

MRO-TEK REALTY LIMITED
(FORMERLY KNOWN AS MRO-TEK LIMITED)

Registered & Corporate Office:

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

Ph : +91 80 42499000 SERVICE/SUPPORT : 9845035626

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

MROTEK[®]

Integrating Next Generation Networks

MRO: FS: 19-20:186

5th July, 2019

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 Sirs,

SUB: - Notice of AGM, Book Closure and Annual Report for the year 2018-19

We hereby inform you that the 35th Annual General Meeting (AGM) of the Company is scheduled to be held at 11.30 AM on Friday, the 2nd day of August, 2019, at Woodlands Hotel, No-5, Rajaram Mohan Roy Road, Bangalore- 560 025. Copy of the Annual Report including AGM Notice is enclosed herewith.

In view of the AGM, the Register of Members and the Share Transfer Register of the Company will remain closed from **Saturday, 27th July, 2019 to Friday, 2nd August, 2019 (both days inclusive)** for the purpose of Annual General Meeting.

Kindly treat this as Compliance under SEBI (LODR) Reg. 2015 and Acknowledge.

Thanking you,
Yours faithfully

FOR MRO-TEK REALTY LIMITED



BARUN PANDEY
COMPANY SECRETARY AND COMPLIANCE OFFICER.

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

ANNUAL REPORT

2018-19

MROTEK



MROTEK[®]

Integrating Next Generation Networks

BOARD OF DIRECTORS

Aniruddha Bhanuprasad Mehta

Gauri Aniruddha Mehta

Mohan Subramaniam

Dr. Raghu Nambiar

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

Bank of Baroda

Statutory Auditors

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

Secretarial Auditors

Mr. 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 Fintech Private Limited

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

CONTENTS

◀ Notice	1-6
◀ Management Discussion & Analysis Report	7-10
◀ Board's Report & Annexures	11-29
◀ Corporate Governance	30-43
◀ Independent Auditor's Report	44-49
◀ Balance sheet	50
◀ Statement of Profit & Loss Account	51
◀ Cash Flow Statement	52-53
◀ Statement of Changes in Equity	54
◀ Notes forming part of Financial Statements	55 – 88
◀ Route Map to the AGM Venue	89
◀ Proxy Form	90-91
◀ Polling Paper	92
◀ Attendance Slip	94

NOTICE

NOTICE is hereby given that the Thirty Fifth (35th) Annual General Meeting of the Company will be held at 11:30 AM on Friday, the 2nd day of August, 2019, at Woodlands Hotel, No-5, Rajaram Mohan Roy Road, Bangalore- 560 025 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2019 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 Dr. Raghu Nambiar, (holding DIN: 07325471) 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 Sections 152 & 161 of the Companies Act, 2013 read with Rules made there under (including any statutory modification(s) or re-enactment thereof), Dr. Raghu Nambiar (holding DIN: 07325471)), who was appointed as an Additional Director of the Company by the Board of Directors in its Meeting held on 22nd May, 2019 and who holds the office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company."

4. Appointment of Dr. Raghu Nambiar, (holding DIN: 07325471), 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, Dr. Raghu Nambiar, (holding DIN: 07325471), 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 22nd May, 2019 to 21st May, 2024 and his office shall not be liable to retire by rotation"

5. Re-appointment of Mr. Aniruddha Bhanuprasad Mehta (Holding DIN: 00720504) as the Chairman & Managing Director of the Company:

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

"RESOLVED THAT in accordance with the provisions of Sections 2(54), 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to such sanctions as may be necessary, approval of the members be and is hereby accorded to appoint Mr. Aniruddha Bhanuprasad Mehta (DIN: 00720504) as Chairman and Managing Director of the Company for a period of five (5) years with effect from May 22, 2019 on the terms and conditions of Re-appointment as may be determined, at a remuneration which shall not exceed Rs. 36,00,000/- (Rupees Thirty Six Lakhs only) per annum till such time as may be reviewed by the Nomination and Remuneration Committee from time to time.

RESOLVED FURTHER THAT Mr. Aniruddha Bhanuprasad Mehta be and is hereby re-appointed as the Key Managerial personnel under Section 203 of the Companies Act, 2013.

The overall remuneration (inclusive of all allowances and perquisites) shall not exceed Rs. 36,00,000/- (Rupees Thirty Six Lakhs only) per annum:

- i) Salary at the rate of Rs.36,00,000/- (Rupees Thirty Six Lakhs only) per year for a period of three years w.e.f 22nd May, 2019.
- ii) Reimbursement of medical and hospitalization expenses of the Managing Director and his family subject to a ceiling of one month salary in a year.
- iii) Leave Travel Allowance for the Managing Director and his family once in a year in accordance with the Company policy.
- iv) Bonus for the financial year, at the discretion of the Company, as may be reviewed by the Board and with such approvals as may be needed.
- v) Reimbursement of expenses incurred by him in Purchase of newspapers, magazines, books and periodicals in accordance with the Company policy.
- vi) Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy.
- vii) Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company.

- viii) Provision of chauffer driven car for the use on Company's business, meal Coupons and telephone at residence.
- ix) The Managing Director shall be entitled to such increment from time to time as the Board may by its discretion determine.

Minimum Remuneration:

In the event of absence or inadequacy of profits in any Financial Year during the currency of tenure of his appointment, the entire applicable remuneration by way of salary and perquisites mentioned above shall be paid as the Minimum Remuneration, subject to the provisions under Schedule V of the Companies Act, 2013 and be revised from time to time."

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

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

**Place: Bengaluru
Date: 22nd May, 2019**

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 **27th July, 2019 to 2nd August, 2019 (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 **30th July, 2017** and no claims shall lie against the Company or the said Fund in respect of the said amount.

Further please note that as per Section 124 (6) of the Companies Act, 2013 all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more will be transferred by the Company to IEPF 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 Fintech 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,
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) 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, PH.:+91 080 42499000

- d) Nodal Officer verifies the documents and refers 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;

- 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 Fintech 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 **26th July, 2019 (Friday)** 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 30th July, 2019 (Tuesday) to 5.00 P.M. on 1st August, 2019 (Thursday). 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 Fintech 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 **26th July, 2019, Friday (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 30th July, 2019 (Tuesday) to 5.00 P.M. on 1st August, 2019 (Thursday). 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 **26th July, 2019, Friday (record date)** may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-Voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. P. Srikrishna of Karvy Fintech Private Limited at 040-67162222 8 OR at Tel No. 1800 345 4001 (toll free).
- (m) The Company has appointed Mr. Vijayakrishna K T, Practising Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner: provided that the Scrutinizer so appointed may take assistance of a person who is not in employment of the Company and who is well-versed with the electronic voting system.
- (n) The voting rights of the Shareholders shall be in proportion to their shares of the Paid-up Equity Share Capital of the Company as on the cut-off date of 26th July, 2019 (Friday).
- (o) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 26th July, 2019 (Friday) 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 26th July, 2019 (Friday) may obtain the login ID and password by sending an email to evoting@karvy.com by mentioning their Folio No./DP ID and Client ID No. Else, if your Mobile number is registered against Folio No./DP ID-Client ID, the Member may send SMS:MYEPWD <space> Event Number + Folio or DP ID Client ID to +91 9212993399.

Example for NSDL :MYEPWD <SPACE>
IN12345612345678

Example for CDSL :MYEPWD <SPACE>
1402345612345678

Example for PHYSICAL :MYEPWD <SPACE>
XXX1234567

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

- (p) 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.

- (q) 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.
- (r) 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.
- (s) The results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.mro-tek.com and on <https://evoting.karvy.com> immediately after the result is declared by the Chairman. The Company shall, simultaneously, forward the results to the Stock Exchange where the shares are listed.
- (t) 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.
- (u) Institutional Members (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc., to the Scrutinizer through e-mail at vijaykt@vjkt.in, with a copy marked to evoting@karvy.com. File naming convention should be 'Corporate Name EVENT NO.' The documents should reach the Scrutinizer on or before the close of working hours on 29th July, 2019 (Monday).
- (v) 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

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

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

**Place: Bengaluru
Date: 22.05.2019**

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

Item Nos. 3 & 4:

At the Meeting of the Board held on 22nd May, 2019, Dr. Raghu Nambiar (holding DIN: 07325471) 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.

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 Dr. Raghu Nambiar as an Independent Director of the Company to hold office for 5 (five) consecutive years starting from **May 22, 2019 to May 21, 2024**.

The Board recommends the appointment of Dr. Raghu Nambiar for the approval of the Shareholders.

Brief Profile of DR. RAGHU NAMBIAR (Holding DIN- 07325471) is as mentioned below:

1. DR. RAGHU NAMBIAR (Holding DIN- 07325471):

Dr. Raghu Nambiar is a dynamic Professional [Ph.D. (Computer Engineering); M.E. (Electrical Engineering), B.Sc. (Phy., Chem., Maths.)]; having more than 35 years of in-depth multi-dimensional proven track record, with entrepreneurial experience, in large-sized Business undertaking, Mid-sized Companies manufacturing pharmaceutical sector, Continuous process Industry with Foreign collaborations, Global company manufacturing Products and Healthcare Company's.

Research Experience:-

- Researched, developed and implemented algorithms for an imaging processing library
- Developed new algorithms for multimodal optimisation problems combining stochastic learning automata, genetic algorithms and simulated annealing.

Books Publications

- Learning Algorithms: Theory and Applications in Signal Processing, Control and Communications, Phil Mars, J.R.Chen and Raghu Nambiar, CRC Press, 1996.

Except Dr. Raghu Nambiar, 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:

Mr. Aniruddha Bhanuprasad Mehta, is Chairman and Managing Director of the Company. During the tenure of Mr. Aniruddha Mehta, the Company had earned profits for last two consecutive years immediately preceeding the pervious year. The Board opted to re-appoint Mr. Aniruddha Mehta as Chairman and Managing Director for 2nd consecutive term.

The terms of appointment are described in the Resolution itself.

Other than Mr. Aniruddha B Mehta himself and Mrs. Gauri Aniruddha Mehta, none of the other Directors, Key Managerial Personnel or their Relatives are concerned or interested in the proposed Resolution as set out in item no. 5 of this notice.

The Board recommends an Ordinary Resolution set out in Item No. 5 of the Notice for approval by the Shareholders.

Brief Profile of Mr. Aniruddha Bhanuprasad Mehta is as mentioned below:-

Mr. Aniruddha Mehta, a born entrepreneur and a visionary leader, has been the iconic figure behind the success of the Umiya Group. He possesses a wide range of expertise and special skills instrumental in building a company committed to develop quality projects with sheer passion, diligence and a burning desire to achieve excellence. A graduate from Mumbai, Mr. Mehta is blessed with keen business acumen that was honed while working along with his uncle, who ran a public limited company and his grandfather in the Clearing & Freight Forwarding business.

He manages business in Bangalore, Goa and Mumbai.

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: 22.05.2019**

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)	Dr. Raghu Nambiar (DIN-07325471)	Mr. Aniruddha Bhanuprasd Mehta (DIN- 00720504)
Date of Birth	14.01.1964	30.01.1964	17.04.1961
Effective date of Appointment	08.08.2016	22.05.2019	08.08.2016
Qualifications	Graduate in Arts	Ph.D. (Computer Engineering), M.E. (Electrical Engineering), B.Sc. (Phy., Chem., Maths.),	Commerce Graduate
Expertise in specific functional areas	Business	Professional	Business
Directorships held in other Public companies (including Foreign Companies) as on date	NIL	NIL	NIL
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	NIL	NIL	NIL
Number of shares held in the Company	7,33,376	NIL	30,12,223

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, 2019.

- 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 PRDUCT WISE PERFORMANCE

As the Board of Directors reported in the last AGM, the Company has infused efforts to focus the business utilizing existing resources and skills now that policy stability and renewal of business demand is expected.

The Company continued its focus on four Business Units and created a new specialized business unit for new technology opportunities –

- Products
- Solutions
- Services
- EMS
- Software / Special Projects (New)

SEGMENT: PRODUCTS

During FY2018-19, factoring in the shrinkage of the telecom market, newer applications and changing demands, the Product management teams undertook a comprehensive review of its networking products.

Total 41 products out of 73 were culled - either obsolete technology or had poor demand, 32 products in the catalog were retained - current technology or had sustained demand. This simplified the product applications and provided clarity to sales teams.

