

# MROTEK REALTY LIMITED

## Registered & Corporate Office :

No. 6, New BEL Road, Chikkamaranahalli, Bangalore - 560 054, Karnataka

Ph : +91 80 42499000 Fax : +91 80 2360 3763

Website: www.mro-tek.com SERVICE/SUPPORT : 9845035626

Email : info@mro-tek.com CIN No.: L28112KA1984PLC005873 www.mro-tek.com

**MROTEK®**  
Integrating Next Generation Networks

MRO: FS: 18-19:254

31<sup>st</sup> August, 2018

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 2017-18

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 34<sup>th</sup> Annual General Meeting of the Company held on the 23<sup>rd</sup> day of August, 2018, at Hotel Ajantha, Rohini Hall, 22-A, M G Road, Bengaluru -560 001 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 MROTEK REALTY LIMITED



BARUN PANDEY

COMPANY SECRETARY AND COMPLIANCE OFFICER

(ENCL.: AS ABOVE)

### Scrip Code:

NSE : MRO-TEK

BSE : 532376

Demat ISIN : INE398B01018



ANNUAL REPORT  
— 2017-18 —

**MROTEK<sup>®</sup>**  
Integrating Next Generation Networks

## BOARD OF DIRECTORS

Aniruddha Bhanuprasad Mehta

Gauri Aniruddha Mehta

Mohan Subramaniam

M V Sampath Kumar

Sudhir Kumar Hasija

Sudipto Gupta

Srivatsa

Barun Pandey

Chairman & Managing Director

Director

Director

Director

Director

Chief Executive Officer

Chief Financial Officer

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

### 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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## CHAIRMAN'S MESSAGE

**Dear Shareholders,**

**Greetings from MRO-TEK**

I am pleased to bring to you the 2017-18 34<sup>th</sup> Annual Report of your company. We closed 31<sup>st</sup> March 2018 weathering a tough telecommunications market which saw a major disruptive market forces, significant consolidation by operators and slow network expansion. In spite of all this, your company managed to continue serving its long term, large customers – providing them quality products and services the company is famous for.

This year also saw the introduction of professional leadership, strengthening of the organization, major improvements in machinery and technological capabilities. Efforts in this direction by Team MRO-TEK resulted in recognition of your company as a National Systems Integration partner for the Govt. of India telecommunications company – Bharat Sanchar Nigam Limited – for its Enterprise network projects on a national scale.

Your company has expanded its carrier grade products business into Optical technologies including in Optical Ground Wire (OPGW) a major requirement in the national power transmission sector.

Additional efforts in expansion of business into allied areas – Electronic Contract Manufacture and in new technologies have also sown the seeds of our future growth. The EMS (Electronics Manufacturing Services) business now boasts of multiple Tier 1 customers – who have entrusted crucial electronic manufacturing projects to your company – thus adding a new revenue stream. Your company will expand this business exponentially in the near future.

The new generation products in machine automation and unmanned systems have resulted in the successful indigenization of the new Homeland Security Unmanned Aerial Vehicles (UAVs) which have conducted field trials in multiple locations for the Nation's security forces. I expect significant business growth in this segment in the future.

I look forward to the coming years with confidence and stand poised in the threshold of big business opportunities – which will bring long term value and take your company to greater heights of financial and technological success.

**With Best Wishes**

**Aniruddha Bhanuprasad Mehta**  
**Chairman & Managing Director**  
**23rd May, 2018**

## NOTICE

**NOTICE** is hereby given that the Thirty Fourth (34<sup>th</sup>) Annual General Meeting of the Company will be held at 12.00 Noon on Thursday, the 23<sup>rd</sup> day of August, 2018, at Hotel Ajantha, Rohini Hall, 22-A, M G Road, Bengaluru -560 001 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company including Audited Balance Sheet as at 31<sup>st</sup> March, 2018 and the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report.
2. To appoint Mrs. Gauri Aniruddha Mehta (holding DIN: 00720443), Director, who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS

3. **Appointment of Mr. Mohan Subramaniam (holding DIN: 01033494) as Director of the Company:**

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

"RESOLVED THAT pursuant to Articles of Association of the Company and the provisions of Section 161 of the Companies Act, 2013 read with Rules made there under (including any statutory modification(s) or re-enactment thereof), Mr. Mohan Subramaniam (holding DIN: 01033494), who was appointed as an Additional Director of the Company by the Board of Directors in its Meeting held on November 15, 2017 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

4. **Appointment of Mr. Mohan Subramaniam (holding DIN: 01033494), as an Independent Director of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and provisions of Listing Regulations, Mr. Mohan Subramaniam (holding DIN: 01033494), Director of the Company be and is hereby appointed as Independent Director of the Company to hold office for a period of 5 (Five) consecutive years i.e., starting

from November 15, 2017 to November 14, 2022 and his office shall not be liable to retire by rotation."

5. **Change in the name of the Company and alteration of the Name Clause in the Memorandum of Association of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Section 13(2) and other applicable provisions, if any, of the Companies Act, 2013 and applicable Listing Regulations of the Securities Exchange Board of India (SEBI) and in terms of the approval received from the the Ministry of Corporate Affairs, name of the Company be changed from "MRO-TEK Realty Limited" to "MRO-TEK Limited" or any other name as may be approved by the Ministry of Corporate Affairs, under the Companies Act, 2013 or any other Rules, Laws, Acts, Statutes or Regulations as may be applicable to the Company.

RESOLVED FURTHER THAT the Name Clause being Clause 1<sup>st</sup> in the Memorandum of Association be altered accordingly and substituted with the following Clause:

1. The name of the Company is 'MRO-TEK LIMITED.'

"RESOLVED FURTHER THAT 'MRO-TEK Realty Limited' wherever it appears in the Memorandum of Association of the Company be substituted by the new name 'MRO-TEK Limited' or such other name as may be approved by the Ministry of Corporate Affairs.

RESOLVED FURTHER THAT any one of the Directors and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby individually/severally authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient to give effect to the above said Resolution".

6. **Alteration of Articles of Association of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) consent of the shareholders be and is hereby accorded to change the name of the Company from "MRO-TEK Realty Limited" to "MRO-TEK Limited", wherever it appears in the Articles of Association of the Company.

RESOLVED FURTHER THAT any one of the Directors and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby individually/severally authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient to give effect to the above said Resolution”.

**By Order of the Board of Directors  
For MRO-TEK Realty Limited**

**Barun Pandey  
Company Secretary and Compliance Officer  
ACS:39508**

**Place: Bengaluru  
Date: 23.05.2018**

**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 the provisions of 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 **17th August, 2018 to 23rd August, 2018 (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 (2009-10) from the date of transfer to the Unpaid Dividend Account is 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 **30<sup>th</sup> 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 Authority account. The Shareholders may claim above mentioned shares in accordance with

such procedure and on submission of such documents as mentioned below:-

**Procedure for claiming unpaid amounts and shares out of Investor Education and Protection Fund:**

- a) Share holder requires to approach to Karvy Computer Shares Private Limited (Karvy). Karvy will verify the holding status in the past records and they will send the required documents list to share holder.

Contact Detail Karvy:-  
Mr. Ramesh Desai  
Manager- Corporate Registry  
[ramesh.desai@karvy.com](mailto:ramesh.desai@karvy.com)  
Ph:- +91 040 67161528

- b) On receipt of all required documents from the share holder Karvy will send the entitlement letter to share holder if all the documents are in order.
- c) Based on Entitlement letter, share holder follow the rules as per IEPF-5 help kit ([www.mro-tek.com](http://www.mro-tek.com)) and execute all the required documents and send to Nodal Officer/ Company Secretary.

Nodal Officer Detail:-  
Mr. Barun Pandey  
Company Secretary and Compliance officer  
[cs@mro-tek.com](mailto:cs@mro-tek.com),  
PH.:+91 080 42499000

- d) Nodal Officer will verify the documents and refer to IEPF authorities for release of the unclaimed shares and dividends to share holder demat account and their Bank Account respectively.

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](mailto: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 the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of 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 **16<sup>th</sup> August, 2018 (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 20<sup>th</sup> August, 2018 (Monday) to 5.00 P.M. on 22<sup>nd</sup> August, 2018 (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 **16<sup>th</sup> August, 2018,**

**Thursday (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 20<sup>th</sup> August, 2018 (Monday) to 5.00 P.M. on 22<sup>nd</sup> August, 2018 (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 **16<sup>th</sup> August, 2018, Thursday (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.

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 Limited at 040-67162222 8 OR at Tel No. 1800 345 4001 (toll free).

- (a) 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.
- (b) 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 16<sup>th</sup> August, 2018 (Thursday).
- (c) The Members, whose names appear in the Register of Members / list of Beneficial Owners



as on 16<sup>th</sup> August, 2018 (Thursday) are entitled to vote on the Resolutions set forth in this Notice.

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 16<sup>th</sup> August, 2018 (Thursday) may obtain the login ID and password by sending an email to [evoting@karvy.com](mailto: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.

- (d) 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.
- (e) 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.
- (f) 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 Forty Eight (48) hours 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.

The results declared along with the Report of the Scrutinizer shall be placed on the website of the Company [www.mro-tek.com](http://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 Exchange where the shares are listed.

- (g) 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.

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](mailto:vijaykt@vjkt.in), with a copy marked to [evoting@karvy.com](mailto: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 22<sup>nd</sup> August, 2018 (wednesday).

- (h) 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
XXXXXXXX	XXXXXXXX	XXXXXXXX

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

**By Order of the Board of Directors  
For Mro- Tek Realty Limited**

**Barun Pandey  
Company Secretary and  
Compliance Officer  
ACS: 39508**

**Place: Bengaluru  
Date: 23.05.2018**

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

### Item Nos. 3 & 4:

At the Meeting of the Board held on 15<sup>th</sup> November, 2017, Mr. Mohan Subramaniam was inducted as an Additional Director of the Company. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") he will hold office up to the date of the ensuing Annual General Meeting. Notice has been received from a Member signifying his intention to propose him as a Director at the ensuing Annual General Meeting along with a deposit of Rs. 1,00,000/- (Rupees One Lakh only).

Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations, 2015, it is proposed to appoint Mr. Mohan Subramaniam as an Independent Director of the Company to hold office for 5 (five) consecutive years starting from November 15, 2017 to November 14, 2022.

The Board recommends the appointment of Mr. Mohan Subramaniam for the approval of the Shareholders.

### Brief Profile of Mr. Mohan Subramaniam is as mentioned below:

Mr. Mohan Subramaniam is a dynamic Professional, qualified Chartered Accountant and Cost Accountant having more than 30 years of post-qualification experience, in large-sized Government Undertaking, Mid-sized Listed Companies manufacturing engineering goods for automobile sector, Continuous process Industry with Foreign collaborations, Global company manufacturing capital goods, Product and IP Company in the IT sector.

Heading core portfolios of Finance, Corporate Secretarial, Legal, Taxation and Administrative functions, as also forming part of the core management team at the Global level. He has been the head of IT function and also handled the HR matters of a MNC Company.

Except Mr. Mohan Subramaniam, being the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item Nos. 3 & 4.

### Item No. 5 & 6:

As the Shareholders are aware, your company's major business is related to manufacturing of Networking products and equipment over the past 3 decades. The Company propose to take the same business to the next level. Further, your Company also exploring some new business opportunities related to the Manufacturing and service of new networking product and services. Hence, the existing name of the Company which is "MRO-TEK Realty Limited" not look suitable for the Manufacturing Business and Board of Directors is proposed the change of name of the Company to "MRO-TEK Limited"

Your necessary approval has been sought to enable the carrying on of the existing business activities, as required under the Companies Act, 2013, ('the Act') and hence, it is proposed to alter the name of the Company to denote the existing business activities i.e., deletion of word "Realty" from the existing name of the Memorandum of Association of the Company as exhibited in the said Resolutions. The Board has proposed to alter the Name of the Company and to be obtain necessary approval from the Ministry of Corporate Affairs and said name "MRO-TEK Limited" has been made available.

The Directors are of the strong belief that the above proposals are in the best interest of the Company and of the Shareholders.

The Board of Directors recommends the passing of the Special Resolutions contained in Item no. 5 and Item No. 6 of the accompanying Notice.

None of the Directors, Key Managerial Persons or their relatives, in any way, is concerned or interested in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**By Order of the Board of Directors  
For Mro- Tek Realty Limited**

**Barun Pandey  
Company Secretary and  
Compliance Officer  
ACS: 39508**

**Place: Bengaluru**

**Date: 23.05.2018**

### 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 Standards –2:

Particulars	Gauri Aniruddha Mehta (DIN:00720443)	Mr. Mohan Subramaniam (DIN- 01033494)
Date of Birth	14.01.1964	05.09.1957
Effective date of Appointment	08.08.2016	15.11.2017
Qualifications	Graduate in Arts	CA, CMA & Graduate in Commerce
Expertise in specific functional areas	Business	Heading core portfolios of Finance, Corporate Secretarial, Legal, Taxation and Administrative functions
Directorships held in other Public companies (including Foreign Companies) as on date	NIL	ISG Novasoft Technologies Limited
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	NIL	NIL
Number of shares held in the Company	4,86,064	NIL

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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, 2018.

- Segment wise or Product wise performance
- Risk and Concerns
- Internal Control Systems and their adequacy
- Discussion on operational performance
- Material Developments in Industrial Relations front

### SEGMENT WISE OR PRODUCT WISE PERFORMANCE

As the board of Directors reported in the last AGM, the company has made effort to expand and diversify the business utilizing existing resources and skills in a carefully calibrated and controlled manner.

In order to drive revenue growth, ensure effective management, better reporting standards and comply to international best practice norms, the company re-aligned its organization into Business Units (BU) – each with its own responsibility for P&L.

There are four Business Units –

- Products
- Services
- Solutions
- EMS

### SEGMENT: PRODUCTS

The branded products (i.e., products designed / licensed / manufactured and sold under MROTEK brand name) of the company is its real three decades old legacy, its core expertise and its DNA.

Regretfully, the existing lines of products were all being rendered obsolete one by one – due to extreme fast paced technology development worldwide and the historical reasons with the company which are on past record.

In spite of many products being rendered End of Life leading to falling sales, the company R&D engineering teams have soldiered on and has made breakthroughs in the following products:

Category	Product families
Carrier grade access	1. Gigabit access on copper networks 2. SoNET / SDH Optical products 3. DWDM Optical Products
Consumer equipment	1. Home / SOHO PLT Wi-fi 2. Personal Biometric Security device

The company has already successfully completed developing the latest generation of Optical products and have deployed those for end user trials and certification. The consumer products are being launched into market in a phased manner in the second and third quarters of 2018.

The company continues to be committed to building and **Integrating Next Generation Networks** and fully expects to have a diversified product portfolio at internationally competitive levels of technology within the current year.

The company continues to be one of the last standing Indian Original Equipment Manufacturers (OEMs) in the carrier class communication products business.

### SEGMENT: SOLUTIONS

The company employees have wide experience in all manner of networking and access technologies, apart from IT and security products, which is the key raw material to take on turnkey projects in data networking and security industry. The company has executed plans to enter into turnkey projects in a significant way.

The Board is pleased to announce the following significant progress:

- Empanelment as a National Systems Integrator for Bharat Sanchar Nigam Ltd – one of the few Indian OEMs which has this status

The company focuses its turnkey projects business in the following specific areas –

Industry	Technology / Solution
IT / Networking	1. Managed Network Services (MNS) 2. Remote Infrastructure Management (RIM) Services 3. Wide Area / Campus Area Network deployments
Security	1. Unmanned Aerial Vehicle Systems 2. Cyber Security 3. IP CCTV Surveillance in wide area networks 4. Mobile Video Surveillance for Rail / Road transport 5. Facial Recognition Systems
Photogrammetry	1. Geospatial Surveys 2. LIDAR Surveys 3. Ortho-photogrammetry and image analysis and mapping
Cloud	1. BFSI solutions (incl Hardware and software) 2. IoT solutions (incl Hardware and software)
Airport systems	1. Runway Foreign Objects & Debris Detection

MROTEK team conducted meticulous preparation, training and certification, quality systems upgrade and implemented internationally standard systems and controls including documentation standards.

The company is now certified under **ISO9001:2015**, **ISO14001:2015** and **ISO27001:2015**. The company is also in process to be certified under OHSAS18001 and IS13485 for medical systems manufacture.

#### SEGMENT: SERVICES

Many of the company employees in product warranty and field services have the widest and best academic and work experience in all manner of networking and access technologies, IT and security products.

The Services Business was strengthened and expanded to support two business verticals:

- Branded products
- Turnkey Projects and Solutions

Both businesses required experienced field support teams for implementation, repair/fix, diagnostics and customer interfacing. They also required back to bench repair / rework capabilities which could be mutually leveraged.

The company is in process of successfully managing the transition from a pure product repair service team to a multi-skilled, professional services team capable of being utilized for multiple revenue segments.

Services business is expected to migrate in a major way into Managed or Professional Services opportunities with revenue streams broadening under those type of labor utilization.

Services business is also expected to be the spearhead on which the company will expand its physical reach across markets within the country creating better opportunities for larger project execution.

#### SEGMENT: ELECTRONIC MANUFACTURING SERVICES (EMS)

The company owns a freehold factory with good quality machines and working infrastructure which the management realized could be utilized better by contracting manufacturing projects from customers.

The EMS business has since inception in Q3/2017, built on and greatly expanded the factory capabilities. Equipment have been upgraded, refurbished and repaired. New equipment has been added.

The company has continued to rely on its employee wealth of experience and expertise over the last three decades in low/high mix, low volume high accuracy manufacturing and developed on those skill sets.

The company today provides a full spectrum of EMS services as follows:

- Pre-production prototyping
- Product enhancement, engineering upgrades
- Product ideation and design
- Conversion of laboratory prototype to production ready prototype including enclosures
- Certification of products under Indian regulations
- Low/High Mix, low volume manufacture
- Through Hole Assembly
- In-Circuit / Full Functional tests
- Conformal Coating
- BGA Assembly / rework / inspection
- Chassis / Full Box Build Assembly
- Cable Harness and dressing
- National and International Supply Chain solutions for manufactured products and spare parts

The ISO team of the company has accomplished full certification of the manufacturing operations under ISO9001, ISO14001 and 27001, upgraded the Quality Management Systems, implemented Digitally Secured Document Management System and successfully passed several customer audits.

The EMS business focus and current customer base is as follows:

Product segment	Customers
Electronic controls	Elmeasure
Medical Electronics	Terumo Corp/Japan, SkanRay/India
Industrial Electronics	Bharat Electronics Limited
Consumer Electronics	Sensel Telematic, L&T EBG

#### RISKS AND CONCERNS

While the company has successfully re-aligned its business structure and organization teams to focus on topline and bottom-line generating opportunities and is seeing success - significant risks and concerns remain.

