8,774,436 |
| - Sales Tax | 4,206,327 | 5,571,638 |
| - Others | 675,200 | 31,590 |
| Total | 50,532,052 | 53,076,662 |
| Note - 13 Other Non Current Assets | | |
| Other Trade Receivable | 7,675,932 | 9,705,732 |
| Total | 7,675,932 | 9,705,732 |
| Note - 14 Inventories | | |
| Valued at lower of cost or net realisable value | | |
| Land under Development | 50,523,211 | 50,523,211 |
| Raw Materials | 22,686,407 | 19,144,869 |
| Work-in-progress | 10,380,957 | 15,551,072 |
| Finished Goods | | |
| - Manufactured | 26,358,063 | 15,491,627 |
| - Traded | - | 980,120 |
| Goods in transit : | | |
| Raw materials | 5,199,572 | - |
| Total | 64,624,999 | 51,167,688 |
| Total Inventories | 115,148,210 | 101,690,899 |

NOTES FORMING PART OF BALANCE SHEET

AS AT 31ST MARCH, 2017

| Particulars | As at 31-Mar-17 (Rs.) | As at 31-Mar-16 (Rs.) |
|--|-----------------------------|-----------------------------|
| Note - 15 Trade Receivables | | |
| Unsecured | | |
| Debts Outstanding for a period exceeding | | |
| - Six months | | |
| Considered Good | 2,629,247 | 9,066,842 |
| Considered Doubtful | 8,608,792 | 5,049,556 |
| - Other Debts - Considered Good | 37,076,420 | 66,615,992 |
| | 48,314,459 | 80,732,390 |
| Less: Provision for Bad & doubtful debts | 8,608,792 | 5,049,556 |
| Total | 39,705,667 | 75,682,834 |

Note - 16 Cash & Cash Equivalents

| | | |
|--|------------------|------------------|
| a. Balances with banks | | |
| - In Current Accounts | 948,695 | 464,628 |
| - In Current Accounts (Foreign Currency) | 37,561 | 500,596 |
| - In Current Accounts - Unclaimed dividend * | 241,489 | 468,938 |
| - In Fixed Deposits (FDs) * * | | |
| - Maturity period - less than 12 months | - | 6,000,000 |
| - more than 12 months | 2,000,000 | - |
| b. Cash on hand | 24,664 | 72,965 |
| Total | 3,252,409 | 7,507,127 |

Restricted Cash Balances include the following

* Balances in current account/s, payable against unclaimed dividend.

** FDs totalling to Rs. 20 lacs (previous year- Rs. 60 lacs) offered as 100% margin money, against LCs & Guarantees, availed from the Bank.

Note - 17 Short-term Loans and advances

(Unsecured - considered good)

| | | |
|---|-------------------|------------------|
| Advance to suppliers - on capital account | - | - |
| - others | 640,478 | 1,417,390 |
| Advances with | 3,343,154 | 4,714,653 |
| - Central Excise | 4,928,767 | 443,123 |
| - Service Tax | | |
| Prepaid Expenses | 1,228,427 | - |
| Total | 10,140,826 | 6,575,166 |

Note - 18 Other Current Assets

| | | |
|--|------------------|-------------------|
| Assets Held for Sale -Discontinuing Business | 3,808,333 | 11,291,412 |
| Interest accrued but not due | 74,168 | 132,916 |
| | 3,882,501 | 11,424,328 |

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31 MARCH, 2017

| Particulars | Year Ended 31-Mar-17 (Rs.) | Year Ended 31-Mar-16 (Rs.) |
|---|----------------------------------|----------------------------------|
| Note - 19 Revenue from Operations | | |
| Income from Sale of Products (Gross) | | |
| Domestic Sales | 312,577,259 | 383,693,033 |
| Exports | 151,915 | 897,524 |
| | 312,729,174 | 384,590,557 |
| Less: Excise Duty | 35,966,016 | 40,079,123 |
| | 276,763,158 | 344,511,434 |
| Less: Disclosed under discontinued operation- Solar based equipments & projects | 7,514,662 | 74,570,151 |
| Net Revenue from Operations | 269,248,496 | 269,941,283 |
| Income from Services | | |
| Annual Maintenance Charges | 15,661,156 | 14,089,307 |
| Service & Installation Charges | 2,577,303 | 8,821,360 |
| Income from Real Estate Development (Refer Note 26 (II) (b)) | 90,000,000 | - |
| Total | 377,486,955 | 292,851,950 |
| Note - 20 Other income | | |
| Interest Income | 1,457,126 | 883,170 |
| Gains from Exchange Rate Fluctuation | 1,876,785 | - |
| Miscellaneous Income | 5,907,420 | 1,586,416 |
| | 9,241,331 | 2,469,586 |
| Less: Disclosed under discontinued operation- Solar based equipments & projects | 3,403,295 | - |
| Total | 5,838,036 | 2,469,586 |
| Note - 21 Cost of materials consumed | | |
| Raw materials | | |
| Opening Stock | 19,144,869 | 58,449,652 |
| Add: Purchases & direct costs | 188,307,057 | 123,190,688 |
| | 207,451,926 | 181,640,340 |
| Less: Closing Stock | 22,686,407 | 19,144,869 |
| Cost of material consumed | 184,765,519 | 162,495,471 |
| Less: disclosed under discontinued operation- Solar based equipments & projects | 7,023,642 | 103,715,660 |
| Net cost of material Consumed | 177,741,877 | 58,779,811 |
| Note - 22 - (Increase) / decrease in value of stock | | |
| a. Finished goods: | | |
| Opening stock | 15,491,627 | 82,957,467 |
| Closing stock | 26,358,063 | 15,491,627 |
| | (10,866,436) | 67,465,840 |
| b. Semi-finished goods: | | |
| Opening stock | 15,551,072 | 11,330,179 |
| Closing stock | 10,380,957 | 15,551,072 |
| | 5,170,115 | (4,220,893) |
| c. Traded goods: | | |
| Opening stock | 980,120 | 6,830,469 |
| Closing stock | - | 980,120 |
| | 980,120 | 5,850,349 |
| Total - (a + b + c) | (4,716,201) | 69,095,296 |