The Company’s R&D teams have 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
Small Enterprise	1. Managed / Unmanaged L2/L3 switches 2. Branch Routers
Large Enterprise	1. Large scale CCTV Media Aggregator chassis

The Company has ongoing product evaluation and testing of its EFDA and STM4/16/64 Multiplexer with GE Alstom and planned to start TEC certification of the STM4/16/64 Multiplexer by Q2/ FY2019-20.

The proposal to launch consumer electronic products was postponed, due to present focus on Power transmission and Railway applications – where the profit margins are higher, and required less capital.

The company continued to be one of the few remaining Indian Original Equipment Manufacturers (OEMs) in the carrier class communication products business.

SEGMENT: SOLUTIONS

During FY2018-19, the company competitively bid and won two large projects in partnership with Bharat Sanchar Nigam Limited (BSNL) –

- SCADA network upgrade of Andhra Pradesh Eastern Power Distribution Company Limited (APEPDCL);
- turnkey setup of a Wide Area Network for ERP implementation for Western Coalfields Limited (WCL).

The total order value won in FY2018-19 was in excess of INR 36cr.

The team successfully executed the APEPDCL project and is currently running the maintenance of that network. The WCL progress is under completion and customer acceptance is expected in June, 2019 – post which it will enter maintenance / operations program.

The company’s focus continues on turnkey projects business in the following specific areas –

Segment	Technology / Solution
Turnkey Networking Solutions	Complete end to end supply of large network projects, Operations & Maintenance contracts

SEGMENT: SERVICES

In line with planning in FY2018-19, the Service Business Unit continues to the operations arm for maintenance / operations / repair of all OEM products sold by the company and turnkey projects executed by the company.

SEGMENT: ELECTRONIC MANUFACTURING SERVICES (EMS)

This Business Unit achieved the maximum growth during the intervening period since the last MDR. The program is ISO13485 crossed first audit barrier, the AS9100D program successfully crossed Tata Advanced Systems, GE Alstom and Alpha Design Technologies Ltd – preliminary qualification audits.

This business unit won new orders worth INR 25Crores. The company reposed its confidence in this business

vertical and decided to invest in world-class infrastructure and machinery to boost production capabilities and capacities. A program of Rs. 5 Crores investment was undertaken.

The business unit focused business segments as follows:

Industry segment	Customers
Aerospace & Defense	Alpha Design/Elbit, Tata Advanced Systems, AutoTec (Adani Defense)
Medical Electronics	Terumo Corp/Japan, SkanRay/India
Industrial Electronics	Kontron Controls

A key development from the government’s Preference for Domestically Manufactured Goods (PMA) and progressive administrative barriers (higher customs duties) on finished goods created new opportunities for the company.

Several overseas telecom/networking products vendors now need to Make In India – if they need to continue selling to this market – and the company started exploring several opportunities to become their manufacturing partner.

SEGMENT: SOFTWARE / SPECIAL PROJECTS

The Board believes in constant innovation and newer technology adoption. Disruption is everywhere, and sticking to only comfort areas carries high risk of stagnation and marginalization – which the previous experience of the company amply evidences.

In line with this vision, the company separated some of the breakthrough technology opportunities from the Solutions Business Unit into this focused new Business Unit led by a experienced technology expert.

This team has successfully expanded into specific technologies as follows:

Technology	Technology / Solution	Applications / Markets	Status
Unmanned systems	Unmanned Aerial Vehicle Systems (UAV)	Sale of UAV to customers in industrial, commercial, security and military, large scale agricultural, mining and power generation business	4 models of UAV ready and in testing / certification process. Shortlisted for supply in tender from BSF, CISF
UAV Applications	Geospatial applications	Survey / Mapping for Mining, Railways, Highways, Ports, Urban Planning	Trial projects conducted in Mining. Currently bidding for Mining projects.
	Ortho-photogrammetry	Photography, mapping and Video Analytic missions for Forestry, Agriculture, Mining, Industrial, Railways, Highways, Ports and Building Construction	Projects for Building Construction, Agriculture already successfully conducted. Bid for KIAL project
	Emergency Services	Disaster survey, Close in Video information support for Relief Operations, Fire Fighting Support in difficult to access locations	Fire Fighting Drone in final testing phase. Trial conducted with Bengaluru Fire Department and final fine tuning in progress
	Commercial applications	Precision irrigation of sensitive plantation crops, Targeted pesticide application, Pipeline / Chimney / Windmill blade inspection	Specialized drone platform developed and in testing. IOCL contract awarded
Software As a Service (SaaS)	Cloud based Network Management, Automation and Orchestration	Partnership deal signed with NetYCE of Netherlands. Platform development in progress, expected beta service launch in July 2019. Service will be available on Mobile App also.	Discussions ongoing with GE Alstom and Sterlite Technologies for B2B partnership for the Power and Telecom sectors respectively

Membership Services	Satellite Tracking Services	IRNSS+GPS based satellite tracking and emergency communication services on national scale with a Single Sign-on access to paid members. Service will be available in Mobile App also.	Partnership deal in progress with Alpha Design Technology Ltd
Security	CCTV, Fire Alarm, Access Control, Visitor Management, Asset Management, Parking	Comprehensive turnkey solutions for complete building / campus security systems including Biometric / Face Recognition systems	OYO Rooms awarded a contract for MRO-TEK Asset Management Solution

RISKS AND CONCERNS

The company has further consolidated its business focus into specific dedicated opportunities – a) Manufacturing; b) products for Power and Railways; COT Turnkey Projects and d) New technologies. These will continue to be the four pillars of the company for the next few years. The updated SWOT Analysis of the company is as follows:

STRENGTHS	<ol style="list-style-type: none"> 1. Trusted brand name 2. High quality engineering skills 3. Major Tier-1 customer confidence 	WEAKNESSES	<ol style="list-style-type: none"> 1. Product portfolio is limited 2. Ability to scale up quickly 3. High skill manpower bench is limited
OPPORTUNITIES	<ol style="list-style-type: none"> 1. Favorable trends in Government policies 2. Make In India initiatives 3. New revenue from specialized applications 	THREATS	<ol style="list-style-type: none"> 1. Liquidity crisis with most customers 2. Dependence on government customers 3. High inventory in manufacturing business

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control System (ICS) have been strengthen since the year 2018.

As on 22-May, 2019, 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
- ✓ 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 predominant customer Vodafone and Idea were into merger and is in the process of consolidation which has impacted adversely the operation revenue for the current year. The order execution from core erstwhile customers of Networking product business has reduced significantly. However, the Company expanded the customer base for Railway business by appointing few dealers to mitigate the damages.

Further, to reduce the dependency on networking product business, the Company focused and expanded EMS business. The Company replaced old plant and machinery and invested on high end technical equipment and infrastructure to improve the capabilities of manufacture. The company was successful in getting the prime medical customers. In addition to this, the Company built the team of professionals in turnkey project solutions to participate on System Integration works. In

this regard, the Company empanelled itself in major BSNL Circles and received orders for execution during the year from BSNL.

The company has been able to –

1. Analyze and consolidate performance measurement metrics of individuals, Business Units and teams for effective performance improvement
2. Increase the Plant capacity and invested on new test equipment to strengthen the quality assurance of the manufactured products.
3. Implement ISO27001 Quality systems with a consistent emphasis on Continuous Improvement / Kaizen programs.
4. Implement Quality Management Systems
5. Eliminate manual controls and reporting by a large extent
6. Increase accountability and result oriented effort from its employees and associates
7. Strengthen the quality team.

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.

Key financial ratios comparison:

PARTICULARS	2018-19	2017-18
Debtors Turnover	4.47	3.93
Inventory Turnover	1.83	3.35
Interest Coverage Ratio	(3.32)	4.59
Current Ratio	0.69	1.06
Debt Equity Ratio	8.06	0.99
Operating Profit Margin (%)	-35%	17%
Net Profit Margin (%)	-36%	19%
Return on Net Worth	(2.69)	1.11

MATERIAL DEVELOPMENTS IN INDUSTRIAL RELATIONS FRONT

During the year under review, your management had recruited 65 new employees 2018-19. The Management also is focusing on the Electronic/Contract Manufacturing Services (EMS/CMS) which requires significant workforce. Your Company had employed and is planning to employ good number of skilled /unskilled labour in near future. This lead to generate an employment opportunity within the industry .Your Company is focusing on Good Governance policy. The Management was able to have cordial relationship with employees at all levels and there was no industrial dispute case observed during the year under review.

BOARD'S REPORT

To

THE MEMBERS OF

MRO-TEK REALTY LIMITED

Your Board of Directors has pleasure in presenting the 35th Annual Report and the Audited financial results for the year ended 31st March, 2019 together with the Independent Auditors' Report and the Secretarial Audit Report.

1. FINANCIAL RESULTS:

Particulars	2018-19 (Rs. in Lakhs)	2017-18 (Rs. in Lakhs)
Net Revenue from operations	2,691.56	3,680.42
Other Income	40.58	116.34
Operation Profit (Loss) before Interest and Depreciation	(568.90)	1,020.15
Operation Profit (Loss) before Interest	(660.98)	939.98
Interest and other Finance Costs	(247.74)	(244.33)
Operation Profit (Loss) before Taxation and Extraordinary/Exceptional items	(908.72)	695.65
Exceptional Items	0	85.16
Profit/(Loss) before Tax	(908.72)	780.81
Provision for Taxation (Deferred Tax Adjustments)	6.88	(32.37)
Profit / (Loss) after Taxation	(901.84)	748.44
Loss from Discontinuing Operations	(84.18)	(28.34)
Profit/(Loss) for the period	(986.02)	720.10
Other Comprehensive	2.87	10.60
Total Comprehensive Income	983.15	730.70

Your Company's financial statements for the year ended March 31, 2019 are the 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:

The order position of your Company as on 31st March 2019 is Rs. 5,574.85 Lakhs. The break up of pending order execution BU wise is as follows:

Products BU	Rs. 142.85 Lakhs
EMS BU	Rs. 2,349.00 Lakhs
Solutions BU	<u>Rs. 3,083.00 Lakhs</u>
Total	Rs. 5,574.85 Lakhs

At the outset the Management would like to convey gratitude to the Shareholders for having trust and confidence on the Company and for continuously supporting the Company.

The Company has incurred loss of Rs. (986.02) Lakhs as against profit of Rs. 720.10 Lakhs for the corresponding previous year.

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

- The revenue from operations from Product business, EMS, Solutions and Real estate during the year 2018-19 are Rs. 1910 Lakhs, Rs. 491 Lakhs, Rs. 291 Lakhs and NIL as against Rs. 1,952 Lakhs, Rs. 169 Lakhs, Rs. 175 Lakhs and Rs. 1,384 Lakhs respectively for the corresponding year 2017-18.
- The Company strived to retain core product business irrespective of massive disrupt which took place in the telecom sector. It may be noted that the Industry is undergoing a consolidation process and the key customers were adversely affected. The revenue from customers in this segment like Vodafone/Idea, Bharti Airtel, Tata Communications, etc., has fallen from Rs. 1,565 Lakhs (Previous year 2017-18) to Rs. 916 Lakhs during the year 2018-19. However, the revenue from Network product with respect to Railway products has gone up considerably as compared to previous year.
- The Company incurred expenditure towards renovation of factory infrastructure to meet the international standards of operation to capture defence and medical segment for EMS. The Company succeeded in getting the medical and defence customers. The order position in this segment as on 31st March 2019 is Rs. 2,349.00 Lakhs.
- The Company has increased the plant and machinery capacity by infusing the additional machineries valuing Rs. 281.56 Lakhs during the year 2018-19.
- The Company captured telecom turnkey solution project from BSNL for West Coalfield Limited and the size of the order is Rs. 3,083 Lakhs which is expected to be executed in the year 2019-20.
- To improve the business, the Company diversified its business by introducing the IT & Drones Business unit to capture the opportunities in the market.
- The Company has incurred Operating Loss of Rs. 568.90 Lakhs before exceptional items / extraordinary items, discontinuing operations, finance cost and depreciation during the year 2018-19 as against Operational Profit of Rs. 1,020.15 Lakhs during the previous year.
- The Company has incurred a loss of Rs. 84.18 Lakhs from discontinuing operations of Solar

business segment during the year 2018-19 as against Rs. 28.34 Lakhs during the corresponding previous year 2017-18.