The current SWOT Analysis of the company is as follows:

<b>STRENGTHS</b>	<ol style="list-style-type: none"> <li>1. Trusted brand name</li> <li>2. High quality engineering skills</li> <li>3. Reputation of reliability</li> <li>4. Product longevity and customer support</li> </ol>
<b>WEAKNESSES</b>	<ol style="list-style-type: none"> <li>1. Product portfolio is ageing rapidly</li> <li>2. Ability to scale up quickly</li> </ol>



<b>OPPORTUNITIES</b>	1. Very few reputed local OEMs remain* 2. Customs Duty structure favorable** 3. Few reputed vendors in <u>low volume</u> EMS manufacture
<b>THREATS</b>	1. Branded products margin erosion 2. Difficulty finding skilled manpower 3. Core industry (telecom) stressed 4. Spending slowdown in Capital projects***

\* Local OEM product manufacturers in carrier class network equipment

\*\* Basic duty added on fully built imports, making local manufacture cheaper

\*\*\* Government spending in telecom infrastructure networks, Digital India is under-funded

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal Control System (ICS) have been strengthen , since the year 2017:

As on 23-May, 2018, ICS and its Adequacy:

- ✓ All transaction reporting and processing moved to Enterprise Resource Planning (ERP)
- ✓ Sales and revenue reporting automated into ERP
- ✓ Customer service reporting automated into ERP & integrated with the Accounting System
- ✓ Approvals processes have migrated to online ERP
- ✓ Human Resource Policy with Organization structure and Grades applicable to entire company documented, published and enforced
- ✓ IT Policy and IT Security Policy documented and announced, enforced throughout the company

#### **OPERATIONAL PERFORMANCE**

The company has faced (and continues to face) significant difficulties in reinventing itself as a nimble, competitive vendor in its segments of business. This is still a work in progress.

The company has been able to –

1. Reduce unproductive / excessively costly manpower
2. Analyze and consolidate performance measurement metrics of individuals, Business Units and teams for effective performance improvement
3. Implement ISO9001 and 14001 Quality systems with a consistent emphasis on Continuous Improvement / Kaizen programs.
4. Implement Quality Management Systems

5. Implement ERP
6. Eliminate manual controls and reporting by a large extent
7. Increase accountability and result oriented effort from its employees and associates

The company is still in the process of improving the following areas:

1. Manufacturing processes
2. Factory equipment capacity and capability optimization
3. Continuous employee training in efficiency and productivity
4. Better credibility with customers in new business segments (where past track record does not exist)
5. Field deployment strength and skilled manpower enhancement

The company performance and management system programs are a continuous process of evolution and improvement. These efforts will continue to strengthen people, processes and outcomes to increase the size of the business and deliver value.

#### **MATERIAL DEVELOPMENTS IN INDUSTRIAL RELATIONS FRONT**

During the year under review, your Management under turnaround strategy had absorbed 35 nos of contractual employees into the roll of the Company. Your management had recruited 21 nos of new employees during the year 2017-18. The total number of on roll employee had increased from 14 to 70 during the financial year 2017-18. Your Company concentrating on Good Governance policy.

During the year under review, There was no instance of Women sexual harassment or workman harssement compliant on the Company. Your Company is complying with minimum wages Act, Factories Act and other applicable laws.

#### **CEO'S FORWARD LOOKING STATEMENT**

The period of 2018-19 is a year of settling down after the back to back severe disruptions caused by the both internal and external factor in 2017. The impact of these two events was such that the company's core business segment in 2017 did not see any revenue for over 90 days of that year.

For 2018-19, any major economic, structural or fiscal reforms are expected from the Central government (given election cycle beginning in 6 months), interest rates are expected to remain at current levels and overall demand expansion is expected to be around 7% within the domestic economy.

It is also not expected that there will be any further major changes under Make In India or under the Customs Duties

regime in force at this time – both of which have a positive influence on the company's business prospects at the time of this report preparation.

The forward-looking assessment of the new Business Unit based revenue silos are as follows:

### **PRODUCT BUSINESS UNIT: 2018-19**

The company's branded products (carrier grade access and networking) core market was telecommunications. Given the stress in this segment and sustained cost competition from a new player – it is not expected there will be any significant growth in network expansion and it is consequently expected that telecom sector revenue will remain flat.

Accordingly, the company is changing focus to other major users of its products and focusing on four major customer categories:

- ✓ Indian Railway Signaling and Communications
- ✓ FTTH/FTTD/MTU Internet Service Providers
- ✓ Optical SCADA networks for Gas and Energy transmission
- ✓ Enterprise networks (including BFSI sector)

Further, the company is adding on new access product categories under Copper, Optical and wireless technologies to give options to customers and increase revenue traction. The product engineering and trial production for the CWDM/SDH product range has been completed and evaluation units will be shipped to key customers within the next quarter.

Finally, under this BU, the company is venturing into B2C products after many years – with products for “across the counter” sales or through e-commerce marketplaces.

The focus in on new technologies –

- ✓ personal biometric encryption of devices,
- ✓ powerline gigabit wifi transmission,

This BU had a purchase order of Rs. 20 Million under its bag, which will execute in the FY 2018-19.

### **SERVICES BU: 2018-19**

The company's services teams were an adjunct to the Product Business Unit since the company's inception. Except for a minor Annual Maintenance Contract (AMC) service revenue, this talent pool was largely unmonetized.

Starting 2017, in conjunction with the newly formed Solutions BU, this team has been revamped, new skills and certifications added creating a professional services / managed services team which can be monetized for revenue.

It is expected Services BU will play a very significant role in the revenues of the Solutions BU in this year and its gross revenues is expected to increase significantly in the forthcoming year.

### **SOLUTIONS BU: 2018-19**

This new business unit is one of the breakthrough success stories of the company for 2017. With the successful qualification of MRO-TEK as National Systems Integrator (NSI) for BSNL and TCIL, the available turnkey project opportunities for the company creates a strong topline profile.

While the efforts are still ongoing to strengthen this new business and its team, this BU has already won Rs. 50 million worth of orders and is expected to increase the revenue significantly in the forthcoming year.

The nature of this business is that any win actually opens up opportunities in that customer segment at a 2-3 times size factor, thus rapidly pushing up topline numbers.

### **EMS BU: 2018-19**

This new business unit is the other breakthrough success stories of the company for 2017. With the successful qualification as an EMS vendor for L&T Enterprise Business Group (now Schneider Electric) in November, 2017, several new customers with significant contract manufacture business requirements have been added.

EMS is a steady, run-rate revenue business where invoices are raised daily. The key to success in EMS business is efficiency of machines and workforce – which are the primary focus points of the management at this time.

The EMS BU has already orders with Rs. 14 million on hand and is expected to generate revenue 5-6 times more revenue within the FY2018-19 period with the present customer base and new customers in process of qualification.

### **CONCLUSION**

While the company did go through one of its roughest years (2017-18) in recent history due to a combination of factors – few internal but mostly external, the outlook for 2018-19 is definitely better.

With business diversification, successes already in hand and pipeline of business coming in - It is expected that the FY 2018-19 will result far better than 2017-18 and more diversified revenue base on which the company's future strength and growth can be built.

## BOARD'S REPORT

To

THE MEMBER S OF

**MRO -TEK REALTY LIMITED**

Your Board of Directors has pleasure in presenting the 34<sup>th</sup> Annual Report and the Audited financial results for the year ended 31<sup>st</sup> March, 2018 together with the Independent Auditors' Report and the Secretarial Audit Report.

### 1. FINANCIAL RESULTS:

Particulars	2017-18 (Rs. in Lakhs)	2016-17 (Rs. in Lakhs)
Net Revenue from operations	3,680.42	4,134.53
Other Income	116.34	58.38
Operation Profit (Loss) before Interest and Depreciation	1020.15	1,021.70
Operation Profit (Loss) before Interest	939.98	930.91
Interest and other Finance Costs	(244.33)	(210.43)
Operation Profit (Loss) before Taxation and Extraordinary/Exceptional items	695.65	720.48
Exceptional Items	85.16	(93.21)
Profit/(Loss) before Tax	780.81	627.27
Provision for Taxation (Deferred Tax Adjustments)	(32.37)	222.15
Profit / (Loss) after Taxation	748.44	849.42
Loss from Discontinuing Operations	(28.34)	(23.08)
Profit/(Loss) for the period	720.10	826.34
Other Comprehensive	10.60	3.66
Total Comprehensive Income	730.70	830.00

**Your Company's financial statements for the year ended March 31, 2018 are the first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 including amendments rules, 2018. Accordingly, numbers for all the comparative periods have been restated.**

### PERFORMANCE:

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

Under the leadership of new Management and Promoters, the Company made turnaround, achieving Rs 720.10 Lakhs profit for the year 2017-18 as against a profit of Rs. 826.34 Lakhs in the previous year.

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

- The Company could strive to retain in the core product business irrespective of massive disruptive took place in the telecom sector. It may be noted that the Industry is undergoing the consolidation process and our key customers were adversely affected.
- To improve the business, the Company diversified its business by introducing the Solutions Business unit to capture the opportunities in the market.
- To optimise the infrastructure at the Factory premises, the management decided to manufacture the products of other OEM's either on Turnkey basis or on labour contract manufacturing basis. The Company could bag the L & T, Elmeasure and Termo Penpol.
- The revenue from operations from Product business ( legacy business), EMS, Solutions and Real estate are Rs 19.52 Crs, Rs 1.69 Crs, Rs 1.75 Crs and Rs 13.84 Crs respectively for the year 2017-18.
- The Company has earned Operating Profit of Rs. 1,020.15 Lakhs before exceptional items / extraordinary items, discontinuing operations, finance cost and depreciation during the year 2017-18 as against Operational Profit of Rs 1021.70 Lakhs during the previous year.
- The Company discharged the liability of Asset Backed Loan availed with SBI and released the mortgage. The Satisfaction of charges filed with MCA and the Company is debt free other than unsecured loan from promoters.
- The net worth of the Company improved and stood at Rs 13.49 Crs on 31<sup>st</sup> March 2018 as against Rs 6.18 Crs on 31<sup>st</sup> March 2017.
- Chairman and Managing Director of the Company infused Rs 13.30 Crores till March 31, 2018 as Working Capital for managing day to day operations and has been supporting the company financially by infusing fund as and when requires. The Company has been repaying interest and principal on existing loans to banks within stipulated time promptly..
- The Company could realize Rs 27.29 Lakhs from the discontinued operations and the process of liquidation of entire inventory is completed during the year 2017-18.
- The Company has incurred a loss of Rs 28.34 Lakhs from discontinuing operations of Solar business segment during the year as against Rs 23.08 Lakhs during the corresponding previous year.

- The Company has realised amount of Rs 165.34 Lakhs from the liquidations proceeds of the Joint venture Company RAD-MRO Manufacturing Private Limited and net resultant gain amounts to Rs 92.83 Lakhs.
- During the year ended 31<sup>st</sup> March, 2018, Revenue from operations includes an amount of Rs. 1,383.75 Lakhs from sale of super built up area under construction in line with Development Agreement dated 1<sup>st</sup> January 2016.
- The total sales turnover of the Company stood at Rs 3680.42 Lakhs as against Rs 4134.53 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.

## **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 31<sup>st</sup> March, 2018 it is Rs. 9, 34, 23,010/- (Rs. Nine Crores Thirty Four Lakh 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 or granted stock options nor Sweaty 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 company as on 31<sup>st</sup> July, 2017. Your Company had received the capital contribution and Balance over & above the Capital Contribution amount of Rs. 72,52,000/- (Rupees Seventy two lakhs fifty two thousand only) and Rs. 92,82,560 ( Rupees Ninety two Lakhs eighty two thousand five hundred and sixty only) in the voluntary liquidation process.

The application for liquidation before NCLT is under preparation and is likely to be filed soon.

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 mentioned above points.

## **6. DIVIDEND:**

Your Company has started registering the profits for the years after a gap of long period. 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: 26.05.2017, 03.08.2017, 01.09.2017, 15.11.2017, and 10.02.2018 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 four Committees viz. the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee . A detailed note on the composition of the Board and its Committee and other related particulars are provided in the Report on Corporate Governance forming part of this Annual Report.

## **8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **Appointment of Directors and KMP**

The following appointment of Directors/KMP have taken place during the year:

1. Mr. Sudipto Gupta was appointed as Chief Executive Officer for the period commencing from 5<sup>th</sup> September, 2017 to 4<sup>th</sup> September, 2020.
2. Mr. Mohan Subramaniam was appointed as Independent Director for a period commencing from 15<sup>th</sup> November, 2017 to 14<sup>th</sup> November, 2022.

### **Brief profile of each new Director and KMP:**



**1. MR. SUDIPTO GUPTA, CHIEF EXECUTIVE OFFICER**

Mr. Sudipto Gupta is a Post Graduate in Business Management and a technocrat with 24 years' experience in the Telecommunications and Electronics industries. Over the years, he had held key positions in technology companies, service providers and Original Design Manufacturers in various capacities - product development, sales / business development, people / team building, commercial and regulatory affairs, manufacturing and after-market services - over his distinguished career.

Prior to taking his current position in MROTEK, Sudipto was the Country Director for one of the world's largest contract manufacturers' India operations. During his career, Sudipto has built successful, profitable businesses several times including his own entrepreneurial stint where he designed and executed complex telecommunication projects.

**2. MR. MOHAN Subramaniam – DIRECTOR:**

Mr. Mohan Subramaniam is a dynamic Professional [Chartered Accountant (FCA); Cost Accountant]; having more than 30 years of post-qualification experience, in large-sized Government Undertaking, Mid-sized Listed Companies manufacturing engineering goods for automobile sector, Continuous process Industry with Foreign collaborations, Global company manufacturing capital goods, Product and IP Company in the IT sector.

Heading core portfolios of Finance, Corporate Secretarial, Legal, Taxation and Administrative functions, as also forming part of the core management team at the Global level. Been the head of IT function and also handled the HR matters of a MNC Company.

**Re-appointment of Director, retiring by Rotation:-**

As per the Articles of Association of the Company, one third of the Directors are liable to retire by

rotation at the Annual General Meeting of the Company, every year. Mrs. Gauri Aniruddha Mehta

retires by rotation and being eligible, herself for re-appointment at the ensuing Annual General

Meeting.

**Resignations, Cessations and Changes in Directors:-**

1. Mr. Radhakrishnan Seetharaman resigned from the office of Director of the Company as on 15<sup>th</sup> November, 2017.

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 their Independence laid down in Section 149(6) (**Annexure I**).

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

Following are the compositions of various Committees:

**Up to 15.11.2017      Post 15.11.2017**

**i) Audit Committee:**

- |                            |                         |            |
|----------------------------|-------------------------|------------|
| a) Mr. S. Radhakrishnan    | Mr. Mohan S             | - Chairman |
| b) Mr. Sudhir Kumar Hasija | Mr. Sudhir Kumar Hasija | - Member   |
| c) Mr. M V Sampath Kumar   | Mr. M V Sampath Kumar   | - Member   |
| d) Mrs. Gauri A Mehta      | Mrs. Gauri A Mehta      | - Member   |

**ii) Nomination and Remuneration Committee**

- |                            |                         |            |
|----------------------------|-------------------------|------------|
| a) Mr. Sudhir Kumar Hasija | Mr. Sudhir Kumar Hasija | - Chairman |
| b) Mr. S. Radhakrishnan    | Mr. Mohan S             | - Member   |
| c) Mr. M V Sampath Kumar   | Mr. M V Sampath Kumar   | - Member   |
| d) Mrs. Gauri A Mehta      | Mrs. Gauri A Mehta      | - Member   |

**iii) Stakeholders' Relationship Committee:**

- |                            |                         |            |
|----------------------------|-------------------------|------------|
| a) Mr. Sudhir Kumar Hasija | Mr. Sudhir Kumar Hasija | - Chairman |
| b) Mr. S. Radhakrishnan    | Mr. Mohan S             | - Member   |
| c) Mr. M V Sampath Kumar   | Mr. M V Sampath Kumar   | - Member   |
| d) Mrs. Gauri A Mehta      | Mrs. Gauri A Mehta      | - Member   |

**iv) Corporate Social Responsibility Committee:**

- |                            |                         |            |
|----------------------------|-------------------------|------------|
| a) Mr. M V Sampath Kumar   | Mr. M V Sampath Kumar   | - Chairman |
| b) Mr. Sudhir Kumar Hasija | Mr. Sudhir Kumar Hasija | - Member   |
| c) Mrs. Gauri A Mehta      | 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 <http://www.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; and
- (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.
- (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 MGT-9 form 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, who were appointed in the 33rd Annual General Meeting held on 28<sup>th</sup> September, 2017 for a period of 4 years continue to act as Statutory Auditors of the Company for the Financial year 2018-19 and ratification of their appointment is not required as per the amended provisions of the Companies Act, 2013.

## 15. SECRETARIAL AUDIT:

The Secretarial Audit for the Financial year 2017-18 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)**.

## 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 Ministry of Corporate Affairs (MCA), the cost audit records maintained by the 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 an 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/IEC 27001:2011( Information security Management System) and ISO /IEC 20000-1:2011 (Information Technology services 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. 16,14,481/- (Prev. year-Rs. 29,68,580/-)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 Companies Act, 2013 and accordingly, there were no deposits which were due for repayment on or before 31<sup>st</sup> March, 2018.

**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 systems as well as 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\\_Management\\_Policy.pdf](http://www.mro-tek.com/pdf/MRO-TEK-Risk_Management_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 detailed 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](http://www.mro-tek.com/pdf/Nomination_and_Remuneration_Policy.pdf) /

**24. CORPORATE SOCIAL RESPONSIBILITY:**

The Company has continuously been incurring losses from past years except last two financial year. Hence, the Company was not required to incur any CSR Expenditures during the year.

However your Company has been taking and encouraging employees to take part in the Swache Bharat Abhiyan and other social work.

**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 Parties 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 Parties Transactions are 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](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 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) Regulation 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 are 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 2018-19 to NSE and BSE where the Company's Shares are listed.

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 said 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) Regulation 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, 2018, the gross tangible and intangible assets stood at Rs. 9,66, 62, 703/- and the net tangible and intangible assets, at Rs 7,47,17,931/-. Additions during the year amounted to Rs. 7,47,17,930/-. The Company has recognized impairment loss of Rs 7,66,099/- during the year.

## 31. JOINT VENTURE:

Your Company had received the capital contribution and Balance over & above the Capital Contribution amount of Rs. 72,52,000/- (Rupees Seventy two lakhs fifty two thousand only) and Rs. 92,82,560 ( Rupees Ninety two Lakhs eighty two thousand five hundred and sixty only) in the voluntary liquidation process.

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 an 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 2017-18:

No of complaints received : NIL

No of complaints disposed off : NIL

## 35. CODE OF CONDUCT:

In terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, all the Member s 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 2017-18. 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 Member s of the Board and the Senior Management Personnel have affirmed compliance of their respective code of Conduct.

## 36. DISCLOSURE ON CONFIRMATION WITH SECRETARIAL STANDARDS

The Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied

## 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 to 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 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  
For Mro- Tek Realty Limited

SD/-

Aniruddha Bhanuprasad Mehta  
Chairman & Managing Director  
DIN: 00720504

Place: Bengaluru  
Date : 23 .05.2018



**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 Requirements 25 & 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of 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 sitting fees , we did not have any material pecuniary relationship or transactions with the Company or with 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 Partner or an Executive or were 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.