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31 MARCH, 2017

| Particulars | Year Ended 31-Mar-17 (Rs.) | Year Ended 31-Mar-16 (Rs.) |
|--|----------------------------------|----------------------------------|
| Note - 23 Employee Benefit Expenses | | |
| Salaries, Bonus & Allowances | 1,77,31,643 | 7,20,99,098 |
| Contribution to P.F. and Pension Funds | 7,49,009 | 96,52,099 |
| Staff Welfare Expenses | 13,33,323 | 24,26,459 |
| | <u>1,98,13,975</u> | <u>8,41,77,656</u> |
| Less: disclosed under discontinued operation-Solar based equipments & projects | | |
| Total | <u>1,98,13,975</u> | <u>8,41,77,656</u> |
| Note - 24 Finance Cost | | |
| Interest | 1,72,19,181 | 1,44,01,193 |
| Interest (Others) | 34,76,975 | |
| Other bank charges | 3,47,378 | 5,00,445 |
| | <u>2,10,43,534</u> | <u>1,49,01,638</u> |
| Less: disclosed under discontinued operation-Solar based equipments & projects | | |
| Total | <u>2,10,43,534</u> | <u>1,49,01,638</u> |
| Note - 25 - Other Expenses | | |
| Administrative Expenses | | |
| Auditor's Remuneration | 13,05,000 | 15,59,710 |
| Books & Periodicals | 48,788 | 2,30,288 |
| Directors' Sitting Fees | 3,27,630 | 2,04,360 |
| Insurance | 6,73,711 | 17,64,238 |
| Other Admin Expenses | 15,46,993 | 31,66,357 |
| Postage & Telephone | 16,61,692 | 32,06,127 |
| Power, Fuel and Water | 37,68,049 | 25,02,966 |
| Printing & Stationery | 2,67,990 | 9,97,828 |
| Professional Charges | 80,87,154 | 33,18,045 |
| Rates & Taxes | 70,19,802 | 60,85,873 |
| Rent | 67,87,250 | 8,89,442 |
| Upkeep & Maintenance | 99,87,800 | 60,10,124 |
| AMC charges & Software Licenses | 9,99,428 | 35,92,860 |
| Loss on Sale of Fixed assets | 12,10,826 | |
| Loss from Exchange Rate Fluctuation | | 12,43,406 |
| Manpower Hire Charges | 3,26,68,998 | |
| Travelling, Conveyance & Vehicle Maintenance | 47,41,474 | 70,83,440 |
| Sub- Total | <u>8,11,02,585</u> | <u>4,18,55,064</u> |
| Selling & Distribution Expenses | | |
| Advertisement & Publicity | 2,58,323 | 6,29,329 |
| Business Promotion expenses | 3,05,976 | 5,65,710 |
| Commission & Discounts | 47,000 | 16,84,888 |
| Freight & Transportation | 27,03,230 | 28,04,434 |
| Liquidity Damages & Octroi | 2,14,818 | 23,055 |
| Bad Debts Written Off | 34,11,973 | 3,37,080 |
| Provision for Doubtful Debts | 35,59,236 | |
| Sub- Total | 1,05,00,556 | 60,44,496 |
| Total | <u>9,16,03,141</u> | <u>4,78,99,560</u> |
| Less: disclosed under discontinued operation-Solar based equipments & projects | 62,01,885 | |
| Total | <u>8,54,01,256</u> | <u>4,78,99,560</u> |

Corporate Information

MRO-TEK Realty Limited (formerly known as MRO-TEK Limited) was incorporated in the year 1984. The Company's core business activity is manufacture and supply, as well as distribution, of Access and Networking equipment & Solutions. The Company entered into real estate segment during the year 2016. The Company name has been changed to MRO-TEK REALTY LIMITED with effect from May 11, 2016 and the registered office of the company is shifted to No 6, "Maruthi Complex", New BEL Road, Chikkamaranahalli, Bangalore – 560054.

The Equity shares of the Company are listed in Bombay Stock Exchange of India, Mumbai and National Stock Exchange of India Limited, Mumbai.

26. Significant Accounting Policies and other explanatory information

I. Significant Accounting Policies

(a) Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention in accordance with Indian Generally Accepted Accounting Principles (GAAP), and all income and expenditure having a material bearing on the financial statements are recognized on accrual basis. The financial statements comply with the mandatory Accounting Standards prescribed under section 133 of the Companies Act 2013 ("the Act") read with the Rule 7 of the Companies (Accounts) Rules 2014 and the Act and the guidelines issued by the Securities Exchange Board of India (SEBI).

The Accounting policies adopted during the current year, in the preparation of these financial statements, are consistent with that of the previous year.

(b) Use of Estimates:

In preparation of financial statements conforming to GAAP requirements, certain 'estimates and assumptions' are essentially required to be made, with respect to items such as, provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, classification of Inventory and the useful life period of Fixed Assets. Due care and diligence have been exercised by the Management in arriving at such 'estimates and assumptions' since, they may directly affect, the reported amounts of income and expenses during the period, as well as the balances of Assets and Liabilities, including those

which are contingent in nature, as at the date of reporting of the financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

(c) Inventory Valuation:

All inventories of the Company other than disposable scrap are valued at lower of cost or net realizable value. Disposable scrap is valued at net realizable value.

Raw materials, stores, spares and tools are valued at lower of cost and net realizable value. Cost of raw materials comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

Cost of finished goods and work in progress include materials and direct labour and appropriate overheads. Cost of finished goods includes excise duty.

Traded goods are valued at Cost or net realizable value.

Land under Development is valued at lower of cost or net realizable value.

Cost includes all expenses incurred to bring the inventory to its present location and condition.

Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

(d) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit 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; financing and investing activities of the company are segregated.

(e) Cash and Cash Equivalents

'Cash' comprises of cash on hand and demand deposits with Bank. 'Cash Equivalents' are short term, highly liquid investment, that are readily

convertible into known amounts of cash within a period of 3 months and which are subject to insignificant risk of changes in value.

(f) Events occurring after the date of Balance Sheet:

Material events occurring after the date of Balance Sheet are taken into cognizance.