- The net worth of the Company stood at Rs. 366 Lakhs as on 31st March 2019 as against Rs. 1,349 Lakhs as on 31st March 2018.
- To meet the gap of working capital, the Company availed working capital limits of Rs. 1,000.00 Lakhs from Vijaya Bank during the year.
- Chairman and Managing Director of the Company infused Rs. 2,060.00 Lakhs till March 31, 2019 as Working Capital to meet the fund requirements for the day to day operations and has been supporting the Company by infusing funds as and when required. The Company has been paying interest and repaying principal on existing loans to banks within stipulated time promptly.
- The total sales turnover of the Company stood at Rs. 2691.56 Lakhs as against Rs. 3,680.42 Lakhs as compared to previous year. Details on segmental revenue and performance are furnished in Note 31 on 'Supplementary Notes to Accounts.

2. SHARE CAPITAL:

The Company has Authorised Share Capital of Rs. 15,00,00,000/- (Rs. Fifteen Crores Only) divided into 3,00,00,000 (Three crores) Equity Share of Rs. 5/- (Rs. Five only) each. During the year there were no changes in the Company's Paid-up Equity Capital and as on 31st March, 2019 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 (one crore eighty six lakh eight four thousand six hundred and two) equity shares of Rs. 5/- (Rupees Five only) each.

Disclosure regarding Issue of Equity Shares with Differential Voting Rights

During the financial year under review, the Company has not issued any Shares with Differential Voting Rights.

Disclosure regarding issue of Employee Stock Options:

During the financial year under review, the Company has not issued any Employee Stock Options.

Disclosure regarding issue of Sweat Equity Shares:

During the financial year under review, the Company has not issued Sweat Equity Shares.

3. CHANGE IN NATURE OF BUSINESS:

During the year under review, 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:

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.

In view of the continues losses, your Board regrets inability to recommend any 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, Four (4) meetings of the Board of Directors were held on the following dates: 23.05.2018, 31.07.2018, 12.11.2018 and 07.02.2019 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 five Committees viz. the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee and the Management 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:

Brief profile of each Director and KMP:

1. DR. RAGHU NAMBIAR (Holding DIN- 07325471):

Dr. Raghu Nambiar is a dynamic Professional [Ph.D. (Computer Engineering); M.E. (Electrical Engineering),

B.Sc. (Phy., Chem., Maths.)); having more than 35 years of in-depth multi-dimensional proven track record, with entrepreneurial experience, in large-sized Business undertaking, Mid-sized Companies manufacturing pharmaceutical sector, Continuous process Industry with Foreign collaborations, Global Company manufacturing Products and Healthcare Company's.

Research Experience:-

- Researched, developed and implemented algorithms for an imaging processing library
- Developed new algorithms for multimodal optimisation problems combining stochastic learning automata, genetic algorithms and simulated annealing.

Books Publications

- Learning Algorithms: Theory and Applications in Signal Processing, Control and Communications, Phil Mars, J.R. Chen and Raghu Nambiar, CRC Press, 1996.

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.

Brief Profile:

Mrs. Gauri Aniruddha Mehta, born in business family, graduated in Arts and a landscape architect by passion, having more than 35 years of in-depth multi-dimensional proven track record, with entrepreneurial experience, in large-sized Business undertaking, Mid-sized Companies in the Real Estate Business.

Re-appointment of Chairman and Managing Director:-

After successfully completion of Three (3) years of the tenure as the Chairman and Managing Director of your Company , The Board of Directors had Re-appointed Mr. Aniruddha Bhanuprasad Mehta as Chairman and Managing Director which subject to approval of Shareholders in forthcoming General Meeting.

Brief Profile:

Mr. Aniruddha Bhanuprasad Mehta, a born entrepreneur and a visionary leader, has been the iconic figure behind the success of the Umiya Group. He possesses a wide range of expertise and special skills instrumental in building a Company committed to develop quality projects with sheer passion,

diligence and a burning desire to achieve excellence. A graduate from Mumbai, Mr. Mehta is blessed with a keen business acumen that was honed while working with his uncle, who ran a public limited Company and his grandfather in the Clearing & Freight Forwarding business. An opportunity that presented itself while on a business trip established him in Bangalore.

A small upmarket residential project saw the birth of Umiya in the year 2000 and there was no looking back. A few more residential projects gave Mr. Mehta the confidence to expand his horizon beyond Bangalore and the first step to his dream was fulfilled by setting up his business in Goa in the year 2007 and now he is looking for turnaround of our Organization

Mr. Mehta's passion for work, meticulous work ethics and drive for quality has today earned the confidence and trust of investors and his customers.

As on 22nd May, 2019, Mr. M V Sampath Kumar ceased to hold office as Independent Director of the Company. The Board places on record its appreciation of the invaluable contribution and guidance provided by the outgoing Director.

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 RELATIONSHIPS COMMITTEE & CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

Following are the compositions of various Committees:

i) Audit Committee:	
Name	Designation
a. Mr. Mohan Subramaniam	Chairman
b. Mr. Sudhir Kumar Hasija	Member
c. Mr. M V Sampath Kumar	Member
d. Mrs. Gauri A Mehta	Member

ii) Nomination and Remuneration Committee	
Name	Designation
a. Mr. Sudhir Kumar	Chairman
b. Mr. Mohan Subramaniam	Member
c. Mr. M V Sampath Kumar	Member
d. Mrs. Gauri A Mehta	Member

iii) Stakeholders' Relationship Committee:	
Name	Designation
a. Mr. Sudhir Kumar Hasija	Chairman
b. Mr. Mohan S	Member
c. Mr. M V Sampath Kumar	Member
d. Mrs. Gauri A Mehta	Member

iv) Corporate Social Responsibility Committee:	
Name	Designation
a) Mr. M V Sampath Kumar	Chairman
b) Mr. Sudhir Kumar Hasija	Member
c) 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. STATUTORY AUDITORS:

The Statutory 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 28th September, 2017 for a period of 4 years continue to act as Statutory Auditors of the Company for the Financial year 2019-20 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, Practising 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**).

Explanations by the Board on adverse comments by Secretarial Auditors:

There were no adverse comments by the Auditors of the Company and hence, no explanations are provided.

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 27001:2013 (Information security Management System), ISO /IEC 20000-1:2011 (Information Technology services Management System), ISO 9001:2015 (Quality Management Systems) and ISO 14001:2015 (Environmental Management Systems). 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, Information Technology and Drones.

During the year no amount was incurred towards Capital Expenditure in this division. 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 (c) of Note 35 on 'Notes on accounts and other explanatory information.

18. DEPOSITS:

Your Company has not invited/accepted/renewed any deposits from the public as defined under the provisions of the Companies Act, 2013 and accordingly, there were no deposits which were due for repayment on or before 31st March, 2019.

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 given 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

22. RISK AND AREA OF CONCERN:

The Company reviewed risk and laid down a 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 and the Board periodically review the risks and suggest steps to be taken to manage/mitigate the same.

23. NOMINATION AND REMUNERATION COMMITTEE POLICY:

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

24. CORPORATE SOCIAL RESPONSIBILITY:

During the year under review, your Company has incurred loss of Rs. 983.15 Lakhs. Hence, the Company was not required to incur any CSR Expenditures during the year.

25. RELATED PARTY TRANSACTIONS:

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

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

There are no employees receiving remuneration more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum and /or Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand only) per month. Therefore statement/disclosure pursuant to Sub Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) per financial year or Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand only) per month as the case may be. Therefore statement/disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

29. 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 2019-20 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.

28. 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 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.

29. CAPITAL EXPENDITURE:

As on 31st March, 2019, the gross tangible and intangible assets stood at Rs.15,66,30,845/- and the net tangible and intangible assets, at Rs. 12,87,13943/-. Additions during the year amounted to Rs. 6,44,49,815/-.

30. JOINT VENTURE:

Your Joint venture Company RAD- MRO Manufacturing Private Limited had got order of dissolution from NCLT, Bangalore as on 1st January, 2019. The Ministry of Corporate Affairs (MCA) Data base was got updated.

31. 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.

32. INDUSTRIAL RELATIONS:

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

33. 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 2018-19:

No of complaints received : NIL

No of complaints disposed off: NIL

34. CODE OF CONDUCT:

In terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, all the Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management for the year FY 2018-19. As

required under Schedule V (D) of the said Regulations, a declaration signed by the Managing Director and Chief Finance Officer of the Company stating that the Members of the Board and the Senior Management Personnel have affirmed compliance of their respective code of Conduct.

35. 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.

36. ACKNOWLEDGEMENTS

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

Your Directors acknowledge and appreciate the guidance and support extended by all the Governmental agencies, the Regulatory authorities including 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 : 22.05.2019

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: 22.05.2019

Sudhir Kumar Hasija
DIN: 00157168
Date: 22.05.2019

M V Sampath Kumar
DIN: 07613043
Date: 22.05.2019

Annexure-II
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:** L28112KA1984PLC005873
- ii) **Registration Date:** 10.02.1984
- iii) **Name of the Company:** MRO-TEK Realty Limited
- iv) **Category /Sub-Category of the Company:** Company limited by shares and Indian Non -Government Company
- v) **Address of the registered office and contact details:**

Registered Office: #6, New BEL Road, Chikkamaranhalli, Bengaluru - 560 054	
Tel. :	080-42499000
Fax. :	080-2333 3415
Email :	cs@mro-tek.com
Website:	www.mro-tek.com

- vi) **Whether listed company:** Yes

Details of stock exchanges where the shares are listed:

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

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

Karvy Fintech 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	9983325	70.10
2	EMS (Electronic Contract Manufacturing Services)	2610	18.30
3	Solutions	6201	10.70

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: NCLT had Passed order to dissolved the RAD-MRO Manufacturing Private Limited as on 1st January, 2019

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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3498287	0.00	3498287	18.72	3745599	0	3745599	20.05	1.32
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.	6068448	0.00	6068448	32.48	6323940	0.00	6323940	0.00	1.37
e) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total shareholding of Promoter (A) (1)	9566735	0.00	9566735	51.20	10069539	0.00	10069539	53.89	2.69
(2) Foreign									
a) Individual / HUF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total shareholding of Promoter (A) (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Shareholding Promoter & Promoter Group (A)=(A)(1)+(A)(2)	9566735	0.00	9566735	51.20	10069539	0.00	10069539	53.89	2.69
B. Public Shareholding									
1. Institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Banks / FI	850.00	0.00	850.00	0.02	650.00	0.00	650.00	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
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.	426090	0	426090	2.28	451417	0	451417	2.42	0.41
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	3784436	43094	3827530	20.48	3651492	40909	3692401	19.76	-0.72
ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	4659790	50000	4709790	25.21	4244493	50000	4294493	22.98	-2.22
c) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Resident Indians	64846	64,864	0.00	0.35	84,210	0.00	84,210	0.45	0.10

Overseas Corporate Bodies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IEPF	84318	0.00	84318	0.45	84318	0.00	84318	0.45	0.00
Clearing Members	4443	0.00	4443	0.02	4443	7574	0	7574	0.02
NBFC	0.00	0.00	0.00	0.00	850	0.00	850	0.00	0.00
Foreign Bodies -D R									
Sub-total (B)(2):-	9023923	93094	9117017	48.79	8523504	90909	8614413	46.10	-2.69
Total Public Shareholding (B)= (B)(1)+ (B)(2)	9024773	93094	9117867	48.79	8524154	90909	8614413	46.10	-2.69
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	18591508	93094	18684602	100.00	18593693	90909	18684602	100.00	0.00

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	733376	3.93	0	1.33
3	Umiya Holding Private Limited	6068448	32.48	0	6323940	33.85	0	1.37
	TOTAL	9566735	51.20	0	10069539	53.89	0	2.69

(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	86,37,011	46.23	95,66,735	51.20
	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)	9,29,724	4.98	502804	2.69
	At the end of the year	95,66,735	51.20	10069539	53.89

(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	170965	0.92	0	0.00
3	Kanoria Moulders Private Limited	117106	0.63	117106	0.63
4	Anil Kathotia	96000	0.51	84800	0.45
5	Babita Kathotia	95467	0.51	95467	0.51
6	Investor Education And Protection Fund Authority MCA	84318	0.45	84318	0.45
7	Athul Vasudeva Kudva	80240	0.43	0	0
8	Chhaganlal L Lakhani	78081	0.42	78081	0.42
9	N G N Puranik	75000	0.40	0	0
10	Paresh Lalitchandra Mehta	69081	0.37	61320	0.33

(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				
	Mr. Aniruddha B Mehta (Chairman & Managing Director)	30,12,223	16.12	30,12,223	16.12
	Mrs. Gauri A Mehta (Director)	4,86,064	2.60	4,86,064	2.60
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0.00	0.00	2,47,312	1.33
	At the end of the Year				
	Mr. Aniruddha B Mehta	30,12,223	16.12	30,12,223	16.12
	Mrs. Gauri A Mehta	4,86,064	2.60	7,33,376	3.93