**Mohan Subramaniam**  
**DIN: 01033494**  
**Date: 23.05.2018**

**Sudhir Kumar Hasija**  
**DIN: 00157168**  
**Date: 23.05.2018**

**M V Sampath Kumar**  
**DIN: 07613043**  
**Date: 23.05.2018**

**Annexure-II**  
**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March 2018

[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:**

<b>Registered Office:</b> #6, New BEL Road, Chikkamaranhalli, Bengaluru-560 054	
<b>Tel. :</b>	080-42499000
<b>Fax. :</b>	080-23603763
<b>Email :</b>	grd@mro-tek.com

**Website:** [www.mro-tek.com](http://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 LIMITD (BSE)	532376

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

Karvy Computershare Private Limited  
 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 and Equipment	2610	53.05
2	Real Estate Development	4100	37.60

**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 Voluntary liquidation under Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

## 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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3498287	0.00	3498287	18.72	3498287	0.00	3498287	18.72	0.00
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.	5138724	0.00	5138724	27.50	6068448	0.00	6068448	32.48	4.98
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
<b>Total shareholding of Promoter (A) (1)</b>	<b>8637011</b>	<b>46.23</b>	<b>6.57</b>	<b>8637011</b>	<b>9566735</b>	<b>0.00</b>	<b>9566735</b>	<b>51.20</b>	<b>4.98</b>
<b>(2) Foreign</b>									
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
<b>Total shareholding of Promoter (A) (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding Promoter &amp; Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>8637011</b>	<b>46.23</b>	<b>6.57</b>	<b>8637011</b>	<b>9566735</b>	<b>0.00</b>	<b>9566735</b>	<b>51.20</b>	<b>4.98</b>
<b>B. Public Shareholding</b>									
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	0.00	0.00	0.00	0.00	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) FIs	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
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.	518509	0.00	518509	2.78	426090	0.00	426090	2.28	(0.60)
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	4698037	122312	4820349	5.80	3916486	93094	4009580	21.46	4.34)

ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	4629468	0.00	4629468	24.78	4527740	0.00	4527740	24.23	(0.55)
c) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Resident Indians	59184	0.00	59184	0.32	64,864	0.00	64,864	0.35	0.03
Overseas Corporate Bodies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IEPF	0.00	0.00	0.00	0.00	84318	0.00	84318	0.45	0.45
Clearing Members	15731	0.00	15731	0.08	4443	0.00	4443	0.02	(0.06)
NBFC	0.00	0.00	0.00	0.00	850	0.00	850	0.00	0.00
Foreign Bodies -D R									
<b>Sub-total (B)(2):-</b>	<b>9921779</b>	<b>122312</b>	<b>10044091</b>	<b>53.78</b>	<b>9024773</b>	<b>93094</b>	<b>9117867</b>	<b>48.80</b>	<b>(4.98)</b>
<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	<b>9925279</b>	<b>122312</b>	<b>10047591</b>	<b>53.77</b>	<b>9024773</b>	<b>93094</b>	<b>9117867</b>	<b>48.80</b>	<b>(4.98)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>18562290</b>	<b>122312</b>	<b>18684602</b>	<b>100.00</b>	<b>18591508</b>	<b>93094</b>	<b>18684602</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoters:**

Sl. No.	Share holder's Name (Messrs)	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	
1	Aniruddha Bhanuprasad Mehta	3012223	16.12	0	3012223	16.12	0	0
2	Gauri Aniruddha Mehta	486064	2.60	0	486064	2.60	0	0
3	Umiya Holding Private Limited	5138724	27.50	0	6068448	32.48	0	4.98
	<b>TOTAL</b>	<b>8637011</b>	<b>46.23</b>	<b>0</b>	<b>9566735</b>	<b>51.20</b>	<b>0</b>	<b>4.98</b>

**(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	<b>8637011</b>	<b>46.23</b>	<b>8637011</b>	<b>46.23</b>
	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)	<b>0</b>	<b>0</b>	<b>929724</b>	<b>4.98</b>
	At the end of the year	<b>8637011</b>	<b>46.23</b>	<b>9566735</b>	<b>51.20</b>



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

Sl. No.	For Each of the Top 10 Shareholders Name (Messrs)	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
1	Jitendra Mohandas Virwani	3704684	19.83	3704684	19.83
2	Prakash Peraje Pai	276148	1.48	170965	0.92
3	Kanoria Moulders Private Limited	159134	0.85	117106	0.63
4	Anil Kathotia	96000	0.51	96000	0.51
5	Babita Kathotia	95467	0.51	95467	0.51
6	Investor Education And Protection Fund Authority MCA	0	0	84318	0.45
7	Athul Vasudeva Kudva	80240	0.43	80240	0.43
8	Chhaganlal L Lakhani	0	0	78081	0.42
9	N G N Puranik	75000	0.40	75000	0.40
10	Ananth Bhat K	9000	0.05	52157	0.28

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	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	30,12,223	16.12	0	0
	Mr. Aniruddha B Mehta	4,86,064	2.60		
	Mrs. Gauri A Mehta				
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
	At the end of the Year	30,12,223	16.12	0	0
	Mr. Aniruddha B Mehta	4,86,064	2.60		
	Mrs. Gauri A Mehta				

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment - Rs. 1330.00/- Lakhs

**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. Aniruddha Bhanuprasad Mehta	
1	1. Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	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		
	<b>Total (A)</b>	Nil	NIL
	<b>Ceiling as per the Act</b>		

**B. Remuneration to other Directors:**

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. S Radhakrishnan	Mr. M V Sampath Kumar	Mr. Sudhir Ku Hasija	Mr. Gauri A Mehta	Mr. Mohan S	
1	Independent Directors						
	• Fee for attending board / committee meetings	82,000	1,08,000	72,000		0	2,62,000
	• Commission						
	• Others, please specify						
	Total (1)	82,000	1,08,000	72,000		0	2,62,000
2	Other Non-Executive Directors						
	• Fee for attending board / committee Meetings				1,08,000		1,08,000
	• Commission						
	• Others, please specify						
	Total (2)				1,08,000		1,08,000
	Total (B)=(1+2)				3,70,000	0	3,70,000
	Total Managerial Remuneration					0	3,70,000
	Overall Ceiling as per the Act						

**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	47,69,332	4,84,797	31,72,039	84,26,168
	(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				
	<b>Total</b>	47,69,332	4,84,797	31,72,039	84,26,168

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

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

For and on behalf of the  
MRO-TEK Realty Limited

Sd/-

Aniruddha Bhanuprasad Mehta  
Chairman and Managing Director  
DIN: 00720504

**ANNEXURE - III****Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2018

*[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

(Formerly known as MRO-TEK LIMITED)

Bengaluru

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 31.03.2018 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 31.03.2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (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) The specific laws applicable to the Company pursuant to the business carried by the Company are;

- Housing Board Act, 1965
- Transfer of Property Act, 1882
- Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996

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

**(1) Employer/Employee Related laws & Rules:**

- The Factories Act & Rules
- The ESI Act & General Regulations
- The Employees Provident Funds & Miscellaneous Provisions Act
- The Minimum Wages Act & Rules
- The Payment of Wages Act & Rules
- The Payment of Gratuity Act & Rules
- The Payment of Bonus Act & Rules
- The Maternity Benefit Act.
- The Equal Remuneration Act
- The Employment Exchanges (CNV) Act & Rules
- The Karnataka Labour Welfare Fund Act & Rules
- Industrial Employment Standing Orders Act
- The Karnataka (National & Festival) Holidays Act & Rules

**(2) Environment Related Acts & Rules:**

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

**3) Economic/Commercial Laws & Rules:**

- The Competition Act, 2002
- The Indian Contract Act, 1872
- The Sales of Goods Act, 1930
- The Forward Contracts (Regulation) Act, 1952
- The Indian Stamp Act, 1899

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.

Further, I report that with regard to financial and taxation matters, I have relied on the draft 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 certain petitions filed by Mr. Jitendra Virwani, shareholder of the Company against the Company and its Directors and former Promoters before the Securities and Exchange Board of India, Court at Bengaluru, National Company Law Tribunal, Bengaluru, Hon'ble High Court of Karnataka etc. are continuing to be represented by the Company.

Place: Bengaluru

Date: 23.05.2018 (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: Bengaluru**

**Date: 23.05.2018**

**(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: NIL**

- (a) Name(s) of the Related Party and nature of relationship:
- (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:  
Messers Umiya Buliders and Developers
- b) Nature of contracts/arrangements/transactions:
  - 1. Transfer of agreed portion of land as per the Development Agreement entered as on 1<sup>st</sup> January, 2016.
- (c) Duration of the contracts/arrangements/transactions: One time transaction
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
sale of super built up area under constructions in line with the Development Agreement entered on 1st January, 2016 for Rs. 13,83,75,000/-
  - (a) Date(s) of approval by the Board, if any: 1<sup>st</sup> January, 2018

**For and on behalf of MRO-TEK Realty Limited**

**Aniruddha Bhanuprasad Mehta**  
**Chairman & Managing Director**  
**DIN: 00720504**

**Place: Bengaluru**  
**Date : 23.05. 2018**

## ANNEXURE – V

### THE RATIO OF THE REMUNERATION OF EACH DIRECTOR

(i) The ratio of the remuneration of each Directors and KMP to the median remuneration of the Employees of the Company for the Financial Year;	<b>Name of Directors Ratio</b> Mr. Aniruddha Bhanuprasad Mehta 0 Mr. S Radhakrishnan 0.16:1 Mr. Sudhir Kumar Hasija 0.14:1 Mr. M V Sampath Kumar 0.22:1 Mrs. Gauri Aniruddha Mehta 0.22:1 Mr. Mohan Subramaniam 0 <b>Name of KMP</b> Mr. Aniruddha Bhanuprasad Mehta (CMD) 0 Mr. Sudipto Gupta (CEO) 15.93:1 Mr. Srivatsa (CFO) 06.09:1 Mr. Barun Pandey (CS) 01.40:1
(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. There was no increase in Remuneration to CEO and CFO Company Secretary got 60% of increase in remuneration during the financial year.
(iii) The percentage decrease in the median remuneration of employees in the Financial Year;	26.45% *
(iv) The number of permanent employees on the rolls of Company as on 31.03.2018;	70
(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;	There was no increment in Remuneration to the Employees other than KMP Average Increase in percentage salaries to KMP is 15%
(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 under its turnaround strategy had started recruiting new employees and hence the median remuneration was **decreased** as compare to last year . During the year number of permanent employee is increased to 70 from 14.

\*\* Median Remuneration for the year ended 31<sup>st</sup> March, 2018 is Rs. 5,02,212/- Per annum.

For and on behalf of MRO-TEK Realty Limited

Aniruddha Bhanuprasad Mehta  
Chairman & Managing Director  
DIN: 00720504

Place: Bengaluru  
Date : 23.05. 2018



## **Annexure VI**

### **CORPORATE GOVERNANCE**

#### **(Pursuant to Schedule V(C) of 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 5 (five) Directors, comprising of one Executive, one Non Executive woman Director 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 other one is Non-Executive Non-Independent women 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 Board of Directors.

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.

The Board Meetings are held generally at the Registered Office of the Company at Bengaluru, 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 with a gap of not more than 120 days between two Board Meetings 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 Directors since the last Annual General Meeting is as follows:

Sl. No.	Name	Date of Appointment	Date of cessation
1	Mr. Mohan Subramaniam	15.11.2017	-
2	Mr. Radhakrishnan Seetharaman	08.08.2016	15.11.2017

#### **Board Meetings:**

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

A total of 5 (Five) Meetings of the Board of Directors were held during the year under review on 26<sup>th</sup> May 2017, 3<sup>rd</sup> August 2017, 1<sup>st</sup> September 2017, 15<sup>th</sup> November, 2017 and 10<sup>th</sup> February, 2018. Attendance of Directors at the Board Meetings held during the year 2017-18 and the details of directorships, Committee Chairmanships and Memberships are exhibited below:

Name of Director	Position	No. of Board Meetings Attended during the year	Attendance at Prev. AGM on 28.09.2017	No. of outside Directorships held	No. of membership / Chairmanship in other Board Committees#
<b>Executive Directors:</b>					
Mr. Aniruddha Bhanuprasad Mehta	Chairman & Managing Director	5	Present	4	-
<b>Non-Executive, Non-Independent Directors:</b>					
Mrs. Gauri Aniruddha Mehta	Director	5	Present	5	-
<b>Non-Executive, Independent Directors:</b>					
Mr. S. Radhakrishnan	Director	4	Present	3	-
Mr. M V Sampath Kumar	Director	5	Present	-	-
Mr. SudhirKumar Hasija	Director	3	Not Present	6	1
Mr. Mohan Subramaniam	Director	0	Not Present	2	1

**Note:** Mr. S. Radhakrishnan, resigned from the office Independent Director w.e.f. 15<sup>th</sup> November, 2017. Further, Mr. Mohan Subramaniam was appointed as an Additional–Non-Executive Independent Director w.e.f. 15<sup>th</sup> November, 2017.

#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:

A qualified and independent Audit Committee of the Board has been exercising its powers and responsibilities judiciously. The Committee has four experienced and learned members including the Chairman of the Committee and all are Independent Directors except Mrs. Gauri A Mehta who is a Non-Executive –Non Independent Director .The Audit Committee comprised of Mr. S Radhakrishnan as a Chairman of the Audit Committee upto 15<sup>th</sup> November, 2017 thereafter Mr. Mohan Subramaniam was appointed as Chairman of the Committee. Other members are Mr. Sudhir Kumar Hasija, Mr. M V Sampath Kumar and Mrs. Gauri Aniruddha Mehta.

The role and terms of reference to the Audit Committee covers the areas mentioned under the Regulation 18 of 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 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 and 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 Auditors 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 33<sup>rd</sup> Annual General Meeting of the Company to answer queries of the Shareholders.

During the year, the Committee met 4 (four) times on 26.05.2017, 03.08.2017, 15.11.2017 and 10.02.2018. The Maximum interval between any two Meetings did not exceed 120 days as prescribed under the provisions of the Companies Act, 2013 and Regulations 18 of SEBI (LODR) Regulations, 2015.

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

Name of Directors	Designation	No. of Meetings Attended
Mr. S Radhakrishnan	Chairman	3
Mr. Mohan Subramaniam	Chairman	0
Mr. M V Sampath Kumar	Member	4
Mr. Sudhir Kumar Hasija	Member	3
Mrs. Gauri Aniruddha Mehta	Member	4

Note: Mr. S. Radhakrishnan, resigned from the office Independent Director w.e.f. 15<sup>th</sup> November, 2017. Further, Mr. Mohan Subramaniam was appointed as an Additional–Non-Executive Independent Director w.e.f. 15<sup>th</sup> November, 2017.

#### **Nomination and Remuneration Committee:**

Nomination and Remuneration Committee constituted as per the provisions of the Companies Act, 2013. The Committee has four experienced and learned members including the Chairman of the Committee and all are Independent Directors except Mrs. Gauri A Mehta who is a Non-Executive–Non Independent Director. The Committee comprised of Mr. Sudhir Kumar Hasija as a Chairman of the Committee. Mr. Mohan Subramaniam was appointed as member of the Committee on 15<sup>th</sup> November, 2017 in the place of Mr. Radhakrishnan S. Other members are Mr. M V Sampath Kumar and Mrs. Gauri Aniruddha Mehta.

The Board has authorized the Committee with clear roles and responsibilities in terms of the provisions of the Companies Act and rules made thereunder and also with those set out in 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 at ([http://www.mro-tek.com/pdf/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.mro-tek.com/pdf/Nomination_and_Remuneration_Policy.pdf) /)

Nomination and Remuneration Policy, among other things, includes:

- 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.
- Laying down the criteria which shall form the basis for enabling the Nomination and Remuneration Committee to identify the persons who may be appointed in Senior Management of the Company.
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director.
- Evaluation of every Director's performance by the Nomination and Remuneration Committee.
- 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 financial year ended 31<sup>st</sup> March, 2018. No stock options were granted/allotted under ESOS, to any of the Directors.

During the financial year, the Committee met Three (3) times on 1<sup>st</sup> September 2017, 15<sup>th</sup> November 2017 and 10<sup>th</sup> February 2018.

Name of Directors	Designation	No. of Meetings Attended
Mr. S Radhakrishnan	Chairman	2
Mr. M V Sampath Kumar	Member	3
Mr. Sudhir Kumar Hasija	Member	2
Mrs. Gauri Aniruddha Mehta	Member	3
Mr. Mohan Subramaniam	Member	0

**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 particulars of remuneration 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.

**For the financial Year 2017-18**

(In Rupees)

Name of the Directors	Sitting Fee*	Salaries	Provident Fund & Superannuation	Total
Mr. Aniruddha Bhanuprasad Mehta	Nil	1	-	-
Mrs. Gauri Aniruddha Mehta	1,08,000	NIL	NIL	NA
Mr. S Radhakrishnan	82,000	NIL	NIL	NA
Mr. M V Sampath Kumar	1,08,000	NIL	NIL	NA
Mr. Sudhir Kumar Hasija	72,000	NIL	NIL	NA

\*Sitting Fee disclosed above is net of all taxes.

**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 the 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. Sudhir Kumar Hasija who was appointed as an Chairman of the Committee, Mr. M V Sampath Kumar, Mrs. Gauri Aniruddha Mehta and Mr. Mohan Subramaniam as Members of the Committee. Further, except Mrs. Gauri Aniruddha Mehta all the others are Independent and Non-Executive Directors. Mr. Radhakrishnan S was resigned from the membership of the Committee w.e.f. 15<sup>th</sup> November, 2017.

During the year, the Committee met two times on 03<sup>rd</sup> August, 2017 and 15<sup>th</sup> November 2017.

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	1
Ms. Gauri Aniruddha Mehta	Member	2
Mr. Mohan Subramaniam	Member	0

Reconciliation of the Share Capital is reviewed every quarter by a practising Company Secretary as per the Listing Regulations and the same is filed with the Stock Exchanges.

Information on Investor Complaints for the financial year ended 31<sup>st</sup> March, 2018:

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

**Corporate Social Responsibility Committee:**

Since the Company does not meet the criteria for the applicability of Section 135 of the Companies Act read with the Companies (Accounts) Rules, 2015, the provisions of the said Section are not applicable. However, as good corporate practice, the Company has voluntarily constituted Corporate Social Responsibility Committee.

### Composition of Committee are as follows::

Sl. No.	NAME	DESIGNATION
1	Mr. M.V. Sampath Kumar	Chairman
2	Mr. Sudhir Kumar Hasija	Member
3	Mrs. Gauri Aniruddha Mehta	Member

### **MRO-TEK CSR Policy:**

This policy which encompasses the company's philosophy for delineate its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the 'MRO-TEK-CSR Policy'.

### **CSR VISION STATEMENT & OBJECTIVE:**

#### **1. Board level CSR Committee**

At MRO-TEK, our CSR governance structure will be headed by the Board Level CSR committee that will be ultimately responsible for the CSR project sunder taken. The committee will report to our Board of Directors

#### **2. Role of CSR Committee**

- Formulate and update our CSR Policy, which will be approved by the Board of MRO-TEK
- Suggest are as of intervention to the Board of MRO-TEK
- Approve projects that are in line with the CSR policy
- Put monitoring mechanisms in place to track the progress of each project.
- Recommend the CSR expenditure subject to the provisions of the Companies Act, 2013 read together with rules there under to the Board for their approval

#### **3. Sound corporate activities**

MRO-TEK endeavors to comply with regulations, related laws, and internal rules, exercise sound and fair corporate practices, earn the trust of stakeholders such as customers, shareholders, employees, business partners, and society. MRO-TEK will not engage in relationships with individuals or groups that threaten social order or safety.

#### **4. Provision of valuable goods and services for society**

MRO-TEK will provide valuable products and services with superior quality and safety to society, endeavoring to increase the satisfaction and trust of our customers and contributing to the healthy development of society.

#### **5. Respect for human beings**

MRO-TEK will respect diversity and individual human right and provide a healthy and safe working environment in which all persons receive fair treatment without discrimination. It will also oppose enforced labor and child labor and respect fundamental human rights as well as workers 'rights.

#### **6. Protection of the natural environment**

MRO-TEK will proactively engage in environmental efforts and work to protect the natural environment, as these are common issues for all mankind.

#### **7. Responsibility to society as a corporate citizen**

MRO-TEK will carryout corporate activities that take into account the cultures and practices of each country and region and proactively engage in activities that contribute as a good corporate citizen to society.