(g) Revenue Recognition:

- (i) Sales Revenues are recognized when goods are invoiced and dispatched to customers, and are recorded inclusive of Excise Duty, but are net of Sales Returns, Trade Discounts and Sales Tax.
- (ii) The revenues from Annual Maintenance Contracts are recognized on pro-rata basis over the period in which such services are rendered. Earnings in excess of billings are classified as unbilled revenue.
- (iii) Commission income is recognized on completion of supplies by the principals against the relevant orders.
- (iv) The revenues from Service and Installation Charges are recognized on completion of respective works contract/s.
- (v) Income from Investments is recognized when right to receive payment is established.
- (vi) Rental & Hire-charges Income is recognized on accrual basis, quantified under the relevant arrangements.
- (vii) Interest is recognized using the time proportion method, based on the rates implicit in the transaction.
- (viii) Income for real estate development is recognized as per the guidelines prescribed under "Guidance Note on Accounting for Real Estate Transactions" issued by Institute of Chartered Accountants of India GN(A) 23 (Revised 2012).

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Bad debt provisions are created for uncertainty subsequent to revenue recognition.

(h) Fixed Assets:

Tangible Assets:

Tangible fixed assets are stated at cost of acquisition (net of CENVAT, wherever applicable), less accumulated depreciation. Cost is inclusive of

freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. Direct costs are capitalized till the assets are ready to be put to use. Interest on borrowings, wherever applicable, attributable to new projects is capitalized and included in the cost of fixed assets as appropriate.

Intangible Assets:

- i. The cost of software (which is an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognized as Intangible Assets in the books of accounts when the same is ready for use. Intangible Assets that are not ready for their intended use as at the Balance Sheet date are classified as "Intangible Assets under Development".
- ii. Cost of developmental work which is completed, wherever eligible, is recognized as an Intangible Asset. Cost of developmental work under progress, is classified as "Intangible Assets under Development". The carrying amount includes expenditure incurred by the Company towards material cost, employees cost and other direct expenditure.

(i) Impairment of assets:

At the end of each reporting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard-28 "Impairment of Assets" prescribed under the Act, where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

"Intangible Assets under Development" are assessed for impairment at the end of each year.

Reversal of impairment provision is made when there is an increase in the estimated service potential of an asset, either from use or sale, on reassessment after the date when impairment loss for that asset was last recognized.

(j) Depreciation and amortization:

- (i) Depreciation in respect of Tangible Fixed Assets is provided adopting Straight Line Method over the useful life of the Asset as per Schedule II of the Companies Act, 2013.

Depreciation for assets purchased/sold during the period is proportionately charged. The useful life of all the assets estimated by the Managements is as below:

| Assets | Estimated Useful life |
|--|-------------------------------------|
| Building | 30 Years Factory 60 Years Office |
| Plant & Machinery | 15 Years |
| Computers, Software and Networking | 3 Years |
| Servers and Networks | 6 years |
| Furniture & Fixtures, Test Equipments and Electrical Installations | 10 Years |
| Office Equipments | 5 Years |
| Vehicles | 8 Years |

Lease hold improvement is amortised over period of lease.

Intangible assets in respect of software acquired for internal use is amortised over period of three years on straight line method. Other internally generated Intangible Assets are amortised on straight line over the estimated useful life subject to a maximum period of ten years.

(k) Foreign Currency Transaction

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

All monetary items denominated in foreign currency are converted at the rates prevailing on the date of the financial statement.

(l) Investments:

Investments are classified as current investments and long-term investments. Long-term investments are stated at cost (except where there is a diminution in value other than temporary, in which case, the carrying value is reduced to recognize the decline). Current investments are stated at lower of cost or fair market value.

(m) Employee Benefits:

(i) Short Term Employee Benefits:

Benefits payable to employees within 12 months of rendering services such as wages, salaries, bonus, paid annual leave, etc are classified as Short Term Employee Benefits and are recognized in the period in which the employee renders related services.

(ii) Long Term / Post Employment/ Termination Benefits:

Retirement benefits are provided for on accrual basis in the following manner:

Gratuity:

Gratuity is a defined benefit scheme and is accrued based on Actuarial Valuations at the balance sheet date, carried out by an independent actuary. The Company has an employee gratuity fund managed by Life Insurance Corporation of India (LIC). Actuarial gains or losses are charged to the statement of profit and loss.

The company recognizes the net obligation of the gratuity plan in the Balance Sheet as liability in accordance with Accounting Standard AS (15), "Employee Benefits".

Leave Encashment:

Liability in respect of Leave Encashment is provided for, on actuarial Valuations, using the Projected Unit Credit Method.

Provident Fund:

Provident Fund is a defined contribution scheme. On the basis of payments / contributions made to the concerned Provident Fund authorities.

(n) Borrowing Costs:

Borrowing costs attributable to the acquisition, Construction or production of qualifying assets are capitalized as a part of the cost of such Assets up-to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

(o) Segment Accounting Policies:

For the purpose of Segment Reporting 'Access & Networking Products' and 'Real Estate Development' constitute primary business segments.

(i) Segment Assets and Liabilities:

All assets and liabilities are directly attributable to the respective segments. Segment assets include all operating assets used by the respective segments and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include investments, inter-corporate deposits, share capital, reserves and surplus, borrowings, provision for contingencies and income tax (both current and deferred).

(ii) Segment Revenue and expenses:

The revenue and expenses which are directly attributable to the segments are shown as Segmental revenue and expenses. Other revenue and expenses are shown as unallocated revenue and expenses.

(p) Lease:

Lease where the Lessor effectively retains substantially all the risk and benefits of ownership of the leased term are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

(q) Earnings Per Share:

The Company reports basic and diluted earnings per share in accordance with the Accounting Standards – 20 – ‘Earnings per Share’ prescribed under the Act. Basic earnings per share is computed by dividing the net Profit or Loss for the year by the weighted average number of Equity Shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares.

(r) Taxation:

Deferred tax is recognized, subject to the consideration of prudence, in respect of deferred tax assets or liabilities, on timing differences, being the difference between taxable incomes and accounting income that originate in one period, and is reversible in one or more subsequent periods.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in the future; however where there is unabsorbed depreciation or carry forward of losses as per taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets and are reviewed for the appropriateness of their respective carrying values at each reporting date.

Income Taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the company will pay normal tax in future and the resultant asset can be measured reliably.

(s) Research & Development:

Revenue expenditure on Research & Development is recognized as an expense in the year in which it is incurred. Capital expenditure incurred on Research and Development is depreciated adopting Straight Line Method, at rates as detailed in para (7) above. Revenue and Capital expenses on Research & Development are identified and accounted separately in the books.