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment - Rs. 2946.80 /- 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	30,00,000	30,00,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- Others, specify...		
5	Others, please specify		
	Total (A)	30,00,000	30,00,000

B. Remuneration to other Directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Total Amount (in Rs.)			
		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	92,000	20,000		46,000
	• Commission				
	• Others, please specify				
	Total (1)	92,000	20,000		46,000
2	Other Non-Executive Directors				
	• Fee for attending board / committee Meetings			92,000	92,000
	• Commission				
	• Others, please specify				
	Total (2)			92,000	0
	Total (B)=(1+2)	92,000	20,000	92,000	46,000

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	1. Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	83,48,000	7,39,479	33,15,322	1,24,02,801
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	Total	83,48,000	7,39,479	33,15,322	1,24,02,801

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the
MRO-TEK Realty Limited

Aniruddha Bhanuprasad Mehta
Chairman and Managing Director
DIN: 00720504

Place: Bangalore
Date: 22.05.2019

ANNEXURE - III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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)

Bangalore

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MRO-TEK REALTY LIMITED (CIN: L28112KA1984PLC005873) (hereinafter called 'the Company'). The 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 March 31, 2019 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 MRO-TEK Realty Limited for the financial year ended on 31.03.2019 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
 - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (i) Circulars/Guidelines issued thereunder;

(vi) The Industry specific laws applicable to the Company are as follows:

- The Information Technology Act, 2000
- The Special Economic Zone Act, 2005
- Policy relating to Software Technology Parks of India and its Regulations
- The Indian Copyright Act, 1957
- The Patents Act, 1970
- The Trade Marks Act, 1999

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

- Karnataka Shops & Commercial Establishment 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 & Rule
- 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
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act
- For majority of Central Labour Laws, the States have introduced Rules [names of each of the Rules is not included here]
- The Competition Act, 2002
- The Indian Contract Act, 1872
- The Sales of Goods Act, 1930
- The Indian Stamp Act, 1899
- The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meeting 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. Certain non material findings made during the course of the audit relating to Labour Laws were addressed suitably by the Management.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report and the Internal Audit Report provided by the Statutory/Internal Auditors.

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.

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.

Place: Bangalore

Vijayakrishna KT

Date: 22.05.2019

FCS No.: 1788

C P No.: 980

Note: This report is to be read with our 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, Goods and Service Tax.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore

Vijayakrishna KT

Date: 22.05.2019

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 Services
 - (b) Nature of contracts/arrangements/transactions:
 - 1. Purchase of NMS Softwares for western coalfield Limited (WCL) project .
 - 2. Advance received for sale of CCTV Cameras.
 - (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:
 - 1. Purchase of NMS Softwares for western coalfield Limited (WCL) project (Inc. of GST) – Rs. 1,78,18,000
 - 2. Advance received for sale of CCTV Cameras. – Rs. 50,000
- (a) Date(s) of approval by the Board, if any: **22nd May, 2019 (omnibus approval)**

For and on behalf of MRO-TEK Realty Limited

Aniruddha Bhanuprasad Mehta
Chairman & Managing Director
DIN: 00720504

Place: Bengaluru
Date : 22.05.2019

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;	<p>Name of Directors Ratio Mr. Aniruddha Bhanuprasad Mehta 6.18:1 Mr. Sudhir Kumar Hasija 0.04:1 Mr. M V Sampath Kumar 0.19:1 Mrs. Gauri Aniruddha Mehta 0.09:1 Mr. Mohan Subramanian</p> <p>Name of KMP Mr. Aniruddha Bhanuprasad Mehta (CMD) 06.18:1 Mr. Sudipto Gupta (CEO) 06.83:1 Mr. Srivatsa (CFO) 06.09:1 Mr. Barun Pandey (CS) 01.52:1</p>
(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 KMP.
(iii) The percentage decrease in the median remuneration of employees in the Financial Year;	3.29% *
(iv) The number of permanent employees on the rolls of Company as on 31.03.2019;	98
(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. Average Increase in percentage salaries to KMP is NIL
(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

* During the year under review number of permanent employee is increased to 98 from 70.

** Median Remuneration for the year ended 31st March, 2019 is Rs. 4,85,700/- Per annum.

For and on behalf of MRO-TEK Realty Limited

Aniruddha Bhanuprasad Mehta
Chairman & Managing Director
DIN: 00720504

Place: Bengaluru
Date : 22.05.2019

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.

- I. None of the Directors on the Board hold directorships in more than eight Listed Companies or ten public companies or acts as an Independent Director in more than seven (7) Listed Companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors.
- II. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. Declaration as required under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act with respect to criteria for independence has been sought.

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 Bangalore, India. The agenda for each Board Meeting along with explanatory notes are distributed in advance to the Directors. The Board meets at least once a quarter 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. M V Sampath Kumar	08.08.2016	22.05.2019
2	Dr. Raghu Nambiar	22.05.2019	-

Note: Mr.M V Sampath Kumar, resigned from the office Independent Director w.e.f. 22nd May, 2019. Further, Dr. Raghu Nambiar was appointed as an Additional–Non-Executive Independent Director w.e.f. 22nd May, 2019.

Reason for Resignation of Mr. M V Sampath Kumar - due to advancing age of 75 years and respecting Corporate Governance Philosophy resigned from the office of Director.

Board Meetings:

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

A total of 4 (Four) Meetings of the Board of Directors were held during the year under review on 23rd May 2018, 31st July, 2018, 12th November, 2018 and 7th February, 2019. Attendance of Directors at the Board Meetings held during the year 2018-19 and the details of directorships, Committee Chairmanships and Memberships are exhibited below:

Name	Names of the Listed Entities where the person is a director and category of directorship
Mr. Aniruddha Bhanuprasad Mehta	MRO-TEK Realty Limited – Executive Director
Mr. Sudhir Kumar Hasija	MRO-TEK Realty Limited – Non-Executive Independent Director
Mr. Mohan Subramaniam	MRO-TEK Realty Limited – Non-Executive Independent Director
Mrs. Gauri Aniruddha Mehta	MRO-TEK Realty Limited – Non-Executive Director
Dr. Raghu Nambiar	MRO-TEK Realty Limited – Non-Executive Independent Director

Name of Director	Position	No. of Board Meetings Attended during the year	Attendance at Prev. AGM on 23.08.2018	No. of outside Directorships held	No. of membership / Chairmanship in other Board Committees#
Executive Directors:					
Mr. Aniruddha Bhanuprasad Mehta	Chairman & Managing Director	4	Present	4	-
Non-Executive, Non-Independent Directors:					
Mrs. Gauri Aniruddha Mehta	Director	4	Present	4	-
Non-Executive, Independent Directors:					
Mr. M V Sampath Kumar	Director	4	Present	1	-
Mr. Sudhir Kumar Hasija	Director	1	Not Present	8	2
Mr. Mohan Subramanian	Director	2	Present	2	1

Notes:

- Expect Mr. Gauri Aniruddha Mehta, None of the Directors is related to any Director or is a member of an extended family;
- None of the employees of the Company is related to any of the Directors;
- None of the Directors has any business relationship with the Company except Mr. Aniruddha Bhanuprasad Mehta ;
- None of the Directors has received any loans or advances from the Company during the year.
- The above table excludes Directorship in Private Companies, Foreign Companies and Companies registered under section 8 of the Companies Act, 2013.

Chart or a matrix setting out the skills/expertise/competence of the board of Directors

Sl.No.	Name of the Director	Skills/ Expertise
1.	Mr. Aniruddha Prasad Mehta	Leadership, Financial, Sales and Marketing , Board Services and governance , Technology, Diversity, Huge Business experience.
2.	Mrs. Gauri Aniruddha Mehta	Leadership, Financial, Board Services and Governance , Technology, Diversity.
3.	Mr. Sudhir Kumar Hasija	Leadership, Financial, Sales and Marketing , Board Services and governance , Technology, Diversity, huge Telecom Industry business experiences.

4.	Mr. Mohan Subramaniam	Leadership, Financial, Sales and Marketing , Board Services and governance , Technology, Diversity, huge business experiences.
5.	Dr. Raghu Nambiar	Leadership, Financial, Sales and Marketing , Board Services and governance , Technology, Diversity, Research and Development.

Provide skills/expertise/competencies of the Board as a collective team

#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. Mohan Subramaniam as Chairman of the Audit 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 34thAnnual General Meeting of the Company to answer queries of the Shareholders.

During the year, the Committee met 4 (four) times on 23.05.2018, 31.07.2018, 12.11.2018 and 07.02.2019. 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. Mohan Subramaniam	Chairman	2
Mr. M V Sampath Kumar	Member	4
Mr. Sudhir Kumar Hasija	Member	1
Mrs. Gauri Aniruddha Mehta	Member	4

Note: Mr.M V SampthKumar, resigned from the office Independent Director w.e.f. 22nd May, 2019. Further, Dr. Raghu Nambiar was appointed as an Additional–Non-Executive Independent Director w.e.f. 22nd May, 2019.

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 Non-Executive–Non Independent Director. The Committee comprised of Mr. Sudhir Kumar Hasija as Chairman of the Committee. Mr. Mohan Subramanian, 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:

- i) Laying down the criteria which shall form the basis for enabling the Nomination and Remuneration Committee to identify persons who are qualified to become Directors of the Company, including Board Diversity.
- ii) Laying down the criteria which shall form the basis for enabling the Nomination and Remuneration Committee to identify the persons who may be appointed in Senior Management of the Company.
- iii) Formulation of criteria for determining qualifications, positive attributes and independence of a Director.
- iv) Evaluation of every Director's performance by the Nomination and Remuneration Committee.
- v) 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 31st March, 2019. No stock options were granted/allotted under ESOS, to any of the Directors.

During the financial year, the Committee met Two (2) times on 23rd May, 2018 and 7th February 2019.

Name of Directors	Designation	No. of Meetings Attended
Mr. M V Sampath Kumar	Member	2
Mr. Sudhir Kumar Hasija	Chairman	1
Mrs. Gauri Aniruddha Mehta	Member	2
Mr. Mohan Subramanian	Member	1

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 Board 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 2018-19

(In Rupees)

Name of the Directors	Sitting Fee*	Salaries	Provident Fund & Superannuation	Total
Mr. Aniruddha Bhanuprasad Mehta	Nil	30,00,000	-	30,00,000
Mrs. Gauri Aniruddha Mehta	92,000	NIL	NIL	92,000
Mr. Mohan Subramaniam	46,000	NIL	NIL	46,000
Mr. M V Sampath Kumar	92,000	NIL	NIL	92,000
Mr. Sudhir Kumar Hasija	20,000	NIL	NIL	20,000

*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 Subramanian as Members of the Committee. Further, except Mrs. Gauri Aniruddha Mehta all the others are Independent and Non-Executive Directors. Mr. M V SampathKumar has resigned from the membership of the Committee w.e.f. 22nd May, 2019 and Dr. Raghu Nambiar was appointed as a member of Committee in his place.

During the year, the Committee met three times on 23rd May, 2018, 12th November 2018 and 7th February, 2019.

Name of Directors	Designation	No. of Meetings Attended
Mr. M V Sampath Kumar	Member	3
Mr.Sudhir Kumar Hasija	Chairman	1
Ms.Gauri Aniruddha Mehta	Member	3
Mr. Mohan Subramanian	Member	2

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 31st March, 2019:

Brought Forward	Received afresh	Disposed	Carried-over
NIL	1	1	NIL

Corporate Social Responsibility Committee:

In Compliance with the section 135 of the Companies Act, 2013, Your Company had constituted the Corporate Social Responsibility Committee.

Composition of Committee are as follows:

Sl. No.	NAME	DESIGNATION
1	Dr. Raghu Nambiar	Chairman
2	Mr. Sudhir Kumar Hasija	Member
3	Mrs. Gauri Aniruddha Mehta	Member

Further Your Company has incurred loss of Rs. 983.15 Lakhs. Hence, the Company was not required to incur any CSR Expenditures during the year. The CSR Policy is disseminated on the website of the Company at http://www.mro-tek.com/pdf/CSR_Policy_MRO-TEK.pdf.

Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 07.02.2019 at No. 6 , New BEL Road to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Company has issued formal letters of appointment to the Independent Directors and the terms and conditions of appointment have been disclosed on the website of the Company. 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/investors/Fam18-19.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 and disseminated on the website of the Company at (http://www.mro-tek.com/pdf/Code_of_Conduct%20MRO-TEK.pdf).

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.)

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 31st March, 2019 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.

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 programs and by circulars. The Company affirms that the mechanism provides adequate safeguards against victimization of Director(s)/employee(s) who use the mechanism, and provide 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>.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

SNO.	PARTICULAR	NO OF COMPLAINTS
A	Number of complaints filed during the financial year	NIL
B	Number of complaints disposed of during the financial year	NIL
C	Number of complaints pending as on end of the financial year	NIL

Certificate from a Company Secretary in Practice

None of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority forms an integral part of Annual Report.

Total fees for all services paid by the MRO-TEK Realty Limited and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part;

Total Number of Subsidiary or Associate Company- NIL

Total fees for all services paid by the Company to Statutory Auditors :- INR 15.50 Lakh

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 2018-19 or as on March 31, 2019 are in compliance with the requirements of Corporate Governance under the Listing Agreement 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. The Company is in the regime of unqualified financial statements.
- ii. 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.
- iii. 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.
- iv. 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 are as follows:

Year	Location	Date	Time
2016	BhartiyaVidyaBhavan, # 43, Race Course Road, Bangalore -560 001	21 st September, 2016	12:30 PM
2017	Woodlands Hotel, # 5, Rajaram Mohan Roy Road , Bangalore -560 025	28 th September, 2017	12:00 Noon
2018	Hotel HotelAjantha, Rohini Hall, 22-A, M G Road, Bengaluru -560 001.	23 rd August, 2018	12:00 Noon

SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE ANNUAL GENERAL MEETINGS:

Year	Special Resolutions
2016	NIL
2017	NIL
2018	NIL

Postal Ballot:

Following are the Resolutionspassedduring the year through Postal Ballot:

Year	Special Resolutions
2016	NIL
2017	NIL
2018	NIL

Disclosures:

Transactions with Related Parties are disclosed in Note no. 31 Point (ii) on ‘Supplementary 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 (www.nseindia.com) and BSE Limited (www.bseindia.com)
II	Publications in News Papers	Published in National and local dailies i.e., Financial Express (English) & Sanjevani (Kannada) immediately next day
III	Publications in Websites	www.mro-tek.com
IV	Displaying of official news releases	www.mro-tek.com and official websites of NSE and BSE
V	Presentations to Institutional Investors or analysts	www.mro-tek.com

SHAREHOLDER INFORMATION:

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

Date	Time	Venue
02.08.2019	11:30	Woodland Hotel, No-5, Rajaram Mohan Roy Road, Bangalore 560 025, Bengaluru -560 001

b) Particulars of Financial Calendar for the financial year 2019-20

Financial Year	1 st April, 2019 to 31 st March, 2020
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: 27th July, 2019 –to 2nd August, 2019 (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 2019-20.
- Annual custody fee has been remitted for NSDL and CDSL for the financial year 2019-20.

e) Stock Exchange Codes

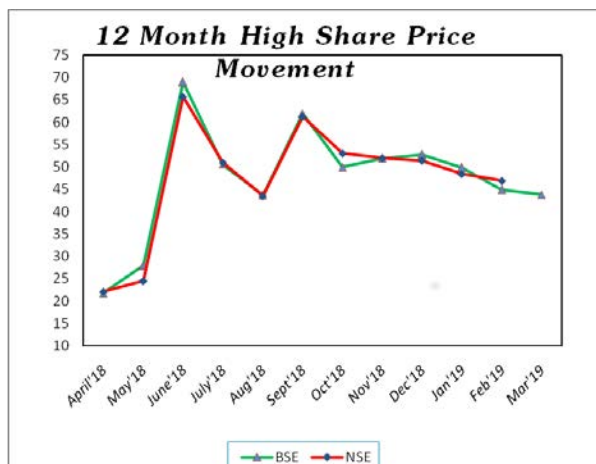
Stock Exchange	Code
National Stock Exchange Limited, Mumbai	MRO-TEK
BSE Limited, Mumbai	532376

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 2018-19 is furnished below:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Apr-18	21.80	18.50	1,37,578	22.15	17.50	2,24,000
May-18	27.90	20.00	1,84,901	24.50	20.00	5,69,000
Jun-18	69.00	26.55	31,98,867	65.70	25.70	17746000
Jul-18	50.60	32.60	53,38,480	50.95	32.50	13489000
Aug-18	43.70	26.15	26,23,185	43.45	25.25	5968000
Sep-18	61.90	38.00	1,88,25,812	61.20	38.00	18647000
Oct-18	50.00	36.10	24,80,732	53.00	36.20	6293000
Nov-18	51.90	41.00	20,19,006	52.00	40.25	9384000
Dec-18	52.80	41.55	24,59,060	51.40	40.65	4525000
Jan-19	49.85	38.85	23,07,715	48.40	39.00	3838000
Feb-19	44.90	33.35	6,95,355	46.90	34.15	1740000
Mar-19	43.85	37.00	5,77,274	42.65	37.25	86600



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 affected within a maximum of 15 days from the date of receipt, if all required documentation is submitted.

j) Distribution of Shareholding as on 31st March, 2019:

Sl. No	Category	Cases	% of Cases	Amount	% Amount
1	up to - 5000	9741	93.77	99,20,660.00	10.62
2	5001 - 10000	355	3.42	2,740,260.00	2.80
3	10001 - 20000	138	1.33	1,998,660.00	2.14
4	20001 - 30000	66	0.55	16,33,415.00	1.89
5	30001 - 40000	23	0.25	8,51,075.00	0.91
6	40001 - 50000	16	0.15	7,52,820.00	0.80
7	50001 - 100000	24	0.21	17,98,145.00	1.92
8	100001 & ABOVE	25	0.26	7,37,27,975.00	78.92
	Total:	10338	100.00	93423010.00	100.00

k) Categories of Shareholding as on 31st March, 2019

Category	No. of Shareholders	Total Shares	%	Equity Share Pledged	
				No	%
Promoters Group	3	10069539	53.89	NIL	NIL
NRIs/ Foreign Nationals	103	84,210	0.45	N/A	N/A
NBFCs Registered with RBI	1	650	0	N/A	N/A
Bodies Corporate	148	451,917	2.42	N/A	N/A
HUF	257	285,592	1.52		
Public	9,864	7,700,802	41.22	N/A	N/A
CLEARING MEMBERS	11	7574	0.04	N/A	N/A
IEPF	1	84318	0.45	N/A	N/A
Total	10338	1,86,84,602	100.00	NA	NA

l) Dematerialization of Shares and Liquidity:

Category – Demat/Physical	No. of Shareholders	%	No. of Shares	%
Total no. of Shareholders holding Shares physically	234	2.26	90909	0.49
Total No. of Shareholders in electronic (Demat) form	10104	97.74	18591508	99.50
Total	10338	100.00	1,86,84,602	100.00

m) Non-Executive Directors shareholding in the Company:

Mrs. Gauri A Mehta holds 7,33,376 Equity Shares in the Company (i.e., 3.93%) and except her none of the Directors viz. Mr. Sudhir Kumar Hasija, Dr. Raghu Namibar, Mr. M V Sampath Kumar and Mr. Mohan Subramanian 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

p) Registrars & Share Transfer Agents :

Karvy Fintech 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: 22.05.2019

Anirrudha Bhanuprasad Mehta

Chairman & Managing Director

DIN: 00720504

CEO & CFO CERTIFICATION

We have reviewed financial statements and the Cash Flow Statement for the financial year ended 31st March, 2019 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: 22.05.2019

Sudipto Gupta

Chief Executive Officer

Srivatsa

Chief Financial Officer

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of Regulation 26(3) read with Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Code of Conduct of the Company has been displayed at the Company's website 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 31st March, 2019.

Aniruddha Bhanuprasad Mehta
Chairman and Managing Director
DIN: 00720504

Place: Bengaluru

Date: 22.05.2019

CERTIFICATE ON CORPORATE GOVERNANCE

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

To
The Members
MRO-TEK Realty Limited
Bangalore

I have examined all the relevant records of MRO-TEK Realty Limited ('the Company') for the purpose of certifying the compliance of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2019 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: Bangalore

Date: 22.05.2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

The Members

MRO-TEK REALTY LIMITED

No.6, New BEL Road Chikkamaranahalli,

Bangalore -560054

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MRO-TEK Realty Limited** having CIN **L28112KA1984PLC005873** and having registered office at No.6, New BEL Road Chikkamaranahalli, Bangalore -560054 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority except *reason*.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Sudhir Kumar Hasija	00157168	08/08/2016
2	Gauri Aniruddha Mehta	00720443	08/08/2016
3	Aniruddha Bhanuprasad Mehta	00720504	08/08/2016
4	Mohan Subramaniam	01033494	15/11/2017
5	Mavanur Venkatachala Sampath Kumar Iyengar	07613043	12/09/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of 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: Bangalore

Date: 22.05.2019

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MRO-TEK Realty Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statement including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to Note 41 of the Ind AS financial statements regarding preparation of the Ind AS financial statements on going concern basis and the reasons stated therein. The accuracy of assumption of going concern is dependent upon various initiatives taken by the Company in relation to saving cost, optimize revenue management opportunities and diversification into other streams of business and the Company's ability to generate cash flows in future to meet its obligations.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Response
1.	Adoption of Ind AS 115 – Revenue from Contracts with Customers	
	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of performance obligations, determination of transaction price of the performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.</p> <p>Refer Note No: 2.1</p>	<p><u>Audit Procedures</u></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected samples of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the performance obligations and determination of transaction price. And Comparison of these performance obligations with that identified and recorded by the Company. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings with identified parties.

2.	Inventory Management	<p>We refer to financial statements' note no 2.10 accounting policy and disclosure on inventories.</p> <p>At the balance sheet date, the value of inventory is to Rs 18.92 crores representing 39% of total assets and 517% of total equity. Inventories were considered as key audit matter due to size of the balance and because inventory valuation involves management judgement. According to financial statements' inventories are valued at lower of the lower of cost or net realisable value.</p>	<p>Audit Procedures</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls as follows:</p> <ul style="list-style-type: none"> • Accessing the compliance of Company's accounting policy over inventory with applicable standards. • Evaluated the design of internal controls relating to assessing the inventory management and valuation process and practices. • Selected samples and tested the operating effectiveness of the key control. • Assessing the analyses and assessment made by management with respect to slow and obsolete stock. • We have assessed the adequacy of the Company's disclosures related to inventories.
-----------	-----------------------------	---	--

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K. S. Aiyar & Co.
Chartered Accountants

ICAI Firm Registration No. 100186W

Ramamohan R Hegde
Partner

Place: Bengaluru

Date: 22nd May, 2019 Membership No: 23206

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2019

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MRO-TEK Realty Limited of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets 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 title deeds of immovable properties included in the fixed assets are held in the name of 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, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been 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 2019, 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 has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable Ind AS.
- (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: 22nd May, 2019** Membership No: 23206

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MRO-TEK Realty Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 MRO-TEK REALTY LIMITED (“the Company”) as of March 31, 2019 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is

sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

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.