#### **8. Transparent operating activities**

MRO-TEK will communicate extensively with customers, shareholders, employees, business partners, and society and disclose business information in a timely and fair manner. It will also conduct reliable financial reporting through accurate accounting processes.

#### **9. Scope of CSR activities in MRO-TEK**

As a practice, we classify those projects that are over and above our normal course of business as CSR. **At present, MRO-TEK is not involved in any CSR activities.** However MRO-TEK is planning for the following CSR Activities in the near future:-



1. Training to promote rural sports nationally recognized sports and Olympic sports
2. Rural development projects.
3. Promoting education, including special education and employment enhancing vocation Skills.
4. Ensuring environmental sustainability, ecological balance, agro forestry, conservation of natural resources and maintaining quality of soil, air and water
5. Measures for reducing inequalities faced by socially and economically backward groups
6. Such other activities as decided by the CSR committee subject to Schedule VII of Companies Act, 2013 This policy applies to all our CSR projects and it will be further reviewed and updated

**10. CSR Budget**

The total budget for the CSR projects will be decided by the CSR Committee as per the applicable provisions of Companies Act, 2013.

**11. Treatment of Surpluses**

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects.

**12. Responsibility of top management**

Top management and employees in managerial positions within each department must understand that they play an essential role in fulfilling the spirit of this Charter and thus, in addition to leading by example, they must ensure that this information is disseminated to every one and all related parties. Management must always strive to understand the opinion of those both inside and outside of MRO-TEK to develop a sound internal framework that ensures that the spirit of this Charter is upheld.

**Meeting of Independent Directors:**

The Independent Directors of the Company had met during the year on 07.03.2018 at No. 34/36, Murugeshpalya, Wind Tunnel Road, Bengaluru-560017 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 assessed 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. Also 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 at ([http://www.mro-tek.com/pdf/Familiarization%20Program\\_2017-18.pdf](http://www.mro-tek.com/pdf/Familiarization%20Program_2017-18.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 pursuant to the Regulations 25 & 26 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 read with 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 Regulation 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, 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 at [www.mro-tek.com](http://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 and 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 31<sup>st</sup> March, 2018 there are no outstanding related party transactions of the Company with Promoters.

The disclosure in compliance with the Accounting Standards on ‘Related Party Disclosures’ as required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 placed on the website of the Company at [http://www.mro-tek.com/pdf/20\\_5\\_15\\_RPT\\_Policy.pdf](http://www.mro-tek.com/pdf/20_5_15_RPT_Policy.pdf).

### Details of non Compliance, if any:

During the financial year, there was no instance of non-compliance under the provisions of the Companies Act, 2013 and other applicable laws.

### 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 financial year 2016-17 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 31<sup>st</sup> March 31, 2018 are as follows:

Year	Location	Date	Time
2015	Royal Orchids Resorts & Convention Centre.	23 <sup>rd</sup> September 2015	11.30 AM
2016	Bhartiya Vidya Bhavan, # 43, Race Course Road, Bengaluru -560 001	21 <sup>st</sup> September, 2016	12:30 PM
2017	Woodlands Hotel, # 5, Rajaram Mohan Roy Road , Bengaluru -560 025	28 <sup>th</sup> September, 2017	12:00 Noon

**Special Resolutions passed in the previous three Annual General Meetings:**

Year	Special Resolutions
2015	NIL
2016	NIL
2017	NIL

**Postal Ballot:**

Following are the Resolutions passed during the year through Postal Ballot:

Year	Special Resolutions
2015	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
2017	NIL

**Disclosures:**

Transactions with Related Parties are disclosed in Note no. 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 authorities 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 ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and BSE Limited ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
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	<a href="http://www.mro-tek.com">www.mro-tek.com</a>
IV	Displaying of official news releases	<a href="http://www.mro-tek.com">www.mro-tek.com</a> and official websites of NSE and BSE
V	Presentations to Institutional Investors or analysts	<a href="http://www.mro-tek.com">www.mro-tek.com</a>

**SHAREHOLDER INFORMATION:**

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

Date	Time	Venue
23.08.2018	12:00 Noon	Hotel Ajantha, Rohini Hall, 22-A, M G Road, Bengaluru -560 001

b) Particulars of Financial Calendar for the financial year 2018-19

Financial Year	1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019
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: 16<sup>th</sup> August, 2018 –to 23<sup>rd</sup> August, 2018 (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 financial year 2018-19.
- Annual custody fee has been remitted for NSDL and CDSL for the financial year 2018-19.

e) Stock Exchange Codes

Stock Exchange	Code
National Stock Exchange 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 2017-18 is furnished below:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Apr-17	58.60	52.05	6058741	59.50	52.25	12184000
May-17	54.50	43.00	4346901	53.20	44.50	5954000
Jun-17	60.90	46.80	7925872	63.00	47.50	16021000
Jul-17	66.20	58.30	13825423	65.75	59.00	14553000
Aug-17	63.40	44.85	6929367	63.35	44.55	5778000
Sep-17	54.00	39.90	1423857	53.00	39.95	1845000
Oct-17	50.50	42.75	1310493	49.95	44.00	540000
Nov-17	47.65	45.00	3226145	47.65	45.00	534000
Dec-17	46.30	45.85	629791	46.20	44.00	242000
Jan-18	48.20	29.15	1018581	48.40	28.50	1804000
Feb-18	30.55	19.00	429190	30.00	19.80	316000
Mar-18	24.90	19.55	604325	25.10	17.15	420000



h) **Share Transfer System:**

Pursuant to SEBI Regulations, share transfers will be effected both under demat and physical form.

As reported hereinabove under "Stakeholders' Relationship Committee", Share transfers, in respect of physical stocks, are normally effected within a maximum of 15 days from the date of receipt, if all required documentation is submitted.



j) Distribution of Shareholding as on 31<sup>st</sup> March, 2018:

Sl. No	Category	Cases	% of Cases	Amount	% Amount
1	up to - 5000	10135	93.70	10566115.00	11.31
2	5001 - 10000	373	3.45	2872980.00	3.08
3	10001 - 20000	154	1.42	2232345.00	2.39
4	20001 - 30000	60	0.55	1491155.00	1.60
5	30001 - 40000	27	0.25	974035.00	1.04
6	40001 - 50000	16	0.15	753905.00	0.81
7	50001 - 100000	23	0.21	1689960.00	1.81
8	100001 & ABOVE	28	0.26	72842515.00	77.97
	<b>Total:</b>	<b>10816</b>	<b>100.00</b>	<b>93423010.00</b>	<b>100.00</b>

k) Categories of Shareholding as on 31<sup>st</sup> March, 2018

Category	No. of Shareholders	Total Shares	%	Equity Share Pledged	
				No	%
Promoters Group	3	9566735	51.20	NIL	NIL
NRIs/ Foreign Nationals	90	64846	0.35	N/A	N/A
NBFCs Registered with RBI	2	850	0	N/A	N/A
Bodies Corporate	148	426090	2.28	N/A	N/A
Public	10360	8537320	45.69	N/A	N/A
CLEARING MEMBERS	8	4443	0.02	N/A	N/A
IEPF	1	84318	0.46	N/A	N/A
<b>Total</b>	<b>10612</b>	<b>1,86,84,602</b>	<b>100.00</b>	<b>NA</b>	<b>NA</b>

## l) Dematerialization of Shares and Liquidity:

Category – Demat/Physical	No. of Shareholders	%	No. of Shares	%
Total no. of Shareholders holding Shares physically	249	2.35	93094	0.50
Total No. of Shareholders in electronic (Demat) form	10363	97.65	18591508	99.50
<b>Total</b>	<b>10612</b>	<b>100.00</b>	<b>1,86,84,602</b>	<b>100.00</b>

## m) Non-Executive Directors shareholding in the Company:

Mrs. Gauri A Mehta holds 486064 Equity Shares in the Company (i.e., 2.60%) and except her none of the Directors viz. Mr. Sudhir Kumar Hasija, Mr. S Radhakrishnan, Mr. M V Sampath Kumar and Mr. Mohan Subramaniam holds any Shares of your Company.

## n) Plant Location:

No.29-B, Electronic City,  
Hosur Road,  
Bengaluru – 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,  
Bengaluru - 560 024  
Tel : (91) (80) 4249 9000  
Fax : (91) (80) 2360 3763  
E-mail : [grd@mro-tek.com](mailto:grd@mro-tek.com)

## p) Registrars &amp; Share Transfer Agents :

Karvy Computershare Private Limited  
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 and on behalf of MRO-TEK Realty Limited

Sd/-

Place: Bengaluru

Date: 23.05.2018

Anirrudha Bhanuprasad Mehta

Chairman & Managing Director

DIN: 00720504

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**CEO & CFO CERTIFICATION**

We have reviewed financial statements and the Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2018 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: Bengaluru**

**Date: 23.05.2018**

**Sudipto Gupta**

**Chief Executive Officer**

**Srivatsa**

**Chief Financial Officer**

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**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 at <http://www.Mro-tek.com/>. All the members of the Board and the senior management personnel had affirmed compliance with the code for the financial year ended 31<sup>st</sup> March, 2018.

**Aniruddha Bhanuprasad Mehta**

**Chairman and Managing Director**

**DIN: 00720504**

**Place: Bengaluru**

**Date: 23.05.2018**

## 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  
Bengaluru

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 31<sup>st</sup> March, 2018 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.

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

**Place: Bengaluru**  
**Date: 23.05.2018**

## Independent Auditor's Report

**To the Members of MRO-TEK Realty Limited,  
(formerly known as "MRO-TEK Limited")**

### **Report on the Ind AS Financial Statements**

We have audited the accompanying financial statements of **MRO-TEK Realty Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow for the year then ended and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules made thereunder.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS financial statements.

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

### **Opinion**

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

### **Other Matter**

The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2017 and 31 March 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 26<sup>th</sup> May, 2017 and by erstwhile auditor dated 28<sup>th</sup> May, 2016, respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not qualified in respect of this matter

### **Report on Other Legal and Regulatory Requirements**

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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:
  - i. The Company has confirmed that there is no pending litigation against the Company bearing any financial implication;
  - ii. The Company does not have any long-term contracts having material foreseeable losses. The company does not have any derivative contracts;
  - iii. 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 31 March 2018.

**For K. S. Aiyar & Co.**  
**Chartered Accountants**  
ICAI Firm Registration No. 100186W

**Ramamohan R Hegde**

**Place: Bengaluru Partner**  
**Date: 23<sup>rd</sup> May, 2018** Membership No: 23206

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2018

The Annexure A referred to in the Independent Auditors' Report to the members of MRO-TEK Realty Limited on the financial statements for the year ended 31 March 2018, 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 fixed assets are physically verified during the year by the Management during the year. In our opinion the frequency of such verification is reasonable having regards to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such physical verifications.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The inventory 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 complied with the provisions of Section 185 and 186 of the Act, with respect to loans 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 there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the products manufactured/services rendered by the Company.

(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, Service tax, GST, 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, GST, Duty of customs, Duty of excise and Value added tax as at 31 March 2018, which have not been deposited with the appropriate authorities on account of any dispute except as provided 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, Bengaluru

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banker. The Company did not have any outstanding debentures and loans from financial institutions and Government during the year end.

(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 company is private limited company hence managerial remuneration paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act is not applicable to the company as per paragraph 3(xi) of the order.

(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 Registration No. 100186W

**Ramamohan R Hegde**

**Partner**

**Place: Bengaluru**

**Date: 23<sup>rd</sup> May, 2018**

**Membership No: 23206**

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2018

### **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 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For K. S. Aiyar & Co.**  
**Chartered Accountants**  
ICAI Firm Registration No. 100186W

**Ramamohan R Hegde**  
**Partner**

**Place: Bengaluru**  
**Date: 23<sup>rd</sup> May, 2018** Membership No: 23206

**BALANCE SHEET**

as at 31st March, 2018

All amounts are in Rupees unless otherwise stated				
	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(a) Property, Plant and Equipment	3	74,717,930	78,684,048	94,198,598
(b) Financial Assets				
(i) Investments	4	-	7,252,000	7,252,000
(ii) Trade receivables	5	6,635,532	7,675,932	9,705,732
(iii) Loans	6	2,497,190	5,341,378	2,311,314
(c) Deferred tax assets (net)	7	11,562,507	14,799,697	-
(d) Other non-current assets	8	29,647,538	37,458,591	43,756,770
<b>Total Non - Current Assets</b>		<b>125,060,697</b>	<b>151,211,646</b>	<b>157,224,414</b>
<b>CURRENT ASSETS</b>				
(a) Inventories	9	104,470,564	115,148,210	101,690,899
(b) Financial Assets				
(i) Trade receivables	10	62,811,169	39,705,667	75,682,834
(ii) Cash and cash equivalents	11a	13,345,508	1,252,409	7,507,127
(iii) Bank Balances other Than (ii) Above	11b	3,500,000	2,000,000	-
(iv) Others	12	258,586	74,168	132,916
(c) Current Tax Assets (Net)	13	3,049,925	4,116,715	4,017,664
(d) Other current assets	14	9,295,701	10,765,280	6,575,166
(e) Assets classified as held for sale	15	-	3,808,333	11,291,412
<b>Total Current Assets</b>		<b>196,731,453</b>	<b>176,870,782</b>	<b>206,898,018</b>
<b>Total Assets</b>		<b>321,792,150</b>	<b>328,082,428</b>	<b>364,122,432</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share capital	16	93,423,010	93,423,010	93,423,010
(b) Other Equity	17	41,447,551	(31,622,215)	(114,622,535)
<b>Total equity</b>		<b>134,870,561</b>	<b>61,800,795</b>	<b>(21,199,525)</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
(a) Provisions	18	896,095	881,061	1,733,906
(b) Deferred tax liabilities (Net)	7	-	-	7,255,583
(c) Other non-current liabilities	19	-	-	2,671,001
<b>Total Non-current liabilities</b>		<b>896,095</b>	<b>881,061</b>	<b>11,660,490</b>
<b>CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Borrowings	20	133,000,000	210,162,063	182,040,207
(ii) Trade payables	21	28,122,416	27,246,879	62,009,702
(b) Provisions	22	4,529,339	2,774,651	132,910
(c) Other current liabilities	23	20,373,739	25,216,979	129,478,648
<b>Total Current liabilities</b>		<b>186,025,494</b>	<b>265,400,571</b>	<b>373,661,467</b>
<b>Total Equity and Liabilities</b>		<b>321,792,150</b>	<b>328,082,428</b>	<b>364,122,432</b>

**See accompanying notes to financial statements**

As per our attached report of even date

**For K.S.Aiyar & Co**

Chartered Accountants

ICAI Firm's registration number:100186W

for and on behalf of the Board of Directors  
of MRO-TEK Realty Limited**Ramamohan R Hegde**

Partner

Membership Number : 23206

**Aniruddha Mehta**

Chairman &amp; Managing Director

DIN No. 00720504

**Gauri Mehta**

Director

DIN No. 00720443

Place : Bengaluru

Date : 23.05.2018

Chief Financial Officer

Company Secretary and

Compliance Officer

**STATEMENT OF PROFIT AND LOSS**

for the year ended 31 March, 2018

All amounts are in Rupees unless otherwise stated				
	Notes	Year Ended March 31, 2018	Year Ended March 31, 2017	
I	Revenue from operations	24	368,041,971	413,452,971
II	Other Income	25	11,634,300	5,838,036
III	<b>Total Revenue (I + II + III)</b>		<b>379,676,271</b>	<b>419,291,007</b>
IV	<b>EXPENSES</b>			
(a)	Cost of materials consumed	26	131,848,841	177,741,877
(b)	Cost of land sold		5,874,792	-
(c)	Excise Duty on sale of goods		6,127,103	35,966,016
(d)	Changes in stock of finished goods, work-in-progress and stock-in-trade	27	9,365,032	(4,716,201)
(e)	Employee benefit expense	28	42,719,291	20,339,556
(f)	Finance costs	29	24,432,645	21,043,534
(h)	Depreciation and amortisation expense	3	8,017,185	9,078,571
(h)	Other expenses	30	81,726,324	87,789,781
	<b>Total Expenses (IV)</b>		<b>310,111,213</b>	<b>347,243,134</b>
V	<b>Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>69,565,058</b>	<b>72,047,873</b>
VI	Exceptional Items	44	(8,516,461)	9,320,843
VII	<b>Profit/(loss) before tax (V - VI)</b>		<b>78,081,519</b>	<b>62,727,030</b>
VIII	<b>Tax Expense</b>			
(1)	Current tax		-	-
(2)	Deferred tax	39	3,237,190	(22,214,689)
	<b>Total tax expense (VIII)</b>		<b>3,237,190</b>	<b>(22,214,689)</b>
IX	<b>Profit/(loss) after tax from continuing operations (VII - VIII)</b>		<b>74,844,329</b>	<b>84,941,719</b>
X	<b>Profit/(loss) before tax from discontinued operations</b>		<b>(2,833,887)</b>	<b>(2,307,570)</b>
XI	<b>Tax Expense for discontinued operation</b>		-	-
XII	<b>Profit/(loss) after tax from discontinued operations (X - XI)</b>	40c	<b>(2,833,887)</b>	<b>(2,307,570)</b>
XIII	<b>Profit/(loss) for the period (IX + XII)</b>		<b>72,010,442</b>	<b>82,634,149</b>
XIV	<b>Other comprehensive income</b>	31		
A	(i) Items that will not be reclassified to profit or loss			
(a)	Remeasurements of the defined benefit plans		1,059,324	366,172
XV	<b>Total comprehensive income for the period (XIII + XIV)</b>		<b>73,069,766</b>	<b>83,000,321</b>
XVI	<b>Earnings per equity share (for continuing operation):</b>			
(1)	Basic		4.01	4.55
(2)	Diluted		4.01	4.55
XVII	<b>Earnings per equity share (for discontinued operation):</b>			
(1)	Basic		(0.15)	(0.12)
(2)	Diluted		(0.15)	(0.12)
XVIII	<b>Earnings per equity share (for continuing and discontinued operations):</b>			
(1)	Basic		3.85	4.42
(2)	Diluted		3.85	4.42

**See accompanying notes to financial statements**

As per our attached report of even date

**For K.S.Aiyar & Co**

Chartered Accountants

ICAI Firm's registration number:100186W

for and on behalf of the Board of Directors  
of MRO-TEK Realty Limited**Ramamohan R Hegde**

Partner

Membership Number : 23206

**Aniruddha Mehta**

Chairman &amp; Managing Director

DIN No. 00720504

**Gauri Mehta**

Director

DIN No. 00720443

Place : Bengaluru

Date : 23.05.2018

Chief Financial Officer

Company Secretary and

Compliance Officer

# STATEMENT OF CHANGES IN EQUITY

as at 31st March, 2018

Equity share capital	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period Balance	18,684,602	93,423,010	18,684,602.00	93,423,010.00	18,684,602	93,423,010
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	18,684,602	93,423,010	18,684,602	93,423,010	18,684,602	93,423,010

## Other Equity

Particulars	Reserves & Surplus				Total	
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	General Reserve		Retained earnings
Balance at April 1, 2016	110,000	176,906,656	10,284,630	483,000,000	(784,923,821)	(114,622,535)
Ind AS Adjustments	-	-	-	-	-	-
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	110,000	176,906,656	10,284,630	483,000,000	(784,923,821)	(114,622,535)
Profit for the year	-	-	-	-	82,634,149	82,634,149
Other comprehensive income for the year	-	-	-	-	366,172	366,172
Total comprehensive income for the year	-	-	-	-	(701,923,500)	(31,622,214)
Balance at March 31, 2017	110,000	176,906,656	10,284,630	483,000,000	(701,923,500)	(31,622,214)
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	110,000	176,906,656	10,284,630	483,000,000	(701,923,500)	(31,622,214)
Profit for the year	-	-	-	-	72,010,442	72,010,442
Other comprehensive income for the year	-	-	-	-	1,059,324	1,059,324
Total comprehensive income for the year	-	-	-	-	(628,853,734)	73,069,766
Balance at March 31, 2018	110,000	176,906,656	10,284,630	483,000,000	(628,853,734)	41,447,552

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 : 23.05.2018

for and on behalf of the Board of Directors

of MRO-TEK Realty Limited

**Aniruddha Mehta**

Chairman & Managing Director

DIN No. 00720504

**Gauri Mehta**

Director

DIN No. 00720443

Company Secretary and

Compliance Officer



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

### Note No. 1 General 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's 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, Bengaluru – 560054 on May 12, 2016.