(t) Provisions, Contingent Liabilities and Contingent Assets.

A provision is recognized when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provision for expenditure on account of performance guarantee & replacement / repair of goods sold is based on the basis of trend based estimates.

Contingent liability is disclosed in case of a present obligation arising from past events when it is not probable that an outflow of resources will be required to settle the obligation, or a present

obligation when no reliable estimate is possible, or a possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed.

(u) Provision for warranty:

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and Management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

(v) Expenditure:

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

(w) Assets held for sale

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in the income statement. No depreciation is charged on assets and businesses classified as held for sale.

II. Notes on accounts and other explanatory information

(a) Revenues from Sale of Discontinued Solar Based Equipment and projects during the year was Rs.75,14,662/- (P.Y: Rs. 7,45,70,151/-). This includes a sum of Rs. NIL (Rs. NIL) being the Central Financial assistance receivable from the Ministry of Non Renewable Energy (MNRE) on supply of such equipment and projects.

(b) Revenue from operations includes an amount of Rs. 900 Lakhs from real estate development by virtue of recognition of deposit, given by developer, consequent to fulfillment of obligations by the Company as per supplementary agreement dated 4th January 2016 and waiver of right to claim refund of same as per the Memorandum of Understanding entered with the Developer on 8th August, 2016.

(c) Certain balances representing trade receivables and trade payables are subject to reconciliation and receipt of confirmations from parties, pursuant to confirmation requests sent by the Company.

(d) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED):

Dues in respect of, Micro and Small enterprises who have duly registered themselves under the relevant Act and furnished the statutorily required proof thereof, are being regularly met as per agreed terms. Disclosures as required under MSMED are:

| Particulars | 31 March 2017 | 31 March 2016 |
|--|---------------|---------------|
| Principal amount (including overdue amount) outstanding at the beginning of the year | 23,18,898 | 1,59,18,990 |
| Interest amount outstanding at the beginning of the year | 1,73,096 | 1,73,096 |
| Interest (out of the above) paid during the year | Nil | Nil |
| Amount paid after due date during the year | Nil | Nil |
| Interest paid on the amount unpaid after due date during the year | Nil | Nil |
| Overdue amount outstanding at the end of the year | Nil | Nil |
| Principal amount (other than overdue amount) outstanding at the end of the year | 12,14,130 | 23,18,898 |
| Interest accrued and remaining unpaid at the end of the year | 1,95,153 | 1,73,096 |

(e) Additional information as required under Schedule III of the Companies Act, 2013:

Payment to Auditors' (Amount in Rs.)

| Particulars | 31 March 2017 | 31 March 2016 |
|---------------------|------------------|-----------------|
| Statutory Audit Fee | 8,00,000 | 5,00,000 |
| Tax Audit Fee | 2,00,000 | 1,79,620 |
| Limited review fee | 3,00,000 | 3,00,000 |
| Others | 5,000 | - |
| Total | 13,05,000 | 9,79,620 |

Consumption of raw materials (Amt. in Rs.)

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---------------------|---------------------|
| Capacitors | 11,04,457 | 24,17,950 |
| Connectors | 23,85,857 | 45,10,269 |
| Integrated Circuits | 62,86,426 | 1,66,02,318 |
| Populated PCBs | 11,30,92,669 | 8,69,72,690 |
| Printed Circuit Boards | 24,50,321 | 33,76,303 |
| Transceiver | 1,31,26,750 | 1,38,20,157 |
| Transformers | 51,88,853 | 86,05,933 |
| Others | 4,11,30,186 | 7,49,36,749 |
| Total | 18,47,65,519 | 21,12,42,369 |
| Discontinuing operation | 70,23,642 | 10,37,15,660 |
| Access & Networking Products | 17,77,41,877 | 10,75,26,709 |

Composition of raw materials

| Particulars | 31 March 2017 | | 31 March 2016 | |
|--------------|---------------------|------------|---------------------|------------|
| | Value Rs. | % | Value Rs. | % |
| Indigenous | 2,43,72,829 | 13 | 7,18,22,405 | 34 |
| Imported | 16,03,92,690 | 87 | 13,94,19,964 | 66 |
| Total | 18,47,65,519 | 100 | 21,12,42,369 | 100 |

Working in progress under broad head

| Particulars | 31 March 2017 | 31 March 2016 |
|---------------------|--------------------|--------------------|
| Modem | 18,89,592 | 31,23,416 |
| Converters | 40,96,622 | 11,10,742 |
| Ethernet Switch | 23,89,738 | 96,04,969 |
| Multiplexers | 13,79,645 | 15,32,167 |
| Others | 6,25,360 | 1,79,778 |
| Overhead allocation | - | - |
| Total | 1,03,80,957 | 1,55,51,072 |

Finished Good under broad head (Amt. in Rs.)

| Particulars | 31 March 2017 | 31 March 2016 |
|---------------------|--------------------|--------------------|
| Modem | 27,60,569 | 57,97,914 |
| Converters | 1,51,02,643 | 51,99,903 |
| Ethernet Switch | 40,22,405 | 30,20,173 |
| Multiplexers | 19,79,549 | 21,46,190 |
| Others | 24,92,897 | 3,07,567 |
| Overhead allocation | | |
| Total | 2,63,58,063 | 1,64,71,747 |

Gross Income

(Amount in Rs.)

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---------------------|---------------------|
| Manufactured | | |
| Modems | 2,81,78,843 | 3,00,77,888 |
| Converters | 17,45,97,152 | 17,11,92,513 |
| Multiplexers | 4,40,36,099 | 3,79,27,709 |
| Ethernet Switch | 2,08,70,661 | 3,35,70,907 |
| Others | 22,60,588 | 10,93,516 |
| UPS systems | 28,55,023 | 3,11,27,678 |
| Sub total (A) | 27,27,98,366 | 30,49,90,211 |
| Traded Goods | | |
| Switches | - | 6,73,577 |
| Others | 1,18,406 | 8,83,088 |
| Solar Project Equipment & Solar Pumps | 38,46,386 | 3,79,64,558 |
| Sub total (B) | 39,64,792 | 3,95,21,223 |
| Grand Total (A+B) | 27,67,63,158 | 34,45,11,434 |
| LESS :- Discontinuing operation-Solar Based Equipment Project & UPS | 75,14,662 | 7,45,70,151 |
| Gross Income – Net Working | 26,92,48,496 | 26,99,41,283 |

i) Gross Income from sale of manufactured goods is shown net of excise duty.