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Ramamohan R Hegde
Partner

Place: Bengaluru
Date: 22nd May, 2019 Membership No: 23206

BALANCE SHEET

as at 31st March, 2019

All amounts are in Rupees unless otherwise stated

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	97,157,019	74,717,930
(b) Capital Work in Progress		30,840,450	-
(c) Intangible Assets		716,474	-
(d) Financial Assets			
(i) Loans	4	5,140,986	2,497,190
(ii) Trade receivables	5	-	6,635,532
(e) Deferred tax assets (net)	6	12,250,932	11,562,507
(f) Other non-current assets	7	30,420,552	29,647,538
Total Non - Current Assets		176,526,413	125,060,697
Current assets			
(a) Inventories	8	189,159,344	104,470,564
(b) Financial Assets			
(i) Trade receivables	9	51,015,503	62,811,169
(ii) Cash and cash equivalents	10	1,263,541	13,345,508
(iii) Bank Balances other Than (ii) Above	11	18,341,367	3,500,000
(iv) Others	12	1,772,357	258,586
(c) Current Tax Assets (Net)	13	4,353,268	3,049,925
(d) Other current assets	14	39,054,306	9,295,701
Total Current Assets		304,959,686	196,731,453
Total Assets		481,486,099	321,792,150
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	93,423,010	93,423,010
(b) Other Equity	16	(56,867,241)	41,447,551
Total Equity		36,555,769	134,870,561
LIABILITIES			
Non-current liabilities			
(a) Provisions	17	1,298,307	896,095
(b) Other non-current liabilities		-	-
Total Non-current liabilities		1,298,307	896,095
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	294,680,246	133,000,000
(ii) Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		1,680,760	37,700
- Total outstanding dues of creditors other than micro enterprises and small enterprises		58,149,513	28,084,716
(iii) Other financial liabilities	20	58,998,307	18,538,858
(b) Other current liabilities	21	24,607,402	1,834,881
(c) Provisions	22	5,515,795	4,529,339
Total Current liabilities		443,632,023	186,025,494
Total Equity and Liabilities		481,486,099	321,792,150

See accompanying notes to financial statements

Significant Accounting Policies and Notes are an integral part of 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 & Managing Director

DIN No. 00720504

Gauri Mehta

Director

DIN No. 00720443

Place : Bengaluru

Date: 22.05.2019

Srivatsa

Chief Financial Officer

Barun PandeyCompany Secretary and
Compliance Officer

STATEMENT OF PROFIT AND LOSS

for the year ended 31st Mar, 2019

All amounts are in Rupees unless otherwise stated

Particulars	Notes	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
I Revenue from operations	23	269,155,941	368,041,971
II Other Income	24	4,057,966	11,634,300
III Total Revenue (I + II)		273,213,907	379,676,271
IV EXPENSES			
(a) Cost of materials consumed	25	215,522,277	131,848,841
(b) Purchase of Stock in Trade		6,023,900	-
(c) Cost of land sold		-	5,874,792
(d) Excise Duty on sale of goods		-	6,127,103
(e) Changes in stock of finished goods, work-in-progress and stock-in-trade	26	(33,450,573)	9,365,032
(f) Employee benefit expense	27	87,315,828	42,719,291
(g) Finance costs	28	24,774,097	24,432,645
(h) Depreciation and amortisation expense	3	9,209,287	8,017,185
(i) Other expenses	29	54,691,711	81,726,324
Total Expenses (IV)		364,086,527	310,111,213
V Profit/(loss) before exceptional items and tax (III - IV)		(90,872,620)	69,565,058
VI Exceptional Items		-	(8,516,461)
VII Profit/(loss) before tax (V - VI)		(90,872,620)	78,081,519
VIII Tax Expense			
(1) Current tax		-	-
(2) Deferred tax		(688,425)	3,237,190
Total tax expense (VIII)		(688,425)	3,237,190
IX Profit/(loss) after tax from continuing operations (VII - VIII)		(90,184,195)	74,844,329
X Profit/(loss) before tax from discontinued operations		(8,417,568)	(2,833,887)
XI Tax Expense for discontinued operation		-	-
XII Profit/(loss) after tax from discontinued operations (X - XI)		(8,417,568)	(2,833,887)
XIII Profit/(loss) for the period (IX + XII)		(98,601,763)	72,010,442
XIV Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans	30	286,971	1,059,324
XV Total comprehensive income for the period (XIII + XIV)		(98,314,792)	73,069,766
XVI Earnings per equity share (for continuing operation):			
(1) Basic		(4.83)	4.01
(2) Diluted		(4.83)	4.01
XVII Earnings per equity share (for discontinued operation):			
(1) Basic		(0.45)	(0.15)
(2) Diluted		(0.45)	(0.15)
XVIII Earnings per equity share (for continuing and discontinued operations):			
(1) Basic		(5.28)	3.85
(2) Diluted		(5.28)	3.85

See accompanying notes to financial statements

Significant Accounting Policies and Notes are an integral part of 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 & Managing Director
DIN No. 00720504

Gauri Mehta
Director
DIN No. 00720443

Place : Bengaluru
Date: 22.05.2019

Srivatsa
Chief Financial Officer

Barun Pandey
Company Secretary and
Compliance Officer

CASH FLOW STATEMENT

as on March 31, 2019

All amounts are in Rupees unless otherwise stated

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit before tax from continuing operations for the year	(90,872,620)	78,081,519
Profit before tax from discontinuing operations for the year	(8,417,568)	(2,833,887)
Adjustments for:		
Finance costs recognised in profit or loss	24,774,097	24,432,645
Investment income recognised in profit or loss	(627,342)	(2,040,273)
Net (gain)/loss on disposal of assets	424,516	(45,847)
Depreciation and amortisation of non-current assets	9,209,287	8,017,185
Net foreign exchange (gain)/loss	(2,094,051)	11,299
Exceptional Items	-	(8,516,461)
	(67,603,681)	97,106,180
Movements in working capital:		
Increase in trade and other receivables	18,414,707	(21,899,968)
(Increase)/decrease in inventories	(84,688,780)	10,677,646
(Increase)/decrease in other assets	(32,215,304)	21,472,502
(Increase)/decrease in other Bank balances	(14,841,367)	(1,500,000)
Decrease in trade and other payables	38,861,582	699,519
Increase/(decrease) in provisions	1,388,668	1,769,722
(Decrease)/increase in other liabilities	22,772,521	(4,843,239)
Cash generated from operations	(117,911,654)	103,482,362
Income taxes paid	(4,353,268)	(3,049,925)
Net cash generated by operating activities	(122,264,922)	100,432,437
Cash flows from investing activities		
Payments to acquire Property Plant and Equipment	(28,147,016)	(5,204,942)
Proceeds on sale of Property Plant and Equipment	820,000	70,312
Interest received	627,342	1,855,855
Receipts from investments	-	16,534,560
Net cash (used in)/generated by investing activities	(26,699,674)	13,255,785

CASH FLOW STATEMENT

as on March 31, 2019

All amounts are in Rupees unless otherwise stated

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from financing activities		
Proceeds from borrowings	161,680,246	79,000,000
Repayment of borrowings	-	(156,162,063)
Interest paid	(24,774,097)	(24,432,645)
Net cash used in financing activities	<u>136,906,149</u>	<u>(101,594,708)</u>
Net increase in cash and cash equivalents	<u>(12,058,447)</u>	<u>12,093,514</u>
Cash and cash equivalents at the beginning of the year	13,345,508	1,252,409
Effects of exchange rate changes on the balance of cash held in foreign currencies	(23,520)	(415)
Cash and cash equivalents at the end of the year Refer Note 10	<u>1,263,541</u>	<u>13,345,508</u>

See accompanying notes to financial statements

Significant Accounting Policies and Notes are an integral part of 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

Place : Bengaluru

Date: 22.05.2019

Aniruddha Mehta

Chairman & Managing Director

DIN No. 00720504

Srivatsa

Chief Financial Officer

Gauri Mehta

Director

DIN No. 00720443

Barun Pandey

Company Secretary and
Compliance Officer

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2019

All amounts are in Rupees unless otherwise stated

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity share capital				
Balance at the beginning of the reporting period	18,684,602	93,423,010	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

Other Equity

Particulars	Reserves & Surplus						Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Other Comprehensive Income	Retained earnings	
Balance at April 1, 2017	110,000	176,906,656	10,284,630	483,000,000	366,172	(702,289,673)	(31,622,215)
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	366,172	(702,289,673)	(31,622,215)
Profit for the year	-	-	-	-	-	72,010,442	72,010,442
Other comprehensive income for the year	-	-	-	-	1,059,324	-	1,059,324
Balance at March 31, 2018	110,000	176,906,656	10,284,630	483,000,000	1,425,496	(630,279,231)	41,447,551
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	1,425,496	(630,279,231)	41,447,551
Profit for the year	-	-	-	-	-	(98,601,763)	(98,601,763)
Other comprehensive income for the year	-	-	-	-	286,971	-	286,971
Balance at March 31, 2019	110,000	176,906,656	10,284,630	483,000,000	1,712,467	(728,880,994)	(56,867,241)

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

As per our attached report of even date For and on behalf of the Board of Directors of **MRO-TEK Realty Limited**

For K.S.Aiyar & Co

Chartered Accountants

ICAI Firm's registration number:100186W

Ramamohan R Hegde

Partner

Membership Number : 23206

Place : Bengaluru

Date: 22.05.2019

Aniruddha Mehta

Chairman & Managing Director

DIN No. 00720504

Gauri Mehta

Director

DIN No. 00720443

Srivatsa

Chief Financial Officer

Barun Pandey

Company Secretary and

Compliance Officer

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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, Bangalore – 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 financial statements (the 'financial statements') have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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 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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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 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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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, 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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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 TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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.

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 33, 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

SCHEDULE - 3

All amounts are in Rupees unless otherwise stated

PROPERTY, PLANT & EQUIPMENT

NATURE OF ASSET	GROSS BLOCK		Rate %	TOTAL COST AS ON 31-Mar-19	DEPRECIATION BLOCK			NET BLOCK		
	TOTAL COST AS ON 01 Apr 2018	ADDITIONS DURING THE PERIOD			DELETIONS	FOR THE PERIOD UPTO 31ST Mar 2018	Impairment Assets	ON DELETIONS	UPTO 31-Mar-19	AS AT 31-Mar-19
Tangible Assets:										
Land - Factory	805,454	-	-	805,454	-	-	-	-	805,454	805,454
Buildings- Factory	49,265,622	-	4.00	49,265,622	4,575,732	2,257,233	-	6,832,965	42,432,657	44,689,890
Plant & Machinery - R&D	42,829	-	10.00	42,829	9,758	5,478	-	15,236	27,593	33,071
Plant & Machinery - Others	16,621,341	28,156,745	10.00	41,494,846	4,700,968	2,453,408	2,778,128	4,376,248	37,118,598	11,820,373
Test Equipments - R&D	4,647,874	14,375	10.00	4,662,249	917,891	443,290	-	1,361,181	3,301,068	3,408,189
Test Equipments - Others	2,702,094	468,977	10.00	3,171,071	1,667,044	178,282	-	1,845,326	1,325,745	1,356,844
Electrical Installations	2,648,145	1,984,833	10.00	4,632,978	597,480	356,534	-	954,014	3,678,964	2,050,665
Office Equipments - R&D	-	-	10.00	-	-	-	-	-	-	-
Office Equipments - Others	2,101,543	340,101	10.00	2,441,644	885,081	437,203	-	1,322,284	1,119,360	1,216,462
Computers, & Networking - R&D	3,917	-	20.00	3,917	3,917	-	-	3,917	-	-
Computers & Networking - Others	3,248,559	1,349,051	20.00	4,597,610	1,009,410	888,579	-	1,897,989	2,699,621	2,239,149
Furniture & Fixtures - R&D	5,317	-	10.00	5,317	5,317	-	-	5,317	-	-
Furniture & Fixtures - Others	11,207,934	65,000	10.00	11,067,608	5,963,978	1,296,726	205,326	7,055,378	4,012,230	5,243,955
Vehicles	1,125,805	-	9.50	32,698	174,481	111,920	-	32,698	-	951,324
Air Conditioners - R&D	-	-	10.00	-	347,029	78,633	-	425,662	581,511	197,725
Air Conditioners - Others	544,754	462,419	10.00	1,007,173	1,086,686	650,611	-	1,737,297	54,218	704,829
Lease Hold Asset - Building (Corp Office)	1,791,515	-	-	1,791,515	-	-	-	-	-	-
	96,662,703	32,841,501		125,022,531	21,944,772	9,157,897	-	27,865,512	97,157,019	74,717,930
Capital Work in Progress		30,840,450		30,840,450	-	-	-	-	30,840,450	-
Intangible Assets:										
Computer Software	-	767,864	20.00	767,864	-	51,390.00	-	51,390.00	716,474	-
	-	767,864		767,864	-	51,390	-	51,390	716,474	-
TOTAL	96,662,703	64,449,815		156,630,845	21,944,772	9,209,287	-	27,916,902	128,713,943	74,717,930
	92,583,462	4,841,632		96,662,703	13,899,414	8,017,185	766,099	21,944,772	74,717,930	-
								737,926		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Particulars	As at March 31, 2019	As at March 31, 2018
Note 4		
Financial assets - Long term loans and advances		
Other Deposits	2,478,190	2,478,190
Earnest money deposit	456,690	19,000
Prepaid Expense (Non Current)	2,206,106	-
Total	5,140,986	2,497,190
Note 5		
Other non-current financial assets		
Trade Receivables - credit impaired	8,337,141	6,635,532
Less: Allowances for credit impaired	8,337,141	-
Total	-	6,635,532
Note 6		
Deferred tax Liability/Asset		
On account of Fixed Assets	6,015,108	8,241,349
On account of Others	3,244,910	330,244
MAT Credit Entitlement	2,990,914	2,990,914
	12,250,932	11,562,507
Note 7		
Other non-current assets		
Capital Advances	1,226,324	363,310
- Central Excise	25,188,856	25,188,856
- Customs Duty Refundable (SAD)	3,516,267	3,516,267
- Sales Tax	489,105	489,105
Other Advances	-	90,000
	30,420,552	29,647,538
Note 8		
Other non-current assets		
Land under Development	44,648,419	44,648,419
Raw Materials	69,555,017	31,659,044
Work-in-Process	30,521,418	6,126,982
Finished goods	29,204,635	21,247,006
Traded Goods	1,098,508	-
Goods-in-Transit		
- Raw Materials	14,131,347	789,113
Total	189,159,344	104,470,564