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

### Note No. 2 Significant accounting policies

#### 2.1 Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 42 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

#### 2.2 Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for:

- certain financial assets and liabilities (including derivative instruments), plan assets of the defined benefit plan and equity settled share based payments that are measured at fair values at the end of each reporting period. However, as explained in note 42, for transition to Ind AS, the Company has elected to continue with the carrying value of such assets as of April 01, 2016 measured as per previous GAAP and use that carrying value as deemed cost as of transition date.

#### 2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### 2.3.1 Sale of goods

Revenue from the sale of goods is recognised when the following conditions are satisfied:

the Company has transferred to the buyer the significant risks and rewards of ownership of the goods to the buyer as per the terms of arrangement with buyer;

the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

the amount of revenue can be measured reliably;

it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 2.3.2 Rendering of services

Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

the amount of revenue can be measured reliably;

it is probable that the economic benefits associated with the transaction will flow to the company;

the stage of completion of the transaction at the end of the reporting period can be measured reliably; and

the costs incurred or to be incurred in respect of the transaction can be measured reliably. Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction

#### 2.3.3 Recognition of revenue from sale of land and development rights

Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Revenue from sale of

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

land and development rights is only recognized when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

### 2.3.4 Royalties

Share of profit and royalty income under manufacturing and supply agreements with customers are accrued based on confirmation received from customers.

### 2.3.5 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.3.6 Foreign currencies transactions and translation

The functional currency of the Company is the Indian Rupee (₹).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period,

unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

## 2.4 Employee benefits

### 2.4.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); net interest expense or income; and remeasurement. The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefit expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

and when the entity recognises any related restructuring costs.

### 2.4.2 Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

### 2.4.3 Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### 2.4.4 Long term Incentive Plans

Under the Plan, certain employees are eligible for retention and performance linked payouts. These payouts are accrued as and when services are rendered and/ or when the specific performance criteria are met.

## 2.5 Share-based payment arrangements

### 2.5.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### 2.5.2 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Company's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Company replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

## 2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax

### 2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### 2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

- 2.6.3 Current and deferred tax for the year Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax

arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.7 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property,

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and nonmonetary assets, the cost of that item is measured at fair value (even if the entity cannot immediately derecognise the asset given up) unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 2.8 Intangible assets

#### 2.8.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### 2.8.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;

- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately

#### 2.8.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### 2.8.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

### 2.9 Impairment of assets

#### 2.9.1 Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

#### 2.9.2 Impairment of investment in subsidiaries, associates and joint ventures

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### 2.9.3 Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future

cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

### 2.10 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Cost is determined as follows:

Raw materials, packing materials and consumables:  
First In First Out

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads and excise duty, wherever applicable

Stock-in trade: First In First Out

### 2.11 Segment Reporting

Operating Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by chief operating decision making body, in deciding how to allocate resources and assessing performance.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocable to segments on a reasonable basis have been included under “ Unallocated revenue/ expenses/assets/ liabilities.

### 2.12 Cash and Cash Equivalents

Cash and cash equivalents include cash, cheques on hand, cash at bank and short term deposits with banks having original maturity of three months or less, which are subject to insignificant risk of changes in value

### 2.13 Statement of Cash Flows

Cash flows are reported using the indirect method whereby profit/(loss) is adjusted for the effects of transactions of non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segmented based on the available information

### 2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### Product warranty expenses

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 probable future incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

### 2.15 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

### 2.16 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2.17 Financial instruments

#### 2.17.1 Investment in subsidiaries, associates and joint ventures

The Company has accounted for its investments in subsidiaries, associates and joint ventures at cost less impairment.

#### 2.17.2 Other financial assets and financial liabilities

Other financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Subsequent measurement:

Financial assets at amortised cost Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### 2.17.3 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

### 2.17.4 Derivative financial instruments and hedge accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps and forward contracts

to mitigate the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to the Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability

Hedges that meet the criteria for hedge accounting are accounted for as follows:

#### a) Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

b) Fair value hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity

### 2.18 Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

### 2.19 Tax Input credit

Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

### 2.20 Operating Cycle

As mentioned in para 1 above under 'Corporate information', the Company is into development and manufacture of Electronic products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 6 months to 1 years manufacturing of products . The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

### 2.21 Key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 2.21.1 Impairment of non-financial assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

#### 2.21.2 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

### 2.21.3 Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

#### 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

### 2.21.4 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

### 2.21.5 Litigations

As explained in note 34, the Company is a party to certain commercial disputes and has also received notification of claims for significant amounts. There are number of factors that may affect the ultimate outcome in respect of this matter and accordingly, it is difficult to assess the impact of these disputes with accuracy.

## Note No. 2B First-time adoption – mandatory exceptions, optional exemptions

### 2B.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

### 2B.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

### 2B.3 Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all items of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 2B.4 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### for the year ended 31 March, 2018

#### Note 3

#### Property, plant and equipment

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Deemed Cost as on March 31, 2016	Additions	Deletions	Balances as on March 31, 2017	For the Period	Impairment	Balances as on March 31, 2016	Balances as on March 31, 2017
<b>Tangible Assets</b>								
Land - Factory	805,454			805,454	-		805,454	805,454
- Office	-			-			-	-
Buildings - Factory	49,265,622			49,265,622	2,287,866		49,265,622	46,977,756
- Office	-			-	-		-	-
Leasehold Improvements	-	1,791,515		1,791,515	435,388	-	-	1,356,127
Plant and Machinery - R&D	42,829		-	42,829	5,565		42,829	37,264
- Others	15,207,087		211,645	14,995,442	1,795,001	1,137,515	15,207,087	12,062,926
Test Equipments - R&D	4,645,979		-	4,645,979	523,485	-	4,645,979	4,122,494
- Others	2,909,451		207,357	2,702,094	277,823	280,667	2,909,451	2,143,604
Furniture and Fixtures - R&D	51,012		-	51,012	51,012	-	51,012	-
- Others	10,778,866		-	10,778,866	1,538,925	3,246,990	10,778,866	5,992,951
Vehicles	6,119,801	1,093,107	5,508,622	1,704,286	684,503	-	6,119,801	1,019,783
Office Equipment-R&D	-		-	-	-	-	-	-
- Others	778,036	836,542	-	1,614,578	419,195	85,535	778,036	1,109,848
Air Conditioners - R&D	-		-	-	-	-	-	-
- Others	495,355		-	495,355	152,131	40,508	495,355	302,716
Electrical Installations	2,256,071		212,086	2,043,985	319,655	17,928	2,256,071	1,706,402
Computers - R&D	3,917		-	3,917	-	-	3,917	3,917
- Others	839,118	934,154	130,744	1,642,528	588,022	11,700	839,118	1,042,806
<b>Intangible Assets</b>								
Computer Software - R&D	-		-	-	-	-	-	-
- Others	-		-	-	-	-	-	-
<b>TOTAL</b>	<b>94,198,598</b>	<b>4,655,318</b>	<b>6,270,454</b>	<b>92,583,462</b>	<b>9,078,571</b>	<b>4,820,843</b>	<b>94,198,598</b>	<b>78,684,048</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as on March 31, 2017	Additions	Deletions	Balances as on March 31, 2018	Balance as on March 31, 2017	For the Period	Impairment	On Deletions	Balances as on 31 March, 2018
<b>Tangible Assets</b>									
Land - Factory	805,454	-	-	805,454	-	-	-	-	805,454
- Office	-	-	-	-	-	-	-	-	-
Buildings - Factory	49,265,622	-	-	49,265,622	2,287,866	2,287,866	-	-	4,575,732
- Office	-	-	-	-	-	-	-	-	-
Leasehold Improvements	1,791,515	-	-	1,791,515	435,388	651,298	-	-	1,086,686
Plant and Machinery - R&D	42,829	-	-	42,829	5,565	4,193	-	-	9,758
- Others	14,995,442	1,525,899	-	16,521,341	2,932,516	1,768,452	-	-	4,700,968
Test Equipments - R&D	4,645,979	1,895	-	4,647,874	523,485	394,406	-	-	917,891
- Others	2,702,094	-	-	2,702,094	558,490	342,455	766,099	-	1,667,044
Furniture and Fixtures - R&D	51,012	-	45,695	5,317	51,012	-	-	45,695	5,317
- Others	10,778,866	567,283	138,215	11,207,934	4,785,915	1,291,813	-	113,750	5,983,978
Vehicles	1,704,286	-	578,481	1,125,805	684,503	68,459	-	578,481	174,481
Office Equipment - R&D	-	-	-	-	-	-	-	-	-
- Others	1,614,578	486,965	-	2,101,543	504,730	380,351	-	-	885,081
Air Conditioners - R&D	-	-	-	-	-	-	-	-	-
- Others	495,355	49,399	-	544,754	192,639	154,390	-	-	347,029
Electrical Installations	2,043,985	604,160	-	2,648,145	337,583	259,897	-	-	597,480
Computers - R&D	3,917	-	-	3,917	-	3,917	-	-	3,917
- Others	1,642,528	1,606,031	-	3,248,559	599,722	409,688	-	-	1,009,410
<b>Intangible Assets</b>									
Computer Software - R&D	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>92,583,462</b>	<b>4,841,632</b>	<b>762,391</b>	<b>96,662,703</b>	<b>13,899,414</b>	<b>8,017,185</b>	<b>766,099</b>	<b>737,926</b>	<b>21,944,772</b>
									<b>78,684,048</b>
									<b>74,717,930</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Note 4</b>			
<b>Non-current Investments</b>			
Investment in equity of joint venture - unquoted	-	7,252,000	7,252,000
	<u>-</u>	<u>7,252,000</u>	<u>7,252,000</u>
<b>Note 5</b>			
<b>Other non-current financial assets</b>			
Trade Receivables (Refer Note 40 (b))	6,635,532	7,675,932	9,705,732
	<u>6,635,532</u>	<u>7,675,932</u>	<u>9,705,732</u>
<b>Note 6</b>			
<b>Financial assets - Long term loans and advances</b>			
Other Deposits	2,478,190	2,189,278	2,159,214
Earnest money deposit	19,000	3,152,100	152,100
<b>Total</b>	<u>2,497,190</u>	<u>5,341,378</u>	<u>2,311,314</u>
<b>Note 7</b>			
<b>Deferred tax Liability/Asset</b>			
On account of Fixed Assets	8,241,349	9,507,431	(10,246,497)
On account of Others	330,244	2,301,352	-
MAT Credit Entitlement	2,990,914	2,990,914	2,990,914
	<u>11,562,507</u>	<u>14,799,697</u>	<u>(7,255,583)</u>
<b>Note 8</b>			
<b>Other non-current assets</b>			
Capital Advances	363,310	-	-
Income Tax Refund Receivable	-	-	5,407,283
Balances with Government Authorities (Drawback / Customs and Excise duties receivable)			
- Central Excise	25,188,856	23,971,823	23,971,823
- Customs Duty Refundable ( SAD )	3,516,267	8,605,241	8,774,436
- Sales Tax	489,105	4,206,327	5,571,638
- Others	90,000	675,200	31,590
	<u>29,647,538</u>	<u>37,458,591</u>	<u>43,756,770</u>
<b>Note 9</b>			
<b>Inventories</b>			
Land under Development	44,648,419	50,523,211	50,523,211
Raw Materials	31,659,044	22,686,407	19,144,869
Work-in-Process	6,126,982	10,380,957	15,551,072
Finished goods	21,247,006	26,358,063	16,471,747
Goods-in-Transit			
- Raw Materials	789,113	5,199,572	-
<b>Total</b>	<u>104,470,564</u>	<u>115,148,210</u>	<u>101,690,899</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Note 10</b>			
<b>Trade and other receivables</b>			
(a) <b>Trade Receivables</b>			
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
<i>Unsecured</i>			
- Considered Good	21,039,428	2,629,247	9,066,842
- Considered Doubtful	249,818	8,608,792	5,049,556
<b>Other trade receivables</b>			
<i>Unsecured</i>			
- Considered Good	41,771,741	37,076,420	66,615,992
Less: Allowance for doubtful Debts	(249,818)	(8,608,792)	(5,049,556)
	<b>62,811,169</b>	<b>39,705,667</b>	<b>75,682,834</b>

**Movements in the provision for impairment of trade receivables are as follows:**

Opening balance	8,608,792	5,049,556	1,088,401
Provision for receivables impairment	-	4,078,193	3,961,155
Receivables written off during the year as uncollectible	(8,358,974)	(518,957)	-
Provision released during the year	-	-	-
Closing balance	<b>249,818</b>	<b>8,608,792</b>	<b>5,049,556</b>

**Note 11a****Cash and cash equivalents**

a) Balance with banks :			
i) In current account	4,609,829	948,695	464,628
ii) In current account: unclaimed dividend *	-	241,489	468,938
iii) In exchange earners' foreign currency account	228,887	37,561	500,596
iv) In deposits with original maturity of less than 3 months	8,500,000	-	6,000,000
b) Cash on hand	6,792	24,664	72,965
	<b>13,345,508</b>	<b>1,252,409</b>	<b>7,507,127</b>

**Note 11b****Other bank balances**

In deposits with original maturity more than 12 months **	3,500,000	2,000,000	-
	<b>3,500,000</b>	<b>2,000,000</b>	-

**Note**

Balance in Margin Money Deposit are held as security against borrowings, guarantees and commitments

Restricted cash balances include the following

\* Balance in curren account/s, payable against unclaimed dividend

\*\* FD's totalling to Rs. 35 lacs ( previous year - Rs. 20 lacs) offered as 100% margin money, against LC's &amp; Guarantees, availed from the bank.

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Note 12</b>			
<b>Other current financial assets</b>			
Interest accrued but not due	258,586	74,168	132,916
	<b>258,586</b>	<b>74,168</b>	<b>132,916</b>
<b>Note 13</b>			
<b>Current tax Assets (Net)</b>			
Advance Tax and Tax deducted at source	3,049,925	4,116,715	4,017,664
	<b>3,049,925</b>	<b>4,116,715</b>	<b>4,017,664</b>
<b>Note 14</b>			
<b>Other current assets</b>			
Prepaid Expenses	1,065,728	1,228,427	-
Advance to supplier	471,327	640,478	1,417,390
Balances with Government Authorities (VAT / Cenvat / Service tax credit receivable)			
- GST	7,461,547	-	-
- Central Excise	-	3,343,154	4,714,653
- Service Tax	-	4,928,767	443,123
Gratuity Fund Balance	297,099	624,454	-
	<b>9,295,701</b>	<b>10,765,280</b>	<b>6,575,166</b>
<b>Note 15</b>			
<b>Assets held for sale</b>			
Inventory (related to discontinued solar business)	-	3,808,333	9,159,220
Plant & equipment(related to discontinued solar business)	-	-	2,132,192
	<b>-</b>	<b>3,808,333</b>	<b>11,291,412</b>
<b>Note 18</b>			
<b>Long-term provisions</b>			
<b>Provision for employee benefits</b>			
Compensated Absences	896,095	881,061	1,733,906
	<b>896,095</b>	<b>881,061</b>	<b>1,733,906</b>
<b>Note 19</b>			
<b>Other non-current liabilities</b>			
Others (Sales Tax Deferement)	-	-	2,671,001
	<b>-</b>	<b>-</b>	<b>2,671,001</b>



**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Note 20</b>			
<b>Short term Borrowings</b>			
<b>Secured</b>			
Loans repayable on demand from Banks	-	-	-
Bank Overdraft *	-	156,162,063	179,340,207
<b>Unsecured</b>			
Borrowings from directors **	133,000,000	54,000,000	2,700,000
	<b>133,000,000</b>	<b>210,162,063</b>	<b>182,040,207</b>

\* 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.

\*\*Short Term Loan or already borrowed amount from Mr. Aniruddha Bhanuprasad Mehta at a revised rate of 10.05% p.a. with effect from 1<sup>st</sup> Jan, 2018, which is lower by 0.20% of the prevailing bank base rate i.e. 10.25 %.