Additional information on statement of profit and loss

(Amount in Rs.)

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---------------|---------------|
| Value of Imports calculated on C.I.F basis | | |
| Raw Materials, Components and Finished Goods | 15,07,00,629 | 13,43,91,099 |
| Capital Goods | NIL | NIL |
| Expenditure in foreign currency | | |
| Traveling | 2,33,278 | 5,24,228 |
| Earnings in foreign exchange | | |
| Export of goods and services on F.O.B | 1,47,020 | 11,40,411 |

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Particulars | FC | Rs. | FC | Rs. |
|-------------------|---------------------|-------------|---------------------|-------------|
| | As at 31 March 2017 | | As at 31 March 2016 | |
| Trade Payables | \$3,49,890 | 2,36,37,024 | \$6,09,138 | 4,08,67,593 |
| | ¥2,74,731 | 1,54,468 | ¥47,066 | 78,391 |
| | NIL | NIL | NIL | NIL |
| Trade Receivables | NIL | NIL | NIL | NIL |

- (f) 'Upkeep & Maintenance expenses' reflected in Note - 24 includes Repairs to Building – Rs.23,26,918/- (P.Y: Rs.26,33,333/-) and Repairs to Machinery – Rs.9,28,724/- (P.Y: Rs.3,33,561/-).

(g) Employee Benefits

Disclosures pursuant to Accounting Standard 15 prescribed under the Act for the provision for Gratuity are as given below:

(Amount in Rs.)

| Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|------------------------|------------------------|
| Obligations at the beginning of the year | 62,00,129 | 1,86,69,241 |
| Service Cost | 7,56,403 | 5,67,324 |
| Interest Cost | 3,39,922 | 12,43,821 |
| Benefits Settled | (1,28,61,003) | (62,42,948) |
| Actuarial (Gain) / Loss | 86,26,250 | (80,37,309) |
| Obligations at the end of the year | 30,61,701 | 62,00,129 |
| Change in Plan Assets | | |
| Plan Assets at the beginning of the year, at Fair Value | 1,47,20,382 | 1,88,70,140 |
| Expected return on plan assets | 7,44,758 | 13,43,314 |
| Actuarial Gain / (Loss) | 5,25,541 | (12,50,124) |
| Contributions | 5,56,477 | 20,00,000 |
| Benefits Settled | (1,28,61,003) | (62,42,948) |
| Plan Assets at the end of the year, at Fair Value | 36,86,155 | 1,47,20,382 |

(Amount in Rs.)

| Particulars | As at 31 March 2017 | As at 31 March 2016 |
|--|------------------------|------------------------|
| Reconciliation of Present Value of the obligation and the Fair Value of the planned assets: | | |
| Fair Value of Plan Assets at the end of the year | 36,86,155 | 1,47,20,382 |
| Present Value of the defined benefit obligation at the end of the year | 30,61,701 | 62,00,129 |
| Asset / (Liability) recognized in the balance sheet | 6,24,454 | 3,41,122 |
| Gratuity Cost for the year | | |
| Service Cost | 7,56,403 | 5,67,324 |
| Interest Cost | 3,39,922 | 12,43,821 |
| Expected return on plan assets | (7,44,758) | (13,43,314) |
| Actuarial (Gain) / Loss | 94,61,883 | (66,93,995) |
| Net Gratuity Cost | 98,13,450 | (62,26,164) |
| Assumptions | | |
| Interest rate | 7.31% | 8.00% |
| Discount factor | 7.31% | 8.00% |
| Expected rate of return on plan assets | 7.55% | 8.00% |
| Expected rate of salary increase | 7.00% | 7.00% |
| Attrition rate | 3%-2%-1% | 3%-2%-1% |
| Retirement Age | 63 years | 63 years |

(h) Segment Reporting

Disclosures pursuant to Accounting Standard 17 prescribed under the Act are:

Primary Segment

The Company's primary business segment is 'Access & Networking products' and Real Estate Development'.

Secondary Segment

The Company's secondary segment is determined based on location of customers / export destinations (Geographical Segment).

The segment revenue in the geographical segments for disclosure are as follows:

- Revenue within India includes sales to customers located within India and earnings in India.
- Revenue outside India includes sales to customers located outside India and earnings outside India.

(Amount in Rs.)

| Particulars | As at 31 March 2017 | As at 31 March 2016 |
|--|------------------------|------------------------|
| a) Segmental Revenue | | |
| Access & Networking | 28,74,86,955 | 29,28,51,950 |
| Real Estate Development | 9,00,00,000 | - |
| Unallocated | 58,38,036 | 24,69,586 |
| Total | 38,33,24,991 | 29,53,21,536 |
| b) Segmental Results (Gross Margin) | | |
| Access & Networking | 11,44,61,279 | 9,57,29,654 |
| Real Estate Development | 8,51,97,224 | - |
| Total | 19,96,58,503 | 9,57,29,654 |

(Amount in Rs.)

| Particulars | As at 31 March 2017 | As at 31 March 2016 |
|--|------------------------|------------------------|
| c) Capital Employed | | |
| Access & Networking | 6,81,62,884 | 10,01,24,064 |
| Real Estate Development | 5,05,23,211 | 5,05,23,211 |
| Unallocated | (5,68,85,299) | (17,18,46,800) |
| Total | 6,18,00,796 | (2,11,99,525) |
| d) Segment Revenue for Geographical Segment | | |
| Access & Networking | | |
| India | 28,73,35,040 | 29,19,54,426 |
| Outside India | 1,51,915 | 8,97,524 |
| Sub-Total | 28,74,86,955 | 29,28,51,950 |
| Real Estate Development | | |
| India | 9,00,00,000 | - |
| Outside India | - | - |
| Sub-Total | 9,00,00,000 | - |

(i) Related Party Disclosure

Disclosures pursuant to Accounting Standard 18 prescribed under the Act are:

A. Relationships:

- (i) RAD-MRO Manufacturing Private Limited - Joint Venture Company
- (ii) Whole time Directors:
 - Mr. Aniruddha Bhanuprasad Mehta, Chairman & Managing Director (From 8th August, 2016)
 - Mr. S. Narayanan, Chairman & Managing Director (Till 8th August, 2016)
 - Mr. H. Nandi, Managing Director (Till 8th August, 2016)
- (iii) Director :
 - Mrs. Gauri A Mehta, Director (From 8th August, 2016)
- (iv) Key Managerial Personnel :-
 - a) Mr. Srivatsa – Chief Financial Officer.
 - b) Mr. Barun Pandey – Company Secretary and Compliance Officer.
(from 8th August, 2016)

B. Transactions with related parties:

(Amount in Rs.)

| Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|------------------------|------------------------|
| With Joint Venture | | |
| Professional Services received (inclusive of Service Tax) | 8,27,400 | 8,20,332 |
| Rent Received (inclusive of Service Tax) | 2,75,800 | 2,73,444 |
| Outstanding payables | NIL | NIL |
| Outstanding receivables | 6,25,200 | 4,18,000 |

(Amount in Rs.)

| Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|------------------------|------------------------|
| With Whole Time Directors | | |
| Salaries | NIL | 72,00,000 |
| Contribution to welfare fund | NIL | 19,44,000 |
| Reimbursement of Expenses | 37,200 | NIL |
| Interest on unsecured loan | 24,42,089 | NIL |
| Unsecured Loan Received | 5,90,00,000 | 25,00,000 |
| Unsecured Loan Repaid | 55,00,000 | 20,00,000 |
| Outstanding payables | 5,40,00,000 | 5,00,000 |
| Outstanding receivables | NIL | NIL |
| Directors | | |
| Sitting Fees | 26,000 | NIL |
| Key Managerial Personnel –Salary | 36,38,258 | 26,53,889 |

(j) Earnings per Share

Disclosures pursuant to Accounting Standard 20 prescribed under the Act are:

(Amount in Rs.)

| Particulars | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|--|--|
| Profit/(Loss) after Taxation as per Profit & Loss account | 8,30,00,321 | (28,69,38,017) |
| Weighted average Number of Equity Shares outstanding | 1,86,84,602 | 1,86,84,602 |
| Basic EPS in Rs. (face value Rs.5 per share) | 4.44 | (15.36) |
| Diluted EPS in Rs. (face value Rs.5 per share) | 4.44 | (15.36) |

(k) Accounting for Taxes on Income**Deferred Tax**

During the year, the Company has recognised Deferred Tax Asset of Rs. 1,18,08,783/- (Previous Year : Recognised Deferred Tax Liability - Rs. 1,02,46,497/-) towards deferred tax asset as stipulated under Accounting Standard 22, on "Accounting for Taxes on Income", prescribed under the Act. However, on conservative basis, deferred tax asset on carry forward losses, has not been considered.

(l) Intangible Assets

- The Company has in-house R & D Centre involved in developmental activities for new products in the fields of Access & Networking technology.
- Revenue expenditure incurred towards in-house R&D included in Notes 21, 23 & 25 relating to Cost of material consumed and administrative & selling expenses respectively, is as detailed below:

(Amount in Rs.)

| EXPENDITURE | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|-------------------------------|--|--|
| Material Cost | 4,01,952 | 1,20,138 |
| Employee benefit expenses | 14,75,390 | 1,20,27,317 |
| Repairs & Maintenance Charges | 8,51,986 | 10,990 |
| Software purchases for R&D | - | 2,88,436 |
| Travelling & Conveyance | 2,39,252 | - |
| Total | 29,68,580 | 1,24,46,881 |

- Details of Capital Expenditure incurred, is provided under Note 10 relating to Fixed Assets.

(m) Interest in Joint Ventures:

Disclosure of interest in respect of RAD-MRO Manufacturing Private Limited as required under Accounting Standard 27:
(Amount in Rs.)

| Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|------------------------|------------------------|
| 1. Description of Interest | 49% Ownership | 49% Ownership |
| 2. Country of Incorporation | India | India |
| 3. Aggregate Amount of Contingent Liabilities | | |
| i. Share of Contingent liabilities of the Joint Ventures | NIL | NIL |
| ii. Contingent liability on account of the liabilities of other Ventures of the Joint venture | NIL | NIL |
| 4. Total Paid up Capital | 1,48,00,000 | 1,48,00,000 |
| 5. Investment by Company | 72,52,000 | 72,52,000 |
| 6. Aggregate amount of Commitments in respect of the company's interest in the Joint Ventures | | |
| i. Capital commitment of the company in relation to the Joint Venture | NIL | NIL |
| ii. Company's share of Capital commitments of the Joint Ventures | NIL | NIL |
| 7. Aggregate amount of the following: (un-audited) | | |
| i. Assets | 3,97,24,251 | 3,84,04,087 |
| ii. Liabilities other than shares holders funds | 9,38,280 | 4,99,183 |
| iii. Income | 27,70,578 | 35,20,981 |
| iv. Expenditure | 13,91,661 | 44,34,865 |
| v. Profit / (Loss) from business | 8,81,067 | (9,13,884) |

For the Year 2016-17, numbers are based upon un-audited financials of RAD-MRO Manufacturing Private Limited.

(n) Impairment of Assets

Consequent to the physical verification of Fixed Assets by the company during the first quarter ended 30th June, 2016, an impairment loss of Rs. 48,20,843/- is recognized and included in the Depreciation for the year 2016-17.

(o) Provisions and Contingent Liabilities

- Provision reversal has been made for an amount of Rs. 1,02,55,554/- (Previous Year : Provision Rs. 2,20,97,259/-) in respect of certain items of non moving / slow-moving inventory, based on Generally Accepted Accounting Practices, since these items continue to be usable and / or salable in the activities of the Company.
- With respect to Access & Networking products, no provision has been made for post-sales support expenses, as the Company is of the opinion that such expenses are not material, based on past experience.

Contingent liabilities Amount in Rs.

(Amount in Rs.)

| Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|------------------------|------------------------|
| Counter Guarantees to Bank (to the extent of live guarantees issued by bank) | 10,62,812 | 55,89,982 |
| Letters of Credit | NIL | NIL |
| Capital Commitments | NIL | NIL |
| Sales tax liability in lieu of Form 'C' yet to be received | 96,97,509 | 1,44,70,016 |
| Disputed Central Excise Duty* | 4,66,90,550** | 4,66,90,550** |

*Central Excise Duty of Rs.4,66,90,550/- was demanded by the dept., for the value Addition work done to the imported goods at the Trading unit of the Company during the FY 2010-11. Company has filed an appeal before CESTAT and matter is pending before the appellate authority.