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Particulars	As at March 31, 2019	As at March 31, 2018
Note 9		
Trade and other receivables		
(a) Trade Receivables		
- Trade Receivables considered good - Unsecured	51,015,503	62,811,169
- Trade Receivables - credit impaired	-	249,818
Less: Allowances for credit impaired	-	(249,818)
Total	51,015,503	62,811,169
Movements in the provision for impairment of trade receivables are as follows:		
Opening balance	249,818	8,608,792
Provision for receivables impairment	8,087,323	-
Receivables written off during the year as uncollectible	-	(8,358,974)
Provision released during the year	-	-
Closing balance	8,337,141	249,818
Note 10		
Cash and cash equivalents		
(a) Balance with banks :		
i) In current account	195,855	4,609,829
ii) In current account: unclaimed dividend	-	-
iii) In exchange earners' foreign currency account	728,959	228,887
iv) In deposits with original maturity of less than 3 months	337,777	8,500,000
(b) Cash on hand	950	6,792
Total	1,263,541	13,345,508
Note 11		
Other bank balances		
In deposits with original maturity more than 3 months but less than 12 months	5,356,500	-
In deposits with original maturity more than 12 months	12,984,867	3,500,000
Total	18,341,367	3,500,000
Note: Balance in Margin Money Deposit are held as security against borrowings, guarantees and other commitments.		
Note 12		
Other current financial assets		
Interest accrued but not due	752,156	258,586
Unbilled Revenue	1,020,201	-
Total	1,772,357	258,586

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

	Particulars	As at March 31, 2019	As at March 31, 2018
Note 13			
	Current tax Assets (Net)		
	Advance Tax and Tax deducted at source	4,353,268	3,049,925
	Total	4,353,268	3,049,925
Note 14			
	Other current assets		
	Prepaid Expenses	1,974,308	1,065,728
	Custom Duty Refund Receivable	-	-
	Advance to supplier	9,291,263	471,327
	Balances with Govt. Authorities	26,934,546	7,461,547
	Gratuity Fund Balance	854,189	297,099
	Total	39,054,306	9,295,701
Note 15			
	Equity Share Capital		
a)	Authorised		
	3,00,00,000 Equity shares of Rs. 5 each	150,000,000	150,000,000
	Issued, Subscribed & Paid Up		
	1,86,84,602 Equity Shares of Rs.5 each, fully paid-up	93,423,010	93,423,010
	Total	93,423,010	93,423,010
b)	Reconciliation of number of shares outstanding at the beginning & at the end of the reporting year		
	Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
		No of Shares	Value Rs.
		No of Shares	Value Rs.
	At the beginning of the year	18,684,602	93,423,010
	Movement during the period	-	-
	Outstanding at the end of the year	18,684,602	93,423,010
c)	Shareholders holding Equity Shares more than 5% of Share capital		
	Shareholder	As at 31st Mar, 2019	As at 31st March 2018
		No. of Shares	Holding %
		No. of Shares	Holding %
	UMIYA HOLDING PRIVATE LIMITED	6,323,940	33.85
	ANIRUDDHA BHANUPRASAD MEHTA	3,012,223	16.12
	JITENDRA VIRWANI	3,704,684	19.83

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

	Particulars		As at March 31, 2019	As at March 31, 2018
Note 16				
	Other Equity			
	Capital Reserve :			
	State Government subsidy on Capital Investment	A	110,000	110,000
	Capital Redemption Reserve	B	10,284,630	10,284,630
	Securities Premium Account	C	176,906,656	176,906,656
	General Reserve	D	483,000,000	483,000,000
	Other Comprehensive income	E	1,712,467	1,425,496
	Surplus/(deficit) in the statement of Profit & Loss			
	Opening Balance		(630,279,231)	(702,289,673)
	Profit / (Loss) for the year		(98,601,763)	72,010,442
	Less: Appropriations			
	Net Surplus/(deficit) in the statement of Profit & Loss	F	(728,880,994)	(630,279,231)
	Total A+B+C+D+E+F		(56,867,241)	41,447,551

Note 17				
	Long-term provisions			
	Provision for employee benefits			
	Compensated Absences		1,298,307	896,095
	Total		1,298,307	896,095

Note 18				
	Short term Borrowings			
	Secured			
	Bank Of Baroda(Formerly known as Vijaya Bank) *		87,074,376	-
	Unsecured			
	Borrowings from directors **		207,605,870	133,000,000
	Total		294,680,246	133,000,000

* Cash Credit limit sanctioned by Bank of Baroda(earlier known as Vijaya Bank) is secured against the hypothecation of Book Debts , Inventory and collateral security of Land and building at Plot no. 29B, Hosur road, Electronic City, Bangalore during the Q E 30th June 2018.

** Short Term Loan from Mr. Aniruddha Bhanu prasad Mehta borrowed at a revised rate of 10.30% p.a. with effect from 1st September, 2018, which is lower by 0.20% of the prevailing bank base rate i.e.10.50% pea

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Particulars	As at March 31, 2019	As at March 31, 2018
Note 19		
Trade and other payables		
- Total outstanding dues of micro enterprises and small enterprises	1,680,760	37,700
- Total outstanding dues of creditors other than micro enterprises and small enterprises	58,149,513	28,084,716
	<u>59,830,273</u>	<u>28,122,416</u>
Note 20		
Other financial liabilities		
Payable for expenses	16,538,648	13,159,355
Payable for Capital Goods	35,439,785	-
Payable to Employees	7,019,874	5,379,503
Total	<u>58,998,307</u>	<u>18,538,858</u>
Note 21		
Other current liabilities		
Advances from customers	20,592,909	25,094
Statutory Dues Payables* (includes VAT, Excise Duty, Provident Fund, Withholding Taxes, etc.)	4,014,493	1,809,787
Provision for Gratuity	-	-
Total	<u>24,607,402</u>	<u>1,834,881</u>
Note 22		
Short term provisions		
Provision for employee benefits		
Compensated Absences	2,028,496	41,164
Other provision :		
For Warranty	<u>3,487,299</u>	<u>4,488,175</u>
Total	<u>5,515,795</u>	<u>4,529,339</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 23		
Revenue from Operations		
A A. Sales of products and Services		
Sale of products	222,909,517	200,074,351
Sale of Services (Refer Note below i)	46,246,424	29,592,620
Income from Real Estate Development	-	138,375,000
	269,155,941	368,041,971
Note : (i) Sale of services comprises of		
Service Charges	14,134,451	14,314,264
Annual Maintenance Charges	32,111,973	15,278,356
Total	46,246,424	29,592,620
Note 24		
Other Income		
Net gain on Foreign Currency Transactions	2,094,051	710,555
Provision for Doubtful Trade Receivables / Deposits written back	249,818	8,358,974
Provision for warranty written back	1,000,876	-
Profit on Sale / Disposal of Property Plant and Equipment (net)	-	45,847
Other Non-Operating Income	85,879	478,651
Interest Income	627,342	2,040,273
Total Other income	4,057,966	11,634,300
Note 25		
Cost of materials consumed		
Opening Stock	31,659,044	22,686,407
Add: Purchases	253,418,250	140,821,478
Less: Closing Stock	69,555,017	31,659,044
Total Cost of Raw Material Consumed	215,522,277	131,848,841

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 26		
Changes in inventories of finished goods and work in progress		
Opening Stock :	21,247,006	26,358,063
Finished Goods	-	-
Stock-in-Trade	6,126,982	10,380,957
Work-in-Process		
Less:		
Closing Stock:	29,204,635	21,247,006
Finished Goods	1,098,508	-
Stock-in-Trade	30,521,418	6,126,982
Work-in-Process		
Changes In Inventories:		
Changes in inventories of finished goods	(7,957,629)	5,111,057
Stock-in-Trade	(1,098,508)	-
Work-in-Process	(24,394,436)	4,253,975
Changes in inventories of finished goods and work in progress	<u><u>(33,450,573)</u></u>	<u><u>9,365,032</u></u>

'The above is after excluding the amounts in respect of discontinued operations.

Note 27

Employee benefit expense

Salaries and Wages	78,203,908	37,599,774
Contribution to Provident and Other Funds	4,987,245	2,275,307
Staff Welfare Expenses	4,124,675	2,844,210
Total	<u><u>87,315,828</u></u>	<u><u>42,719,291</u></u>

Note 28

Finance Costs

Interest on Borrowings	22,891,679	21,244,183
Other Borrowing Costs (includes bank charges, etc.)	1,882,418	3,188,462
Total	<u><u>24,774,097</u></u>	<u><u>24,432,645</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 29		
Other Expenses		
Repairs and Maintenance:		
- Others	9,777,731	5,897,554
Rent	5,725,798	7,029,993
Rates and Taxes	2,300,463	5,812,701
Insurance	1,213,976	1,341,038
Power and Fuel	5,534,089	4,464,719
Selling and Promotion Expenses	1,305,575	629,636
Auditor's Remuneration (ii)	1,565,000	1,516,080
Books and Periodicals	197,132	43,080
Commission, Brokerage and Discount	185,951	11,000
Freight and Forwarding	3,388,487	1,658,737
Postage and Telephone Expenses	1,785,859	1,815,184
Travelling and Conveyance	8,676,866	5,299,857
AMC Charges and Software Licenses	2,186,847	1,232,371
Stationery & Printing Expenses	532,564	412,337
Loss on sale / write-off of Property plant and equipment (net)	424,516	-
Bad Trade Receivables / Advances / Deposits written off	-	7,289,708
Provision for Doubtful Trade Receivables / Advances / Deposits	-	-
Provision for warranty	-	1,795,690
Warranty Expenses	94,790	-
Directors Sitting Fees	256,000	370,300
Advertisement Expenses	171,047	370,759
Professional Charges	7,630,365	14,673,978
Manpower hire Charges	1,356,782	19,508,736
Liquidity Damages	-	89,188
Other Admin expenses	381,873	463,678
	54,691,711	81,726,324
'(ii) Payments to the statutory auditors of the company comprises of :		
Statutory Audit Fee	850,000	850,000
Tax Audit Fee	200,000	200,000
Limited review fee	450,000	450,000
Others	65,000	16,080
Total	1,565,000	1,516,080

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 30			
	Statement of other comprehensive income		
	(i) Items that will not be reclassified to profit or loss	2,86,971	10,59,324
	Changes in revaluation surplus	-	-
	Remeasurements of the defined benefit plans	-	-
		2,86,971	10,59,324
Note 31			
	Related Party Relationships, transactions and balances		
31.1 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 Services		
	v) Joint Venture Company		
	RAD-MRO Manufacturing Private Limited		
31.2 Transactions for the Year			
	With Joint Venture		
	Professional Services received (inclusive of Service Tax)	-	138,000
	Rent Received (inclusive of Service Tax)	-	46,000
	With Whole Time Directors		
	Salary & other allowances	3,000,000	-
	Reimbursement of Expenses	954,581	73,397
	Interest on unsecured loan	17,100,619	9,642,627
	Unsecured Loan Received	87,300,000	87,000,000
	Unsecured Loan Repaid	14,300,000	8,000,000
	Directors		
	Sitting Fees	92,000	111,000
	Key Managerial Personnel		
	Salary & other allowances	13,842,270	9,015,798
	Proprietorship Concern of director		
	Sale of Un-divided share of land	-	138,375,000
	Purchase of Software (Including GST)	17,818,000	-
	Advance for Sales	50,000	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
31.3 Balance at the Balance Sheet Date		
With Whole Time Directors		
Outstanding payables	207,605,870	133,000,000
Key Managerial Personnel		
Salaries payables	721,696	589,491
Note 32		
Employee Benefit Plans		
32.1 Expense recognised in the statement of P&L		
Current service Cost	984,345	379,387
Net Interest Expenses	(23,157)	(45,615)
Past service Cost	-	1,052,907
Component of defined Benefit costs recognised in the statement of P&L	961,188	1,386,679
Return on Plan assets (excluding amounts included in net interest expense)	215,383	65,479
Actuarial Gains/Losses arising from changes in financial assumptions	509,194	(197,924)
Actuarial Gains/Losses arising from experience assumptions	(21,098)	(1,281,565)
Actuarial Gains/Losses arising from demographic assumptions	(990,450)	354,686
Component of defined Benefit costs recognised in other comprehensive Income	(286,971)	(1,059,324)
Total	674,217	327,355
32.2 Movements in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	3,592,843	3,061,701
Current Service Cost	984,345	379,387
Past service Cost	-	1,052,907
Interest Cost	280,042	223,651
Benefits Paid	(1,830,000)	-
Remeasurement Loss (gain)	-	-
Actuarial Loss/gain arising from	-	-
Financial assumptions	509,194	(197,924)
Demographic assumptions	(990,450)	354,686
Experience assumptions	(21,098)	(1,281,565)
Obligations at the end of the year	2,524,876	3,592,843