**Note 21****Trade and other payables**

Trade Payables	28,122,416	27,246,879	62,009,702
(Refer Note no. 40(b))		-	-
	<b>28,122,416</b>	<b>27,246,879</b>	<b>62,009,702</b>

**Note 22****Short term provisions**

<b>Provision for employee benefits</b>			
Compensated Absences	41,164	82,166	132,910
<b>Other provision :</b>			
For Warranty	4,488,175	2,692,485	-
	<b>4,529,339</b>	<b>2,774,651</b>	<b>132,910</b>

**Note 23****Other current liabilities**

Advances from customers	25,094	224,305	4,458,826
Statutory Dues Payables* (includes VAT, Excise Duty, Provident Fund, Withholding Taxes, etc.)	1,809,787	3,761,983	7,419,726
Gratuity	-	-	341,122
Unclaimed Dividends	-	241,489	468,938
Sales Tax deferment	-	3,023,001	6,749,000
Payable for expenses	13,159,355	15,886,603	3,998,510
Payable to Employees	5,379,503	2,079,598	16,042,526
Non Refundable security deposit**	-	-	90,000,000
	<b>20,373,739</b>	<b>25,216,979</b>	<b>129,478,648</b>

\* Current Year - Rs. 2,36,394/- was credited to Investor Education Protection Fund as at 26th July, 2017 (During the previous year an amount of Rs.2,27,449/- was credited to Investor Education and Protection Fund as at 14.07.2016)

\*\*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.)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Note 16</b>			
<b>Equity Share Capital</b>			
<b>a) Particulars</b>			
<b>Authorised</b>			
3,00,00,000 Equity shares of Rs. 5 each	150,000,000	150,000,000	150,000,000
<b>Issued, Subscribed &amp; Paid Up</b>			
1,86,84,602 Equity Shares of Rs.5 each, fully paid-up	93,423,010	93,423,010	93,423,010
<b>Total</b>	<b>93,423,010</b>	<b>93,423,010</b>	<b>93,423,010</b>

**b) Reconciliation of number of shares outstanding at the beginning & at the end of the reporting year**

Particulars	As at 31st March, 2018		As at 31st March 2017		As at 1st April 2016	
	No of Shares	Value Rs.	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	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	18,684,602	93,423,010

**c) Shareholders holding Equity Shares more than 5% of Share capital**

Shareholder	As at 31st March, 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Holding %	No. of Shares	Holding %	No. of Shares	Holding %
UMIYA HOLDING PRIVATE LIMITED	6,068,448	32.48	5,138,724	27.50	-	-
ANIRUDDHA BHANUPRASAD MEHTA	3,012,223	16.12	3,012,223	16.12	-	-
JITENDRA VIRWANI	3,704,684	19.83	3,704,684	19.83	1,932,596	10.34
H.NANDI	-	-	-	-	3,140,903	16.81
S.NARAYANAN	-	-	-	-	3,092,916	16.55

**Note 17**

**Other Equity**

Particulars	Reserves & Surplus					Total
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	General Reserve	Retained earnings	
Balance at April 1, 2016	110,000	176,906,656	10,284,630	483,000,000	(784,923,821)	(114,622,535)
Ind AS Adjustments	-	-	-	-	-	-
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	110,000	176,906,656	10,284,630	483,000,000	(784,923,821)	(114,622,535)
Profit for the year	-	-	-	-	82,634,149	82,634,149
Other comprehensive income for the year	-	-	-	-	366,172	366,172
Total comprehensive income for the year	-	-	-	-	(701,923,500)	(31,622,214)
Balance at March 31, 2017	110,000	176,906,656	10,284,630	483,000,000	(701,923,500)	(31,622,214)

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

**Note 17****Other Equity**

Particulars	Reserves & Surplus					Total
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	General Reserve	Retained earnings	
Changes in accounting policy / prior period errors	-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	<b>110,000</b>	<b>176,906,656</b>	<b>10,284,630</b>	<b>483,000,000</b>	<b>(701,923,500)</b>	<b>(31,622,214)</b>
Profit for the year	-	-	-	-	72,010,442	72,010,442
Other comprehensive income for the year	-	-	-	-	1,059,324	1,059,324
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(628,853,734)</b>	<b>73,069,766</b>
<b>Balance at March 31, 2018</b>	<b>110,000</b>	<b>176,906,656</b>	<b>10,284,630</b>	<b>483,000,000</b>	<b>(628,853,734)</b>	<b>41,447,552</b>

Particulars	Year Ended March 31, 2018 (Rs.)	Year Ended March 31, 2017 (Rs.)
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**Note 24****Revenue from Operations****A. Sales of products and Services**

Sale of products	200,074,351	305,214,512
Sale of Services ( Refer Note below i)	29,592,620	18,238,459
Income from Real Estate Development (Refer Note 40 (a))	138,375,000	90,000,000
	<b>368,041,971</b>	<b>413,452,971</b>

**Note : (i) Sale of services comprises of**

Service Charges	14,314,264	2,577,303
Annual Maintenance Charges	15,278,356	15,661,156
<b>Total</b>	<b>29,592,620</b>	<b>18,238,459</b>

**Note 25****Other Income**

Net gain on Foreign Currency Transactions	710,555	1,876,785
Provision for Doubtful Trade Receivables / Deposits written back	8,358,974	-
Profit on Sale / Disposal of Property Plant and Equipment (net)	45,847	-
Other Non-Operating Income	478,651	2,504,125
Interest Income	2,040,273	1,457,126
<b>Total Other income</b>	<b>11,634,300</b>	<b>5,838,036</b>

**Note 26****Cost of materials consumed**

Opening Stock	22,686,407	19,144,869
Add: Purchases & direct costs	140,821,478	181,283,415
Less: Closing Stock	31,659,044	22,686,407
<b>Total Cost of Raw Material Consumed</b>	<b>131,848,841</b>	<b>177,741,877</b>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

Particulars	Year Ended March 31, 2018 (Rs.)	Year Ended March 31, 2017 (Rs.)
<b>Note 27</b>		
<b>Changes in inventories of finished goods and work in progress</b>		
<b>Opening Stock :</b>		
Finished Goods	26,358,063	15,491,627
Stock-in-Trade		980,120
Work-in-Process	10,380,957	15,551,072
Less:		
<b>Closing Stock:</b>		
Finished Goods	21,247,006	26,358,063
Stock-in-Trade		-
Work-in-Process	6,126,982	10,380,957
 <b>Changes In Inventories:</b>		
Changes in inventories of finished goods	5,111,057	(10,866,436)
Stock-in-Trade	-	980,120
Work-in-Process	4,253,975	5,170,115
<b>Changes in inventories of finished goods and work in progress</b>	<b>9,365,032</b>	<b>(4,716,201)</b>
The above is after excluding the amounts in respect of discontinued operations.		
 <b>Note 28</b>		
<b>Employee benefit expense</b>		
Salaries and Wages	37,599,774	18,257,224
Contribution to Provident and Other Funds	2,275,307	749,009
Staff Welfare Expenses	2,844,210	1,333,323
<b>Total</b>	<b>42,719,291</b>	<b>20,339,556</b>
 <b>Note 29</b>		
<b>Finance Costs</b>		
Interest on Borrowings	21,244,183	20,696,156
Other Borrowing Costs (includes bank charges, etc.)	3,188,462	347,378
<b>Total</b>	<b>24,432,645</b>	<b>21,043,534</b>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

Particulars	Year Ended March 31, 2018 (Rs.)	Year Ended March 31, 2017 (Rs.)
<b>Note 30</b>		
<b>Other Expenses</b>		
Repairs and Maintenance:		
- Others	5,897,554	9,683,840
Rent	7,029,993	6,787,250
Rates and Taxes	5,812,701	6,979,662
Insurance	1,341,038	673,711
Power and Fuel	4,464,719	3,768,049
Selling and Promotion Expenses	629,636	305,976
Auditor's Remuneration (ii)	1,516,080	1,305,000
Books and Periodicals	43,080	43,947
Commission, Brokerage and Discount	11,000	47,000
Freight and Forwarding	1,658,737	2,703,230
Postage and Telephone Expenses	1,815,184	1,661,692
Travelling and Conveyance	5,299,857	4,692,095
AMC Charges and Software Licenses	1,232,371	999,428
Stationery & Printing Expenses	412,337	267,990
Loss on sale / write-off of Property plant and equipment (net)		736,892
Bad Trade Receivables / Advances / Deposits written off	7,289,708	237,647
Provision for Doubtful Trade Receivables / Advances / Deposits		1,537,357
Provision for warranty	1,795,690	2,692,485
Directors Sitting Fees	370,300	327,630
Advertisement Expenses	370,759	196,183
Professional Charges	14,673,978	8,087,154
Manpower hire Charges	19,508,736	32,668,998
Liquidity Damages	89,188	214,818
Other Admin expenses	463,678	1,171,747
	<b>81,726,324</b>	<b>87,789,781</b>
(ii) Payments to the statutory auditors of the company comprises of :		
<b>Particulars</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Statutory Audit Fee	850,000	800,000
Tax Audit Fee	200,000	200,000
Limited review fee	450,000	300,000
Others	16,080	5,000
<b>Total</b>	<b>1,516,080</b>	<b>1,305,000</b>

**Note 31****Statement of other comprehensive income**

(i) Items that will not be reclassified to profit or loss	1,059,324	366,172
Changes in revaluation surplus		
Remeasurements of the defined benefit plans		



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

### Note 32

Related Party Relationships, transactions and balances

#### 32.1 Related Parties

- i) Whole Time Directors:  
Mr.Anirudha Mehta, Chairman & Managing Director
- ii) Directors:  
Mrs.Gauri A Mehta, Director
- iii) Key Managerial Personnel:  
Mr. Sudipto Gupta, Chief Executive Officer  
Mr. Srivatsa, Chief Financial Officer  
Mr. Barun Pandey, Company Secretary and Compliance Officer
- iv) Proprietorship Concern of director  
Umiya Builders & Developers
- v) Joint Venture Company  
RAD-MRO Manufacturing Private Limited

	Particulars	Year Ended March 31, 2018 (Rs.)	Year Ended March 31, 2017 (Rs.)
<b>32.2</b>	<b>Transactions for the Year</b>		
	<b>With Joint Venture</b>		
	Professional Services received (inclusive of Service Tax)	138,000	827,400
	Rent Received (inclusive of Service Tax)	46,000	275,800
	<b>With Whole Time Directors</b>		
	Reimbursement of Expenses	73,397	37,200
	Interest on unsecured loan	9,642,627	2,442,089
	Unsecured Loan Received	87,000,000	59,000,000
	Unsecured Loan Repaid	8,000,000	5,000,000
	<b>Directors</b>		
	Sitting Fees	111,000	-
	<b>Key Managerial Personnel-Salary &amp; other allowances</b>	9,015,798	3,638,258
	<b>Sale of Un-divided share of land to Umiya Builders &amp; Developers</b>	138,375,000	-
<b>32.3</b>	<b>Balance at the Balance Sheet Date</b>		
	<b>With Joint Venture</b>		
	Outstanding receivables	-	625,200
	<b>With Whole Time Directors</b>		
	Outstanding payables	133,000,000	54,000,000

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

Particulars	Year Ended March 31, 2018 (Rs.)	Year Ended March 31, 2017 (Rs.)
<b>Note 33</b>		
<b>Employee Benefit Plans</b>		
<b>33.1 Expense recognised in the statement of P&amp;L</b>		
Current service Cost	379,387	756,403
Net Interest Expenses	(45,615)	(540,953)
Expected return on Plan assets	1,052,907	-
<b>Component of defined Benefit costs recognised in the statement of P&amp;L</b>	<b>1,386,679</b>	<b>215,450</b>
Return on Plan assets (excluding amounts included in net interest expense)	65,479	-
Actuarial Gains/Losses arising from changes in financial assumptions	(197,924)	-
Actuarial Gains/Losses arising from experience assumptions	(1,281,565)	(525,581)
Actuarial Gains/Losses arising from demographic assumptions	354,686	-
<b>Component of defined Benefit costs recognised in other comprehensive Income</b>	<b>(1,059,324)</b>	<b>(525,581)</b>
<b>Total</b>	<b>327,355</b>	<b>(310,131)</b>
<b>33.2 Movements in the present value of the defined benefit obligation are as follows</b>		
Opening defined benefit obligation	3,061,701	6,200,129
Current Service Cost	379,387	756,403
Past service Cost	1,052,907	-
Interest Cost	223,651	339,922
Benefits Paid	-	(12,861,003)
<b>Remeasurement Loss (gain)</b>	<b>-</b>	<b>-</b>
<b>Actuarial Loss/gain arising from</b>	<b>-</b>	<b>-</b>
Financial assumptions	(197,924)	-
Demographic assumptions	354,686	-
Experience assumptions	(1,281,565)	8,626,250
<b>Obligations at the end of the year</b>	<b>3,592,843</b>	<b>3,061,701</b>
<b>33.3 Movement in the fair value of the plan assets are as follows</b>		
Opening Fair Value of the planned assets	3,686,155	16,067,041
Expected return on Planned assets	269,266	880,875
Actuarial Contribution from the company	-	556,477
Benefits Paid	-	(12,861,003)
Remeasurement loss/gain	-	-
Actuarial Gain/Loss	(65,479)	(957,235)
Closing Fair value of Planned assets	3,889,942	3,686,155
<b>33.4 Assumptions</b>		
Interest Rate	7.80%	7.31%
Discount Factor	7.80%	7.31%
Expected rate of return on Plan Assets	7.55%	7.55%
Expected Rate of salary Increase	7.00%	7.00%
Attrition Rate	3%-2%-1%	3%-2%-1%
Retirement Age	60 Years	63 Years

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

### 33.5 Sensitivity Analysis

Particulars	Year Ended March 31, 2018 (Rs.)		Year Ended March 31, 2017 (Rs.)	
	Decrease	Increase	Decrease	Increase
Defined Benefit obligation (Base)	3,592,843		3,061,701	
Discount Rate (-/+1%)	3,971,231	3,260,024	3,488,006	2,700,718
(% change compared to base due to sensitivity)	10.50%	-9.30%	13.90%	-11.80%
Salary Growth Rate (-/+1%)	3,405,775	3,805,032	2,946,640	3,137,294
(% change compared to base due to sensitivity)	-5.20%	5.90%	-3.80%	2.50%
Attrition Rate (-/+50% of attrition rates)	3,569,245	3,615,257	2,986,806	3,132,312
(% change compared to base due to sensitivity)	-0.70%	0.60%	-2.40%	2.30%
Mortality Rate (-/+10% of mortality rates)	3,588,771	3,596,895	3,051,455	3,071,878
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.30%	-0.30%

### Note 34

#### Contingent Liabilities and Commitments

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>Contingent Liabilities and Commitments</b>		
Counter Guarantees to Bank (to the extent of live guarantees issued by bank)	3,098,124	1,062,812
Sales Tax Liability in lieu of Form C yet to be received	1,768,187	9,697,509
Capital Commitments	380,000	-
Letters of Credit	-	-
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 FY2010-11. Company has filed an appeal before CESTAT and matter is pending before the appellate ' authority.

\*\* Amount excludes Interest of Rs 6,30,32,243 up to March 31, 2018 (Rs 5,60,28,660 up to March 31, 2017) Duty that may become payable in the event of adverse judicial pronouncement.

#### Pending Legal Cases

Sl.No	Name of the plaintiff	Court Jurisdiction	Cause of legal case
1	Kumar Dinesh Seth, S/o Sri Dinesh Seth	National Company Law Tribunal (NCLT), Bengaluru.	Against the postal Ballot notice dtd. 10 <sup>th</sup> November,2015 w.r.t. the joint development of land at the registered office, Bellary Road, Hebbal
2	Jitendra Virwani	National Company Law Tribunal (NCLT), Bengaluru.	Against the postal ballot results dtd. 22 <sup>nd</sup> December, 2015 restraining to proceed joint development and change in the name of the company.
3	Susheel Babu P.V	Consumer Disputes Readressal Forum,Karanthoor, Calicut -CC 29/2018	Against the warranty given on discontinued business- Solar

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

**Note 35****Segment Reporting**

Disclosures pursuant to IND AS 108 prescribed under the Act are

**Primary Segment**

The Company's primary business segments are Products, Real Estate Development, EMS(Electronic Contract Manufacturing), Solutions

**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.

Particulars	Year Ended March 31, 2018 (Rs.)	Year Ended March 31, 2017 (Rs.)
<b>1 Segment Revenue (Net Sale)</b>		
(a) Product	195,229,224	323,452,971
(b) Real Estate Development	138,375,000	90,000,000
(c) EMS (Electronic Contract Manufacturing)	16,906,042	-
(d) Solutions	17,531,705	-
<b>Total</b>	<b>368,041,971</b>	<b>413,452,971</b>
Less :- Inter segment revenue	-	-
<b>Net Sales From Operations</b>	<b>368,041,971</b>	<b>413,452,971</b>
<b>2 Segment Results - Profit / (loss) before tax and interest</b>		
(a) Product	73,367,739	155,229,415
(b) Real Estate Development	132,500,208	85,197,224
(c) EMS (Electronic Contract Manufacturing)	(7,551,849)	-
(d) Solutions	(2,569,342)	-
<b>Total</b>	<b>195,746,756</b>	<b>240,426,639</b>
Less:-		
Interest	24,432,645	21,043,534
Other Un-allocable Expenditure net off	104,866,626	162,494,152
Un-allocable Income	(8,800,412)	(3,530,466)
<b>Total Profit/(loss) before tax</b>	<b>75,247,897</b>	<b>60,419,419</b>
<b>3 Segment Assets</b>		
(a) Product	210,847,471	240,798,766
(b) Real Estate Development	44,648,419	50,523,211
(c) EMS (Electronic Contract Manufacturing)	5,583,822	-
(d) Solutions	19,039,308	-
(e) Un-allocable assets	41,673,131	36,760,451
<b>Total Assets</b>	<b>321,792,151</b>	<b>328,082,428</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Particulars	Year Ended March 31, 2018 (Rs.)	Year Ended March 31, 2017 (Rs.)
<b>4 Segment Liabilities</b>		
(a) Product	35,492,127	56,119,569
(b) Real Estate Development	-	-
(c) EMS (Electronic Contract Manufacturing)	15,873,875	-
(d) Solutions	2,555,586	-
(e) Un-allocable Liabilities	133,000,000	210,162,063
<b>Total Liabilities</b>	<b>186,921,589</b>	<b>266,281,632</b>

### Note 36

#### Financial Risk Management Objective And Policies

The Company's principal financial liabilities comprise Borrowings and Trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, Trade Receivables, Loans, Cash and Cash Equivalents that derive directly from its operations.

"The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk"

"The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The company's risk management policies are established to identify and analyse the risk faced by the company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group's activities. The company through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which all employee understand their roles and obligations. "

#### A. Credit Risk

"Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from company's receivables from customers and loans. The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, trade receivable and cash and cash equivalents. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assess te credit quality of the counterparties taking into account their financial condition, past experience and other factors."

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by credit rating agencies.

The companies Trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Given below is ageing of accounts receivables spread by period of 6 months:

	31-Mar-18	31-Mar-17	01-Apr-16
Outstanding for more than 6 months	27,674,960	10,305,179	18,772,574
	<b>27,674,960</b>	<b>10,305,179</b>	<b>18,772,574</b>

The company continuously monitors defaults of customers and other counterparties , identified either individually or by the group and incorporates this information into its credit risk controls



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Trade receivables consists of large number of customers spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased.

There is no receivable from single external customer outstanding more than 10% of companies total revenue for the year ended 31 March, 2018

### B. Liquidity risk

“Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company’s reputation. The company has an appropriate liquidity Risk management framework for the management of short, medium and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate cash reserves, banking facilities, and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.”

The company’s treasury department is responsible for managing the short term and long term liquidity requirements of the company, short term liquidity situation is reviewed daily by treasury. Long Term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

#### Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March, 2018, 31 March, 2017 and 1 April, 2016.

<b>As at 31 March 2018</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>Total</b>
Borrowings	79,000,000	54,000,000	133,000,000
Trade Payables	27,923,018	199,398	28,122,416
<b>Total</b>	<b>106,923,018</b>	<b>54,199,398</b>	<b>161,122,416</b>
<b>As at 31 March 2017</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>Total</b>
Borrowings	54,000,000	156,162,063	210,162,063
Trade Payables	26,932,579	314,300	27,246,879
<b>Total</b>	<b>80,932,579</b>	<b>156,476,363</b>	<b>237,408,942</b>
<b>As at 1 April 2016</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>Total</b>
Borrowings	2,700,000	179,311,432	182,011,432
Trade Payables	58,769,615	3,240,087	62,009,702
<b>Total</b>	<b>61,469,615</b>	<b>182,551,519</b>	<b>244,021,134</b>

#### Market risk

“Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and equity prices will affect the company’s income or the value of its holdings of the financial instruments. The objective of market risk management is to manage and control market risk exposures with acceptable parameters, while optimising the return. The company is exposed to interest rate risk arises mainly from debt. The company is exposed to interest rate risk because the fair value of fixed rate borrowings and the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the respective entity’s functional currency hence exposures to exchange rate fluctuations arise. The risk is that functional currency value of cash flows will vary as a result of movements in exchange rates.”

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

### i) Foreign currency risk exposure

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

Foreign Currency	As at 31 march, 2018		As at 31 March, 2017		As at 1 April, 2016	
	INR	FC	INR	FC	INR	FC
<b>Trade Receivables</b>						
USD	17,696,839	275,223	-	-	-	-
YEN	-	-	-	-	-	-
<b>Trade Payables</b>						
USD	16,461,861	248,789	23,637,024	349,890	40,867,593	609,138
YEN	-	-	154,468	274,731	78,391	47,066

### ii) foreign currency sensitivity analysis

The company is mainly exposed to currency fluctuation of USD and YEN.

The following table details company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their transition at the period end for 10% change in foreign currency rates. A positive numbers below indicates an increase in profit or equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balance below would be negative.