** Amount excludes Interest of Rs. 5,60,28,660 upto March 31, 2017 (Rs. 490,25,078 upto March 31, 2016) Duty that may become payable in the event of adverse judicial pronouncement.

Pending Legal cases

| Sl. No | Name of the plaintiff | Cause of legal case | Court Jurisdiction |
|--------|--|--|--|
| 1. | Mr. Kumar Dinesh Seth, S/o Sri Dinesh Seth No.5/6, Leo Residency, Ground Floor, V.V. Puram, Bengaluru 560004 | Against the postal Ballot notice dtd. 10 th November,2015 w.r.t. the joint development of land at the registered office, Bellary Road, Hebbal | The hon'ble High Court of Karnataka, Bengaluru |
| 2. | Mr. Jitendra Virwani 341,Embassy Woods, 6/A, Cunningham Road, Bengaluru, 560052 | Against the postal ballot results dtd. 22 nd December, 2015 restraining to proceed joint development and change in the name of the company. | The hon'ble National Company Law Tribunal (NCLT), Bangalore. |

(p) Discontinuing operation:

Due to sustained cash losses the Board of Director resolved to discontinue "Solar Based Equipment & Projects" in the meeting held on January 14, 2016. Disclosures under Accounting Standard-24 are given below: (Amount in Rs.)

| Particulars | FY 2016-17 | FY 2015-16 |
|--|--------------------|-----------------------|
| Revenue from Operations | 75,14,662 | 7,45,70,151 |
| Cost of materials consumed | 70,23,642 | 10,37,15,660 |
| Gross Profit/(Loss) | 4,91,020 | (2,91,45,509) |
| Employee benefits expenses | - | (2,52,18,726) |
| Finance Cost | - | (1,07,94,457) |
| Depreciation and amortization expenses | - | (2,17,157) |
| Reduction in UPS/Solar Stock | - | (3,35,63,345) |
| Other Expenses | (27,98,590) | (3,31,51,251) |
| Net loss | (23,07,570) | (13,20,90,445) |

(q) Exceptional items:

Exceptional items include retrenchment compensation expenditure of Rs. 45,00,000/- incurred during the year 2016-17 and a sum of Rs. 1,74,30,988/- was incurred on account of inventory obsolescence for the previous year 2015-16.

(r) Extraordinary items:

The Company has recognized following under extraordinary items under Statement of Profit and Loss Account:

(Amount in Rs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|------------------------------|------------------------------|
| Retrenchment and compensatory salary [refer (i) below] | - | 3,53,00,539 |
| Impairment of corporate office building [refer (ii) below] | - | 7,56,59,286 |
| Impairment of Solar/UPS Assets [refer (iii) below] | - | 5,06,077 |
| Corporate Office Re-location Expenses | 23,88,525 | - |
| Total | 23,88,525 | 11,14,65,902 |

- (s)** The details of Disclosures of Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 as per sub section 1 of Section 467 of the Companies Act, 2013 (18 of 2013) has been provided in the Table below :-

Details of Specified Bank Notes (SBN) held and transacted during the period from 8.11.2016 to 30.12.2016

| Particulars | SBNs (Rs.) | Other Denomination Notes (Rs.) | Total (Rs.) |
|---|-----------------------|---|------------------------|
| Closing Cash in Hand on 8th November, 2016 | 20,500 | 26,642 | 47,142 |
| + Permitted Receipts | - | 1,30,000 | 1,30,000 |
| - Permitted Payments | - | 1,01,552 | 1,01,552 |
| - Amount Deposited into Banks | 20,500 | 20,000 | 40,500 |
| Closing Cash in Hand on 30th December, 2016 | - | 35,090 | 35,090 |

(u) Figures for the year have been rounded-off to the nearest rupee and, those in the brackets, wherever given, correspond to respective figures for the previous year. Figures of previous year have been regrouped & reclassified, wherever necessary.

As per our attached report of even date.

For K.S.Aiyar & Co

Chartered Accountants

ICAI Firm's registration number:100186W

Ramamohan R Hegde

Partner

Membership Number : 23206

Place : Bengaluru

Date : 26th May, 2017

for and on behalf of the Board of Directors
of MRO-TEK Realty Limited

Aniruddha Bhanuprasad Mehta

Chairman & Managing Director

DIN : 00720504

Chief Financial Officer

Gauri Mehta

Director

DIN : 00720443

Company Secretary and
Compliance Officer

ACS:

CASH FLOW STATEMENT

| Particulars | 31 March 2017 Amt in Rs. | 31 March 2016 Amt in Rs. |
|---|-------------------------------|-----------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before tax | 63,252,611 | (154,759,839) |
| ADD: | | |
| Depreciation | 13,899,414 | 12,107,156 |
| Impairment of Corporate office building | - | 75,659,286 |
| Unrealised foreign exchange loss / (gain) net | (649,677) | (151,774) |
| Interest on Bank Borrowings | 17,566,559 | 14,901,638 |
| Net (Gain)/Loss on Sale of Fixed Assets | 1,210,825 | 2,543,483 |
| Capital Gains - Investment | - | (277,767) |
| Loss from Discontinued operations | (2,307,570) | (132,090,445) |
| Exceptional item | - | - |
| Interest Income | (1,457,126) | (883,170) |
| Operating Profit before working Capital Changes | 91,515,036 | (182,951,432) |
| Add/ Less : (Increase)/Decrease in Operating Assets | | |
| Inventory | (13,457,311) | 128,744,041 |
| Trade Receivables (Current & Non-Current) | 38,006,967 | 20,875,413 |
| Loans and advances (Short and Long term) | (6,329,282) | 4,958,752 |
| Other Current Assets | 7,541,826 | (11,291,412) |
| Add/(Less) : Increase/(Decrease) in Operational Liabilities | | |
| Trade Payable | (34,112,236) | (15,923,459) |
| Other Liabilities (Current & Non-Current) | (103,920,548) | 78,505,194 |
| Provisions (Short and Long term) | 1,447,774 | (3,147,179) |
| Cash generated from operation | (19,307,774) | 19,769,918 |
| Income Tax | 5,308,233 | (720,046) |
| Net Cash from Operating activities | -- > A (13,999,541) | 19,049,872 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (4,655,318) | (72,001) |
| Proceeds from Sale of Fixed assets | 5,059,629 | 94,787 |
| Interest Income | 1,457,126 | 883,170 |
| Redemption of SBI-SHF-Ultra Short Term Fund Institutional Plan | - | 878,618 |
| NET CASH FLOW / (USED IN) INVESTING ACTIVITIES | -- > B 1,861,437 | 1,784,574 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Bank Borrowings - Working Capital | (-23,178,144) | (32,741,408) |
| Unsecured Loan - borrowing | 51,300,000 | |
| Repayment of Long-term borrowing | -2,671,001 | (13,498,000) |
| Bank Borrowings - Interest | (-17,566,559) | (14,901,638) |
| NET CASH FLOW / (USED IN) FINANCING ACTIVITIES | -- > C 7,884,296 | (61,141,046) |
| Exchange difference on translation of foreign currency cash and cash equivalent | -- > D (910) | (18,014) |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D) | (4,254,718) | (40,324,614) |
| CASH & CASH EQUIVALENTS - OPENING BALANCE | 7,507,127 | 47,831,741 |
| CASH & CASH EQUIVALENTS - CLOSING BALANCE | 3,252,409 | 7,507,127 |