#### Impact in the statement of profit and loss and total

	31 March, 2018	31 march, 2017	1 April, 2016
Currency of USA (\$)	123,498	(2,363,702)	(4,086,759)
Currency of Japan (¥)	-	(15,447)	(27,473)

In management opinion, the sensitivity analysis is unrepresentative of the foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Financial Instrument - Risk Exposure and Fair Value

#### Interest Rate Risk

At the reporting date the interest rate profile of the company's interest-bearing financial instruments is as follows:

Particulars	31 March, 2018	31 march, 2017	1 April, 2016
<b>Fixed rate Instruments</b>			
Financial Liabilities	Nil	Nil	Nil
<b>Variable rate Instruments</b>			
Financial Liabilities			
-Bank Overdraft	-	156,162,063	179,340,207
-Loan from Director	133,000,000	54,000,000	2,700,000
<b>Total</b>	<b>133,000,000</b>	<b>210,162,063</b>	<b>182,040,207</b>

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have (increased) / decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates remains constant.

Effect	Profit or Loss	
	100 bps increase	100 bps decrease
31st March 18	(1,330,000)	1,330,000
31st March 17	(2,101,621)	2,101,621

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

### Note 37

#### Capital Management

The company manages its capital to ensure that company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Capital structure of the company consists of net debt borrowings (Note 21) offset by cash and bank balances (Note 11a and 11b) and total equity of the company.

The company is not exposed to any externally imposed capital requirements

The company's Capital Gearing ratio is as follows:

Particulars	31 March, 2018	31 march, 2017	1 April, 2016
Debt	133,000,000	210,162,063	182,011,432
Less: Cash and cash Balances	13,345,508	1,252,409	7,507,127
Less: Other bank Balance	3,500,000	2,000,000	-
<b>Net Debt</b>	<b>116,154,492</b>	<b>206,909,654</b>	<b>174,504,305</b>
<b>Total Equity</b>	<b>134,870,561</b>	<b>61,800,795</b>	<b>(21,199,525)</b>
<b>Gearing Ratio</b>	<b>0.86</b>	<b>3.35</b>	<b>(8.23)</b>

Debt is defined as long term borrowings (including current maturity) and short term borrowings

### Note 38

#### a) Value of Imports

Particulars	March 31, 2018	March 31, 2017
<b>Value of Imports calculated on C.I.F basis</b>		
Raw Materials, Components and Finished Goods	89,399,038	150,700,629
Capital Goods	-	-
<b>Expenditure in foreign currency</b>		
Travelling	2,39,683	233,278
<b>Earnings in foreign exchange</b>		
<b>Export of goods and services on F.O.B</b>	<b>17,531,705</b>	<b>147,020</b>

#### b) Details of research and development expenditure incurred (charged to Statement of Profit and Loss)

Material Cost	61,804	401,952
Employee benefit expenses	1,537,682	1,475,390
Repairs & Maintenance charges	496	851,986
Travelling Expenses	14,499	239,252
<b>Total</b>	<b>1,614,481</b>	<b>2,968,580</b>

Note: The above are as certified by the management and relied upon by the auditors .

### Note 39

#### a) Major components of tax expense/ ( income )

Profit before income taxes -		
From continuing operations	78,081,519	62,727,030
From discontinued operations	(2,833,887)	(2,307,570)
Indian statutory income tax rate	27.82%	27.55%
Expected income tax expense	20,933,891	16,647,072

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses</b>		
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Income exempt from tax	-	-
Effect of expenses that are not deductible in determining taxable profit	(4,282,573)	(978,793)
Effect of Income exempt from LTCG	(2,582,408)	-
Effect of previously unrecognised and unused tax losses used to reduce tax expense	24,676,330	17,784,202
Effect on deferred tax balances due to the change in income tax rate	(114,648)	1,110,037
Changes in recognised deductible temporary differences	-	20,946,315
<b>Total effect of tax adjustments</b>	<b>17,696,701</b>	<b>38,861,761</b>
<b>Total Income tax expense</b>	<b>3,237,190</b>	<b>(22,214,689)</b>

b) Tax expense on remeasurement of defined benefit plan amounting to Rs 0 ( PY Rs 159,409) has been recognised in OCI.

<b>c) Deferred tax (liability) / Asset</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Deferred tax (liability)/ Assets on account of :		
Fixed Assets	8,241,349	9,507,431
Deferred tax asset on account of :		
Others	330,244	2,301,352
MAT Credit	2,990,914	2,990,914
<b>Total</b>	<b>11,562,507</b>	<b>14,799,697</b>

**Note 40****Notes on accounts and other explanatory information**

a) Revenue from operations for the current year (FY 2017-18) includes an amount of Rs. 1383.75 Lakhs from the sale of super built up area under construction in line with Development Agreement dated 1st January 2016 vide SY.No.54/2, 54/1, 50/6 & 56/ situated Bellary Road, Hebbal.

Revenue from operations for the previous year (FY 2016-17) 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.

b) **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:

<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Principal amount (including overdue amount) outstanding at the beginning of the year	1,214,130	2,318,898
Interest amount outstanding at the beginning of the year	195,153	173,096
Interest (out of the above) paid during the year	-	-
Amount paid after due date during the year	-	-
Interest paid on the amount unpaid after due date during the year	-	-
Overdue amount outstanding at the end of the year'	-	-
Principal amount (other than overdue amount) outstanding at the end of the year	37,700	1,214,130
Interest accrued and remaining unpaid at the end of the year	195,153	195,153

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

Particulars	March 31, 2018	March 31, 2017
<b>c) Discontinuing operation</b>		
Revenue from Operations	2,729,320	7,514,662
Cost of materials consumed	3,808,333	7,023,642
Gross Profit/(Loss)	<b>(1,079,013)</b>	<b>491,020</b>
Employee benefits expenses	-	-
Finance Cost	-	-
Depreciation and amortization expenses	-	-
Reduction in UPS/Solar Stock	-	-
Other Expenses	(1,754,874)	(2,798,590)
<b>Net loss from Discontinuing operation</b>	<b>(28,33,887)</b>	<b>(23,07,570)</b>

**d) Other Information required under companies Act, 2013****i. Consumption of raw materials**

Capacitors	1,633,949	1,104,457
Connectors	2,693,036	2,385,857
Integrated Circuits	7,135,910	6,286,426
Populated PCBs	67,445,892	113,092,669
Printed Circuit Boards	7,794,234	2,450,321
Transceiver	7,550,852	13,126,750
Transformers	4,915,462	5,188,853
Others	36,487,839	41,130,186
<b>Total</b>	<b>135,657,174</b>	<b>184,765,519</b>
<b>Discontinuing operation</b>	<b>3,808,333</b>	<b>7,023,642</b>
<b>Access &amp; Networking Products</b>	<b>131,848,841</b>	<b>177,741,877</b>

**ii. Composition of raw materials**

Particulars	March 31, 2018		March 31, 2017	
	Value Rs.	%	Value Rs.	%
Indigenous	88,402,206	35	24,372,829	13
Imported	47,254,968	65	160,392,690	87
<b>Total</b>	<b>135,657,174</b>	<b>100</b>	<b>184,765,519</b>	<b>100</b>

**iii. Working in progress under broad head**

Particulars	March 31, 2018	March 31, 2017
Modem	104,013	1,889,592
Converters	3,734,477	4,096,622
Ethernet Switch	787,298	2,389,738
Multiplexers	1,308,366	1,379,645
Others	26,125	625,360
Wireless Convertor	1,467	-
EMS	165,236	-
<b>Total</b>	<b>6,126,982</b>	<b>10,380,957</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Particulars	March 31, 2018	March 31, 2017
iv. Finished Goods under broad head		
Modem	2,132,896	2,760,569
Converters	11,609,635	15,102,643
Ethernet Switch	110,079	4,022,405
Multiplexers	1,079,183	1,979,549
Others	6,315,213	2,492,897
Wireless Convertor	-	-
<b>Total</b>	<b>21,247,006</b>	<b>26,358,063</b>
v. Gross Income		
Manufactured		
Modems	12,361,657	28,178,843
Convertors	100,447,304	174,597,152
Multiplexers	42,486,532	44,036,099
Ethernet Switch	10,859,047	20,870,661
Others	1,860,218	2,260,588
UPS systems	2,729,320	2,855,023
Software	18,631,705	-
Refurbishment Products	2,805,850	-
EMS	4,419,785	-
Wireless Convertor	75,150	-
<b>Sub total (A)</b>	<b>196,676,568</b>	<b>272,798,366</b>
Traded Goods		
Switches	-	-
Others	-	118,406
Solar Project Equipment & Solar Pumps	-	3,846,386
<b>Sub total (B)</b>	<b>-</b>	<b>3,964,792</b>
<b>Grand Total (A+B)</b>	<b>196,676,568</b>	<b>276,763,158</b>
LESS: Discontinuing operation-Solar Based Equipment Project & UPS	2,729,320	7,514,662
Add: Excise Duty	6,127,103	35,966,016
<b>Gross Income – Net Working, EMS, Refurbishment &amp; Solutions.</b>	<b>200,074,351</b>	<b>305,214,512</b>

\*Gross Income from sale of manufactured goods is shown net of excise duty

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

### Note 41 Financial Instruments

The carrying value and fair value of Financial Instruments by categories are as follows:

#### Carrying Value and fair value

Financial Assets	March 31, 2018	March 31, 2017	April 1, 2016
<b>Measured at Cost</b>			
<b>Non Current</b>			
Investments	-	7,252,000	7,252,000
<b>Measured at Amortised cost</b>			
<b>Non Current</b>			
Trade Receivables	6,635,532	7,675,932	9,705,732
Loans	2,497,190	5,341,378	2,311,314
<b>Current</b>			
Trade Receivables	62,811,169	39,705,667	75,682,834
Cash and Cash Equivalents	13,345,508	1,252,409	7,507,127
Other Bank balances	3,500,000	2,000,000	-
Loans	-	-	-
Others	258,586	74,168	132,916
<b>Total</b>	<b>89,047,986</b>	<b>56,049,554</b>	<b>95,339,923</b>

#### Financial Liabilities

	March 31, 2018	March 31, 2017	April 1, 2017
<b>Measured at Amortised cost</b>			
<b>Current</b>			
Borrowings	133,000,000	210,162,063	182,040,207
Trade Payables	28,122,416	27,246,879	62,009,702
<b>Total</b>	<b>161,122,416</b>	<b>237,408,942</b>	<b>244,049,909</b>

### Note 42 Transition to Ind AS

The Company's financial statements for the year ended 31 March 2016 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 in accordance with the accounting policies notified in Note 1. The adoption of Ind AS has been carried out in accordance with Ind AS 101, with April 1, 2016 as the transition date. In accordance with Ind AS 101, the resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as at the transition date have been recognized directly in equity at the transition date. An explanation of how the transition from previous GAAP to Ind AS has affected the financial position, financial performance and cash flows is set out in the following notes:

#### A. Exceptions:

- 1) Estimates exception: Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.
- 2) The Company has classified financial assets in accordance with Ind AS 109 on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

#### B. Exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- 1) The Company has elected to apply the deemed cost option available under Para D7AA of Ind AS 101 i.e. all items of property, plant and equipment have been recognised in the financial statements as at the date of transition to Ind AS at the carrying value measured as per previous GAAP. The same election has been made in respect of Intangible assets.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

### C. Disclosure pursuant to Ind AS 101 “First time adoption of Indian Accounting Standards

#### 1. Effect of Ind AS adoption on Balance Sheet as at April 1, 2016 and March 31, 2017

Particulars	As at the 31 March 2017			As at the date of transition 1 April 2016		
	Indian GAAP	Adjustment on transition to Ind AS	Ind AS	Indian GAAP	Adjustment on transition to Ind AS	Ind AS
	-			-		
<b>ASSETS :</b>						
<b>Non-current assets</b>						
Property, plant and equipment	78,684,047	-	78,684,047	94,198,598	-	94,198,598
Financial assets		-			-	
i. Investments	7,252,000	-	7,252,000	7,252,000	-	7,252,000
ii. Trade Receivables	7,675,932	-	7,675,932	9,705,732	-	9,705,732
iii. Loans	5,341,378	-	5,341,378	2,311,314	-	2,311,314
Deferred Tax asset (net)	11,808,783	(2,990,914)	14,799,697		-	-
Other non current assets	40,449,505	2,990,914	37,458,591	46,747,684	2,990,914	43,756,770
<b>Total non-current assets</b>	<b>151,211,645</b>	<b>-</b>	<b>151,211,645</b>	<b>160,215,328</b>	<b>2,990,914</b>	<b>157,224,413</b>
<b>Current Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Inventories	115,148,210		115,148,210	101,690,899		101,690,899
Financial assets	-	-	-	-	-	-
i. Trade receivables	39,705,667		39,705,667	75,682,834		75,682,834
ii. Cash and cash equivalents	1,252,409		1,252,409	7,507,127		7,507,127
iii Bank Balances other Than (iii) Above	2,000,000		2,000,000			-
iv Others	74,168		74,168	132,916		132,916
Current tax assets (net)	4,116,715		4,116,715	4,017,664		4,017,664
Other current assets	10,765,280		10,765,280	6,575,166		6,575,166
Assets classified as held for sale	3,808,333		3,808,333	11,291,412		11,291,412
<b>Total current assets</b>	<b>176,870,782</b>	<b>-</b>	<b>176,870,782</b>	<b>206,898,018</b>	<b>-</b>	<b>206,898,018</b>
<b>TOTAL ASSETS</b>	<b>328,082,427</b>	<b>-</b>	<b>328,082,427</b>	<b>367,113,346</b>	<b>2,990,914</b>	<b>364,122,432</b>
<b>EQUITY AND LIABILITIES:</b>						
<b>Equity</b>						
Equity Share capital	93,423,010	-	93,423,010	93,423,010	-	93,423,010
Other Equity	(31,622,215)	-	(31,622,215)	(114,622,535)	-	(114,622,535)
<b>Liabilities</b>	<b>61,800,795</b>	<b>-</b>	<b>61,800,795</b>	<b>(21,199,525)</b>	<b>-</b>	<b>(21,199,525)</b>
<b>Non-current liabilities</b>						
Provisions	881,061	-	881,061	1,733,906	-	1,733,906
Deferred tax liabilities (net)		-	-	10,246,497	2,990,914	7,255,583
Other non current liabilities		-	-	2,671,001	-	2,671,001
<b>Total non-current liabilities</b>	<b>62,681,856</b>	<b>-</b>	<b>62,681,856</b>	<b>(6,548,121)</b>	<b>2,990,914</b>	<b>(9,539,035)</b>
<b>Current liabilities</b>						
Financial liabilities						
i. Borrowings	210,162,063	-	210,162,063	182,040,207	-	182,040,207
ii. Trade payables	27,246,879	-	27,246,879	62,009,702		62,009,702
Provisions	2,774,651	-	2,774,651	132,910	-	132,910
Other current liabilities	25,216,978	-	25,216,978	129,478,648		129,478,648
<b>Total current liabilities</b>	<b>265,400,571</b>	<b>-</b>	<b>265,400,571</b>	<b>373,661,467</b>	<b>-</b>	<b>373,661,467</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>328,082,427</b>	<b>-</b>	<b>328,082,427</b>	<b>367,113,346</b>	<b>2,990,914</b>	<b>364,122,432</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

### 2. Reconciliation of equity as at 31st March , 2017

SI No.	Particulars	Note to first time adoption	Amt in millions	Amount
<b>A</b>	<b>Equity under IGAAP</b>			<b>(31,622,215)</b>
<b>B</b>	<b>Changes on account of transition date adjustments</b>			
	<b>P&amp;L components</b>			
1	Reclassification of actuarial gains and losses on employee benefit expenses	Note 1	(366,172)	
	<b>Total (A)</b>			<b>(366,172)</b>
	<b>OCI components</b>			
1	Reclassification of actuarial gains and losses on employee benefit expenses	Note 1	366,172	
	<b>Total (B)</b>			<b>366,172</b>
	<b>TOTAL (A)+(B)</b>			<b>-</b>
<b>C</b>	Deferred tax impact on Ind AS transition adjustments			-
<b>D</b>	Total deferred tax			-
<b>E</b>	Total impact on retained earnings			-
<b>F</b>	<b>Equity under Ind AS</b>			<b>(31,622,215)</b>

### 3. Reconciliation of Equity as at 31 March 2018

<b>A</b>	<b>Equity under IGAAP</b>			<b>41,447,551</b>
<b>B</b>	<b>Changes on account of transition date adjustments</b>			
	<b>P&amp;L components</b>			
1	Reclassification of actuarial gains and losses on employee benefit expenses	<b>Note 1</b>	(1,059,324)	
	<b>Total (A)</b>			<b>(1,059,324)</b>
	<b>OCI components</b>			
1	Reclassification of actuarial gains and losses on employee benefit expenses	<b>Note 1</b>	1,059,324	
	<b>Total (B)</b>			<b>1,059,324</b>
	<b>TOTAL (A)+(B)</b>			<b>-</b>
<b>C</b>	Total impact on retained earnings			-
<b>D</b>	<b>Equity under Ind AS</b>			<b>41,447,551</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

## 4. Effect of Ind AS adoption on the Statement of Profit and Loss for the period ended March 31, 2017

			As at 31 March 2017		
			Indian GAAP	Adjustment on transition to Ind AS	Ind AS
<b>I</b>	<b>Revenue From operations</b>	<b>Note 3</b>	377,486,955	(35,966,016)	413,452,971
<b>II</b>	<b>Other Income</b>		5,838,036	-	5,838,036
<b>III</b>	<b>Total Income (I +II)</b>		<b>383,324,991</b>	<b>(35,966,016)</b>	<b>419,291,007</b>
<b>IV</b>	<b>EXPENSES</b>				
	Cost of material consumed		177,741,877	(0)	177,741,877
	Cost of land sold			-	
	Changes in inventories of work in-progress, stock-in-trade and finished goods		(4,716,201)	-	(4,716,201)
	Employee benefit expense	<b>Note 1</b>	19,813,975	(525,581)	20,339,556
	Finance costs		21,043,534	-	21,043,534
	Depreciation and amortization expense		9,078,571	-	9,078,571
	Excise duty	<b>Note 3</b>		(35,966,016)	35,966,016
	Other expenses		87,789,781	-	87,789,781
	<b>Total expenses (IV)</b>		<b>310,751,537</b>	<b>(36,491,597)</b>	<b>347,243,134</b>
<b>V</b>	<b>Profit(loss) before exceptional items and tax</b>		<b>72,573,454</b>	<b>525,581</b>	<b>72,047,873</b>
	Exceptional items		9,320,843	-	9,320,843
	<b>Profit(loss) before tax</b>	<b>Note 1</b>	<b>63,252,611</b>	<b>525,581</b>	<b>62,727,030</b>
	Extraordinary items		-	-	-
			63,252,611	525,581	62,727,030
<b>VI</b>	<b>Tax Expenses</b>				
	1)Current Tax		-	-	-
	2)Deferred Tax		(22,055,280)	159,409	(22,214,689)
	<b>Total Tax Expense</b>	<b>Note 1</b>	<b>(22,055,280)</b>	<b>159,409</b>	<b>(22,214,689)</b>
<b>VII</b>	<b>Profit (Loss) for the period after tax from continuing operations</b>		<b>85,307,891</b>	<b>366,172</b>	<b>84,941,719</b>
	<b>Profit/(loss) before tax from discontinued operations</b>		<b>(2,307,570)</b>	-	<b>(2,307,570)</b>
	<b>Tax expense for discontinued operation</b>		-	-	-
	<b>Profit/(loss) after tax from discontinued operations (XI + XI)</b>		<b>(2,307,570)</b>	-	<b>(2,307,570)</b>
	<b>Profit/(loss) for the period (IX + XII)</b>	<b>Note 1</b>	<b>83,000,321</b>	<b>366,172</b>	<b>82,634,149</b>
<b>IX</b>	<b>Other comprehensive income</b>				
	Remeasurements of the defined benefit plans	<b>Note 1</b>	-	(366,172)	366,172
<b>X</b>	<b>Total Comprehensive Income for the period</b>		<b>83,000,321</b>	<b>0</b>	<b>83,000,321</b>



**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March, 2018

SI No.	Particulars	Note to first time adoption	Amt in millions	Amount
<b>5.</b>	<b>Reconciliation of total comprehensive income for financial year ended 31 March 2017</b>			
<b>A</b>	<b>Profit after tax under IGAAP</b>			<b>83,000,321</b>
<b>B</b>	<b>Changes on account of transition date adjustments</b>			
	<b>P&amp;L components</b>			
1	Reclassification of actuarial gains and losses on employee benefit expenses( Net of taxes)	<b>Note 1</b>	(366,172)	
	<b>Total (A)</b>			<b>(366,172)</b>
<b>C</b>	<b>Profit after tax under Ind AS</b>			<b>82,634,149</b>
	<b>OCI components</b>			
1	Reclassification of actuarial gains and losses on employee benefit expenses (B)	<b>Note 1</b>	366,172	366,172
	<b>TOTAL (A)+(B)</b>			<b>-</b>
<b>D</b>	Total retained earnings / comprehensive income under Ind AS (A+B)			<b>83,000,321</b>
<b>6.</b>	<b>Reconciliation of total comprehensive income for financial year ended 31 March 2018</b>			
<b>A</b>	<b>Profit after tax under IGAAP</b>			<b>73,069,766</b>
<b>B</b>	<b>Changes on account of transition date adjustments</b>			
	<b>P&amp;L components</b>			
1	Reclassification of actuarial gains and losses on employee benefit expenses	<b>Note 1</b>	(1,059,324)	
	<b>Total (A)</b>			<b>(1,059,324)</b>
<b>C</b>	<b>Profit after tax under Ind AS</b>			<b>72,010,442</b>
	<b>OCI components</b>			
1	Reclassification of actuarial gains and losses on employee benefit expenses (B)	<b>Note 1</b>	1,059,324.00	1,059,324
	<b>TOTAL (A)+(B)</b>			<b>-</b>
<b>D</b>	Total retained earnings / comprehensive income under Ind AS (A+B)			<b>73,069,766</b>

**D. Notes to first time adoption****Note 1 Reclassification of actuarial gains and losses on employee benefit expenses**

Under Indian GAAP, actuarial gains and losses relating to post employment benefit plans are charged to profit and loss. Under Ind-AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**Note 2 Deferred tax impact on Ind AS adjustments**

Under IGAAP, deferred tax is recognised using the income statement approach i.e. the tax effect of timing differences between accounting income and taxable income for the period. Under Ind AS, the Company has recognised deferred taxes using the balance sheet approach i.e. reflecting the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

## Note 3 Excise duty

Under IGAAP, revenue from sale of goods is presented net of excise duty on sales. Under Ind AS revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in statement of profit and loss as an expense.

The impact arising from change is summarised as below:

Particulars	31-Mar-18	31-Mar-17
Revenue from operations	(6,127,103)	(35,966,016)
Excise duty	6,127,103	35,966,016
<b>Adjustment to retained earnings</b>	<b>0</b>	<b>0</b>

**Note 4** Under Ind AS financial assets and liabilities are measured at fair value at the inception and subsequently at amortised cost or at fair value based on their classification.

Under I-GAAP the financial assets and liabilities were measured at cost.

**Note 5** The previous year I-GAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.

## Note 43 Standards issued but not yet effective

Ind AS 115 - Revenue from contracts with customers. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition standards Ind AS 11 and Ind AS 18. This standard will come into force from accounting period commencing on or after 1 April 2018. The Company will adopt the standard on the required effective date.

## Note 44 Exceptional Item

**a** Disposal of investments in RAD MRO Manufacturing Private Limited

During the year the company has realised amounting to Rs 165.34 Lakhs from RAD MRO Manufacturing Private Limited. The investments in the said equity instruments were disposed due to the dissolution of the board of RAD MRO Manufacturing Private Limited on 31st July 2017. The resultant gain on this amounts to Rs 92.83 Lakhs.

**b** During the year the company has impaired assets amounting to Rs 7.66 Lakhs ( Previous year Rs 48.21 Lakhs) .

**c** Retrenchment compensation expenditure incurred during the year Rs Nil ( Previous year Rs 45 Lakhs)

As per our attached report of even date

**For K.S.Aiyar & Co**

Chartered Accountants

ICAI Firm's registration number:100186W

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

**Ramamohan R Hegde**

Partner

Membership Number : 23206

**Aniruddha Mehta**

Chairman & Managing Director

DIN No. 00720504

**Gauri Mehta**

Director

DIN No. 00720443

Place : Bengaluru

Date : 23.05.2018

Chief Financial Officer

Company Secretary and

Compliance Officer

## CASH FLOW Statement

as on March 31, 2018

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations for the year	78,081,519	62,727,030
Profit before tax from discontinuing operations for the year	(2,833,887)	(2,307,570)
Adjustments for:		
Finance costs recognised in profit or loss	24,432,645	21,043,534
Investment income recognised in profit or loss	(2,040,273)	(1,457,126)
Net (gain)/loss on disposal of assets	(45,847)	1,210,826
Depreciation and amortisation of non-current assets	8,017,185	9,078,571
Unrealised exchange (gain)/loss (net)	11,299	(649,677)
Exceptional Items	(8,516,461)	4,820,843
	<b>97,106,180</b>	<b>94,466,431</b>
Movements in working capital:		
Increase in trade and other receivables	(21,899,968)	38,006,967
(Increase)/decrease in inventories	10,677,646	(13,457,311)
(Increase)/decrease in other assets	21,472,502	1,738,125
(Increase)/decrease in other Bank balances	(1,500,000)	(2,000,000)
Decrease in trade and other payables	699,519	(34,112,236)
Increase/(decrease) in provisions	1,769,722	1,788,896
(Decrease)/increase in other liabilities	(4,843,239)	(104,261,670)
<b>Cash generated from operations</b>	<b>103,482,362</b>	<b>(17,830,798)</b>
Income taxes paid	(3,049,924)	5,308,233
<b>Net cash generated by operating activities</b>	<b>100,432,438</b>	<b>(12,522,565)</b>
<b>Cash flows from investing activities</b>		
Payments to acquire Property Plant and Equipment	(5,204,942)	(4,655,318)
Proceeds on sale of Property Plant and Equipment	70,312	5,059,629
Interest received	-	1,457,126
Receipts from investments	16,534,560	-
<b>Net cash (used in)/generated by investing activities</b>	<b>11,399,930</b>	<b>1,861,437</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	79,000,000	51,300,000
Repayment of borrowings	(156,162,063)	(25,849,146)
Interest paid	(24,432,645)	(21,043,534)
<b>Net cash used in financing activities</b>	<b>(101,594,708)</b>	<b>4,407,320</b>
<b>Net increase in cash and cash equivalents</b>	<b>12,093,514</b>	<b>(6,253,808)</b>
Cash and cash equivalents at the beginning of the year	1,252,409	7,507,127
Effects of exchange rate changes on the balance of cash held in foreign currencies	(415)	(910)
<b>Cash and cash equivalents at the end of the year Refer Note 11 a</b>	<b>13,345,508</b>	<b>1,252,409</b>
<b>See accompanying notes to financial statements</b>		

As per our attached report of even date

**For K.S.Aiyar & Co**

Chartered Accountants

ICAI Firm's registration number:100186W

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

**Ramamohan R Hegde**

Partner

Membership Number : 23206

**Aniruddha Mehta**

Chairman & Managing Director

DIN No. 00720504

**Gauri Mehta**

Director

DIN No. 00720443

Place : Bengaluru

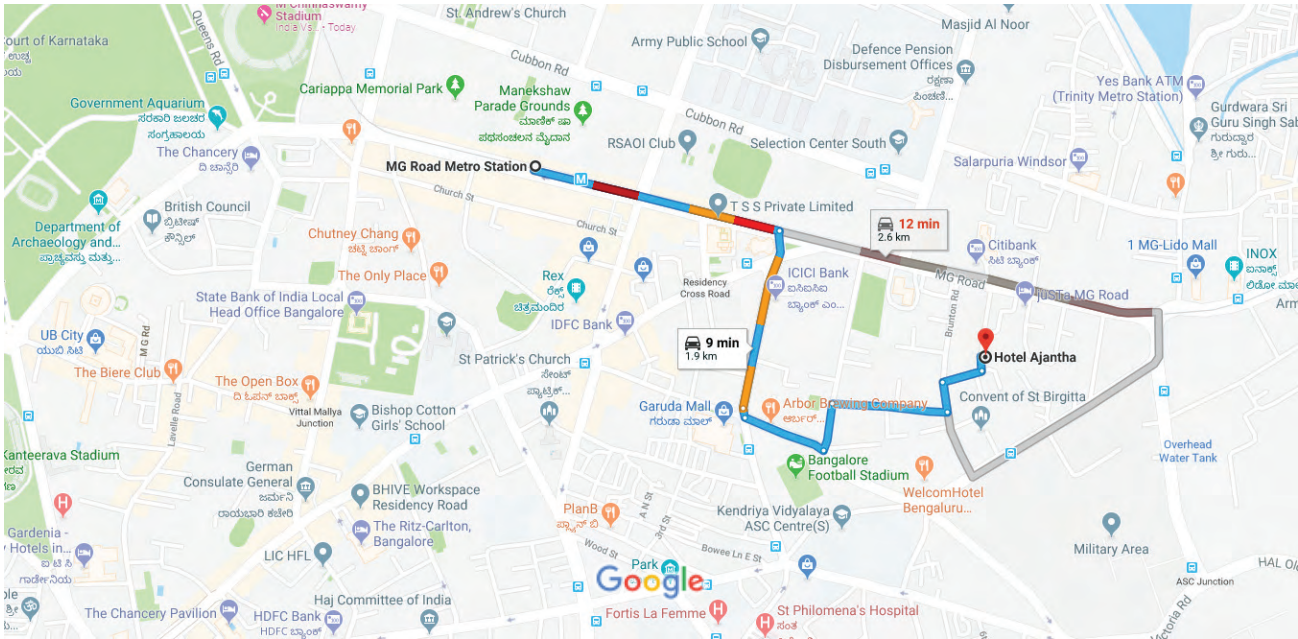
Date : 23.05.2018

Chief Financial Officer

Company Secretary and

Compliance Officer

ROUTE MAP - AGM VENUE



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## MRO-TEK REALTY LIMITED

CIN: L28112KA1984PLC005873

Registered Office: # 6, New BEL Road, Chikkamaranahalli, Bengaluru-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, Bengaluru-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 Fourth Annual General Meeting of the Company, to be held on the on Thursday, the 23<sup>rd</sup> August, 2018 at 12.00 Noon at Hotel Ajantha, Rohini Hall, 22-A, M G Road, Bengaluru -560 001 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, 2018.
2. To re-appoint Mrs. Gauri Aniruddha Mehta, Director, who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS**

3. Appointment of Mr. Mohan Subramaniam (holding DIN: 01033494) as Director of the Company.
4. Appointment of Mr. Mohan Subramaniam (holding DIN: 01033494), as an Independent Director of the Company.
5. Change in the name of the Company and alteration of the Name Clause in the Memorandum of Association of the Company.
6. Alteration of Articles of Association of the Company

Signed this..... day of..... 2018

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, Bengaluru-560 054

Telephone: 080-42499000 Email: [grd@mro-tek.com](mailto:grd@mro-tek.com), Web: [www.mro-tek.com](http://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, Bengaluru-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, 2018.			
2.	To appoint Mrs. Gauri Aniruddha Mehta, Director			

#### SPECIAL BUSINESS

3.	Appointment of Mr. Mohan Subramaniam (holding DIN: 01033494) as Director of the Company			
4..	Appointment of Mr. Mohan Subramaniam (holding DIN: 01033494), as an Independent Director of the Company			
5.	Change in the name of the Company and alteration of the Name Clause in the Memorandum of Association of the Company			
6.	Alteration of Articles of Association of the Company			

Place:

Date:

(Signature of the shareholder)



**MRO-TEK REALTY LIMITED**  
(Formerly known as MRO-TEK LIMITED)

CIN: L28112KA1984PLC005873

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

**ATTENDANCE SLIP**  
(to be surrendered at the time to entry to the venue)

Sr.No	Date: 23.08.2018 Time: 12.00 Noon Place: Hotel Ajantha, Rohini Hall, 22-A, M G Road, Bengaluru -560 001
-------	--

**I hereby record my presence at the 34<sup>th</sup> Annual General Meeting of the Company**

Signature of the Shareholder/ Proxy/ Representative present	
Regd. Folio	DP ID
	Client ID / Folio
(If not dematerialised)	(If dematerialised)
Name of the Shareholder : «HOLDER»	
Number of Shares : «TOTAL_SHARE»	

**ENTRY PASS**

(To be retained throughout the meeting)

Signature of the Shareholder/Proxy/ Representative present	
Regd. Folio	DP ID
	Client ID / Folio
(If not dematerialised)	(If dematerialised)
Name of the Shareholder :	
Number of Shares :	
<b>EVSN</b> <b>(E-Voting Sequence Number)</b>	<b>USER ID</b>
	<b>Password /PIN</b>

- Shareholders / Proxy or Authorized Representative of shareholders are requested to produce the above Attendance Slip, duly signed in accordance with their specimen signatures registered with the Company, along with the entry pass, for admission to the venue. The admission will, however, be subject to verification/checks, as may be deemed necessary. The entry pass portion will be handed back to the shareholders/proxy/Representatives, who should retain till the conclusion of the meeting. Under no circumstances, any duplicate attendance slip-cum Entry Pass- will be issued at the entrance to the meeting.
- Above User ID and password are to be used for E-Voting through URL: <https://evoting.karvy.com> from 9.00 a.m. on Monday, 20<sup>th</sup> August, 2018 to 5.00 p.m. on Wednesday, 23<sup>rd</sup> August, 2018 as detailed in the Notice of AGM under Notes No. 7 of the Annual Report for the financial year 2017-18.



## Notes

## Notes



MROTEK is one of India's oldest Original Equipment Manufacturers for data communications and carrier grade networking products. Starting from simplest modems in 1984, the company has evolved over the decades into a full spectrum manufacturer of GPON, TDM, SONET/SDH, CWDM, Industrial Grade/Rugged products and DWDM Optical technologies.

Over three decades, the name MROTEK remains a beacon of quality and class – with 90% repeat business from customers.

MROTEK was acquired by new promoters in 2016 (now part of Umliya Holdings, India) and immediately brought in senior professional leadership, and embarked on an ambitious expansion of its business operations to allied fields and capabilities

- Turnkey IT/Telecom Projects,
- Home Land Security Solutions,
- Unmanned Aerial Vehicles for both Video Surveillance and GIS / Mapping surveys
- Professional Managed Services / Remote Infrastructure Managed Services business
- Bespoke Software and technology solutions including Big Data Analytics, Machine Learning, IoT, BMS, Cloud and Automation technologies

Going forward, the company has a roadmap of new technologies – G.Hn Powerline Data Transmission (PLDT), wireless (incl LORA), mesh wireless networks for IoT sensors, G.Fast, Li-Fi, Blue-Fi, Smart Automation, Autonomous vehicles for specialized applications and many more.

With its extensive capability for custom manufacturing / complete product build to Original Equipment Manufacturers (OEMs) of Printed Circuit Board Assemblies (PCBAs), cable assemblies, wiring harnesses, power supplies and system builds - MROTEK today is proud to serve **over a dozen top domestic and global brands as a manufacturing partner** – and is rapidly acquiring a solid reputation as a partner of choice

## QUALITY INITIATIVES

MROTEK is a company with a strong focus on Total Quality Management (TQM). Our plant is certified under ISO9001:2015, ISO14001:2015 and follows Kaizen practices as a standard operational requirement.

Our team undergo regular training programs of several standards, including IPC-A-610, IPC/WHMA-A-620, J-STD-001, and IPC-7711A/7721A. In parallel, the company has implemented several procedures and controls, including ESD damage prevention, ECO controls, Shop Floor Control System, Manufacturing Resource

Planning system, barcode serialization of all assemblies, and Preventive / Planned equipment calibration programs.

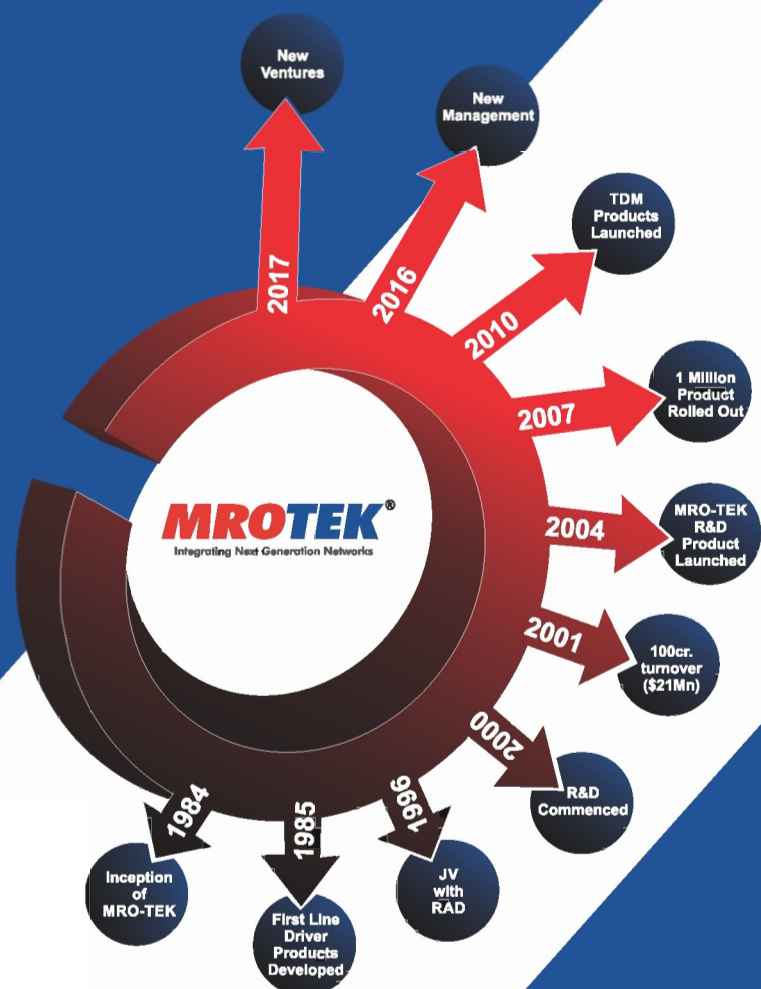
## WHY MROTEK?

MROTEK electronic manufacturing is renowned for their thousands of man years of experience, global standards of operational capabilities and efficient program management.

The centre of MROTEK approach is the customer - working collaboratively with customer teams to design and implement tailored manufacturing solutions to each requirement with flexibility, zero-defects and speed – MROTEK is able to repeatedly meet the most challenging deadlines and demands.

Over the years, MROTEK has built a solid reputation of robust product quality, reliability, long operational life and impeccable service. Over 2 million MROTEK products are in continuous operation for over 10 years.

Choosing MROTEK products, turnkey or manufacturing services assures a customer the peace of mind they deserve, along with maximum value for money. serve, along with maximum value for money.





## OUR MISSION

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



## OUR VISION

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 anywhere.

**Registered Office**

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

**Factory**

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

For business queries, write to,  
[info@mro-tek.com](mailto:info@mro-tek.com)