NOTE: 1. Figure in bracket indicate outflows.

2. The accompanying significant accounting policies and the notes are an integral part of these financial statements

As per our attached report of even date.

For K.S.Aiyar & Co

Chartered Accountants

ICAI Firm's registration number:100186W

Ramamohan R Hegde

Partner

Membership Number : 23206

Place : Bengaluru

Date : 26th May, 2017

for and on behalf of the Board of Directors

of MRO-TEK Realty Limited

Aniruddha Bhanuprasad Mehta

Chairman & Managing

Director

DIN : 00720504

Chief Financial Officer

Gauri Mehta

Director

DIN : 00720443

Company Secretary and
Compliance Officer

MRO-TEK REALTY LIMITED ROUT MAP TO THE VENUE OF AGM



Map data ©2017 Google India 500 m

MRO-TEK REALTY LIMITED

CIN: L28112KA1984PLC005873

Registered & Corporate office: No. 6, New BEL Road, Chikkamaranahalli Bangalore- 560 054.

Telephone : 080-42499000 | Email : grd@mro-tek.com | Web : www.mro-tek.com

ATTENDANCE SLIP

This attendance slip duty filled in to be handed over at the entrance of the meeting hall

Name of the attending Member (in block letters) :

.....

Members' Folio Number :

Client I.D. No.:

D.P.I.D. No :

Name of the Proxy (in Block Letters, to be filled in if the proxy attends instead of the Members):

.....

No. of Shares held :

I hereby record my presence at the 33rd Annual General Meeting of the Company held on Thursday the 28th September, 2017, at 12 Noon at Woodlands Hotel, No. 5, Rajaram Mohan Roy Road, Bangalore-560025.

To be signed at the time of handing over

Signature of Member / Proxy

MRO-TEK REALTY LIMITED

CIN: L28112KA1984PLC005873

Registered Office: # 6, New BEL Road, Chikkamaranahalli, Bangalore-560 054

Form No. MGT-11

Proxy form

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

CIN: **L28112KA1984PLC005873**

Name of the company: **MRO-TEK Realty Limited**

Registered office: **# 6, New BEL Road, Chikkamaranahalli, Bangalore-560 054**

Name of the Member (s) :

Registered address :

E-mail Id:

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 Thirty Third Annual General Meeting of the Company, to be held on the on Thursday, the 28th September, 2017 at 12.00 Noon at Woodlands Hotel, # 5, Rajaram Mohan Roy Road, Bangalore -560 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1. Adoption of Financial Statements for the year ended March 31, 2017.
2. To appoint Mrs. Gauri Aniruddha Mehta, Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. Fees for delivery of any document through a particular mode of delivery to a Member.

Signed this..... day of..... 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: 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.

MRO-TEK REALTY LIMITED**CIN: L28112KA1984PLC005873****Registered Office: # 6, New BEL Road, Chikkamaranahalli, Bangalore-560 054**Telephone: 080-42499000 Email: grd@mro-tek.comWeb: www.mro-tek.com**Form No. MGT-12****Polling Paper**

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies
(Management and Administration) Rules, 2014]

| | | | | |
|--|--|-----------------------------|-------------------------------|--------------------------------|
| Name of the Company: MRO-TEK Realty Limited Registered office: # 6, New BEL Road, Chikkamaranahalli, Bangalore-560 054 | | | | |
| BALLOT PAPER | | | | |
| Sl. No. | Particulars | Details | | |
| 1. | Name of the First Named Shareholder (In block letters) | | | |
| 2. | Postal address | | | |
| 3. | Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form) | | | |
| 4. | Class of Share | | | |
| I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner: | | | | |
| No. | Item No. | No. of shares held by me | I assent to the Resolution | I dissent to the Resolution |
| ORDINARY BUSINESS | | | | |
| 1. | Adoption of Financial Statements for the year ended March 31, 2017. | | | |
| 2. | To appoint Mrs. Gauri Aniruddha Mehta, Director | | | |
| 3. | To appoint Statutory Auditors and to fix their remuneration | | | |
| SPECIAL BUSINESS | | | | |
| 4. | Fees for delivery of any document through a particular mode of delivery to a Member | | | |
| Place: Date: (Signature of the shareholder) | | | | |

Notes

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Notes

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

DOMESTIC CUSTOMERS



Indian Air Force



Indian Army



INDIAN RAILWAYS



GLOBAL CUSTOMERS



MRO-TEK REALTY LIMITED

Registered Office

6, New BEL Road,
Chikkamahanahalli,
Bangalore - 560 054
Ph : (91) (80) 4249 9000

Manufacturing Unit

29-B, Electronic City
Hosur Road, Bangalore - 560 100
Ph : (91) (80) 2852 0544

Marketing Office

Flat No. A3, Building No. 65,
Gandhi nagar, Bandra (E)
Mumbai - 400 051
Ph:(91)(22)26407311

Flat No. 210, Gadore House
51-52, Nehru Place,
New Delhi - 110 019