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
32.3 Movement in the fair value of the plan assets are as follows		
Opening Fair Value of the planned assets	3,889,942	3,686,155
Expected return on Planned assets	303,199	269,266
Actuarial Contribution from the company	1,231,307	-
Benefits Paid	(1,830,000)	-
Remeasurement loss/gain	-	-
Actuarial Gain/Loss	(215,383)	(65,479)
Closing Fair value of Planned assets	3,379,065	3,889,942
32.4 Assumptions		
Interest Rate	7.80%	7.80%
Discount Factor	7.80%	7.80%
Expected rate of return on Plan Assets	7.55%	7.55%
Expected Rate of salary Increase	7.00%	7.00%
Attrition Rate	50%-50%-50%	3%-2%-1%
Retirement Age	60 Years	60 Years

32.5 Sensitivity Analysis

Particulars	Year Ended March 31, 2019		Year Ended March 31, 2018	
	Decrease	Increase	Decrease	Increase
Defined Benefit obligation (Base)		2,524,876		3,592,843
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	2,577,587 2.10%	2,474,246 -2.00%	3,971,231 10.50%	3,260,024 -9.30%
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	2,475,268 -2.00%	2,574,357 2.00%	3,405,775 -5.20%	3,805,032 5.90%
Attrition Rate (-/+50% of attrition rates) (% change compared to base due to sensitivity)	2,907,198 15.10%	2,366,457 -6.30%	3,569,245 -0.70%	3,615,257 0.60%
Mortality Rate (-/+10% of mortality rates) (% change compared to base due to sensitivity)	2,523,972 0.00%	2,525,778 0.00%	3,588,771 -0.10%	3,596,895 0.10%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Note 33

Contingent Liabilities and Commitments

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Contingent Liabilities and Commitments		
Counter Guarantees to Bank (to the extent of live guarantees issued by bank)	41,093,605	3,098,124
Sales Tax Liability in lieu of Form C yet to be received	231,265	1,768,187
Capital Commitments	7,382,802	380,000
Letters of Credit	6,412,127	-
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 7,00,35,825 up to March 31, 2019 (Rs 6,30,32,243 up to March 31, 2018) 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), Bangalore.	Against the postal Ballot notice dtd. 10 th November,2015 w.r.t. the joint development of land at the registered office, Bellary Road, Hebbal
2	Jitendra Virwani	National Company Law Tribunal (NCLT), Bangalore.	Against the postal ballot results dtd. 22 nd 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
4	Balachandra R Shetty	Consumer Court , shivamogga	Against the warranty given on discontinued business-Solar

Note 34

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 & IT & Drone

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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, 2019	March 31, 2018
1 Segment Revenue (Net Sale)		
(a) Product	190,972,832	195,229,224
(b) Real Estate Development	-	138,375,000
(c) EMS (Electronic Contract Manufacturing)	49,135,341	16,906,042
(d) Solutions	29,047,768	17,531,705
(e) IT&Drone	-	-
Total	269,155,941	368,041,971
Less :- Inter segment revenue	-	-
Net Sales From Operations	269,155,941	368,041,971
2 Segment Results - Profit / (loss) before tax and interest		
(a) Product	32,542,918	73,367,739
(b) Real Estate Development	-	132,500,208
(c) EMS (Electronic Contract Manufacturing)	(30,484,984)	(7,551,849)
(d) Solutions	(7,640,207)	(2,569,342)
(e) IT&Drone	(4,107,206)	-
Total	(9,689,479)	195,746,756
Less:-		
Interest	24,854,524	24,432,645
Other Un-allocable Expenditure net off	65,504,666	104,866,626
Un-allocable Income	(758,481)	(8,800,147)
Total Profit/(loss) before tax	(99,290,188)	75,247,632
3 Segment Assets		
(a) Product	244,336,337	210,847,471
(b) Real Estate Development	44,648,419	44,648,419
(c) EMS (Electronic Contract Manufacturing)	83,263,128	5,583,822
(d) Solutions	40,740,782	19,039,308
(e) IT&Drone	8,739,753	-
(f) Un-allocable assets	59,757,680	41,673,130
Total Assets	481,486,099	321,792,150

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
4 Segment Liabilities		
(a) Product	61,576,009	35,492,127
(b) Real Estate Development	-	-
(c) EMS (Electronic Contract Manufacturing)	41,018,783	15,873,875
(d) Solutions	36,541,366	2,555,586
(e) IT&Drone	3,188,963	
(f) Un-allocable Liabilities	302,605,209	133,000,000
Total Liabilities	444,930,330	186,921,589

Note 35

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 the credit quality of the counterparties taking into account their financial condition, past experience and other factors.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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-19	31-Mar-18
Outstanding for more than 6 months	11,222,553	27,674,960
	11,222,553	27,674,960

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

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, 2019

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 March 31, 2019 & March 31, 2018.

As at 31 March 2019	Less than 1 year	1-5 years	Total
Borrowings	294,680,246	-	294,680,246
Trade Payables	59,830,273	-	59,830,273
Other financial liabilities	58,998,307	-	58,998,307
Total	413,508,826	-	413,508,826

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

As at 31 March 2018	Less than 1 year	1-5 years	Total
Borrowings	133,000,000	-	133,000,000
Trade Payables	28,122,416	-	28,122,416
Other financial liabilities	18,538,858	-	18,538,858
Total	179,661,274	-	179,661,274

C. 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.

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 March 31, 2019		As at March 31, 2018	
	INR	FC	INR	FC
Trade Receivables				
USD	1,201,930	17,000	17,696,839	275,223
Other current assets - Advance to supplier				
USD	7,636,266	109,199		
Trade Payables				
USD	44,692,861	639,109	16,461,861	248,789
EUR	206,258	2,610	-	-

ii) foreign currency sensitivity analysis

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

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		
	March 31, 2019	March 31, 2019
Currency of USA (\$)	(3,585,466)	123,498
Currency of EUR	(20,626)	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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	March 31, 2019	March 31, 2019
Fixed rate Instruments		
Financial Liabilities	Nil	Nil
Variable rate Instruments		
Financial Liabilities		
-Bank Overdraft	87,074,376	-
-Loan from Director	207,605,870	133,000,000
Total	294,680,246	133,000,000

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 /(Loss)	
	100 bps increase	100 bps decrease
31st March 19	(2,946,802)	2,946,802
31st March 18	(1,330,000)	1,330,000

Note 36

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 18) offset by cash and bank balances (Note 10 and 11) 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	March 31, 2019	March 31, 2019
Debt	294,680,246	133,000,000
Less: Cash and cash Balances	1,263,541	13,345,508
Less: Other bank Balance	18,341,367	3,500,000
Net Debt	275,075,338	116,154,492
Total Equity	36,555,769	134,870,561
Gearing Ratio	7.52	0.86

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Note 37

a) Value of Imports

Particulars	March 31, 2019	March 31, 2018
Value of Imports calculated on C.I.F basis		
Raw Materials, Components and Finished Goods	157,605,093	89,399,038
Capital Goods	13,751,608	-
Expenditure in foreign currency		
Travelling	986,813	239,683
Earnings in foreign exchange		
Export of goods and services on F.O.B	709,340	17,531,705

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

Particulars	March 31, 2019	March 31, 2018
Material Cost	47,473	61,804
Employee benefit expenses	1,867,147	1,537,682
Repairs & Maintenance charges	-	496
Training & Seminar	8,850	
Travelling Expenses	33,031	14,499
Total	1,956,501	1,614,481

Note 38

a) Major components of tax expense/ (income)

Particulars	March 31, 2019	March 31, 2018
Profit before income taxes -		
From continuing operations	(90,585,649)	78,081,519
From discontinued operations	(8,417,568)	(2,833,887)
Indian statutory income tax rate	27.82%	27.82%
Expected income tax expense	(27,542,695)	20,933,891
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses		
Income exempt from tax	-	-
Effect of expenses that are not deductible in determining taxable profit	-	(4,282,573)
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
Set-off of carried forward tax losses for which no deferred tax assets was recognised.	(27,542,695)	-
Effect on deferred tax balances due to the change in income tax rate	-	(114,648)
Changes in recognised deductible temporary differences	688,425	-
Total effect of tax adjustments	(26,854,270)	17,696,701
Total Income tax expense	(688,425)	3,237,190

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

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

c)

Deferred tax (liability) / Asset	March 31, 2019	March 31, 2018
Deferred tax (liability)/ Assets on account of :		
Fixed Assets	6,015,108	8,241,349
Deferred tax asset on account of :		
Others	3,244,910	330,244
MAT Credit	2,990,914	2,990,914
Total	12,250,932	11,562,507

Note 39

Notes on accounts and other explanatory information

- a) Revenue from operations includes sale of super buildup area under construction inline with development agreement dated 1st January, 2016 vide SY.No.54/2, 54/1, 50/6 & 56/ situated Bellary Road, Hebbal to the extent of Rs. Nil (Previous Year Rs.1383.75 lacs).

- 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:

Particulars	March 31, 2019	March 31, 2018
Principal amount (including overdue amount) outstanding at the beginning of the year	37,700	1,214,130
Interest amount outstanding at the beginning of the year	195,153	195,153
Interest (out of the above) paid during the year	195,153	-
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	1,680,760	37,700
Interest accrued and remaining unpaid at the end of the year	-	195,153

- c) **Discontinuing operation**

Particulars	March 31, 2019	March 31, 2018
Revenue from Operations	-	2,729,320
Cost of materials consumed	-	3,808,333
Gross Profit/(Loss)	-	(1,079,013)
Employee benefits expenses	-	-
Finance Cost	(80,427)	-
Depreciation and amortization expenses	-	-
Reduction in UPS/Solar Stock	-	-
Other Expenses	(8,337,141)	(1,754,874)
Net loss from Discontinuing operation	(8,417,568)	(28,33,887)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

d) Other Information required under companies Act, 2013

i. Consumption of raw materials

Particulars	March 31, 2019	March 31, 2018
Capacitors	1,771,753	1,633,949
Connectors	1,359,704	2,693,036
Integrated Circuits	8,212,442	7,135,910
Populated PCBs	87,396,831	67,445,892
Printed Circuit Boards	1,671,575	7,794,234
Transceiver	6,569,822	7,550,852
Resistors	226,649	-
Transformers	705,011	4,915,462
Others	44,544,476	36,487,839
EMS	33,790,573	-
Solutions	29,273,441	-
Total	215,522,277	135,657,174
Discontinuing operation	-	3,808,333
Continuing Operation	215,522,277	131,848,841

ii. Composition of raw materials

Particulars	March 31, 2019		March 31, 2018	
	Value	Rs. %	Value	Rs. %
Indigenous	5,30,28,158	25	8,84,02,206	35
Imported	16,24,94,119	75	4,72,54,968	65
Total	21,55,22,277	100	13,56,57,174	100

iii. Working in progress under broad head

Particulars	March 31, 2019	March 31, 2018
Modem	93,238	1,04,013
Converters	51,55,579	37,34,477
Ethernet Switch	22,76,624	7,87,298
Multiplexers	99,87,759	13,08,366
Racks	2,65,852	-
Others	2,61,584	26,125
Drone	63,56,775	-
Wireless Convertor	-	1,467
EMS	61,24,007	1,65,236
Total	3,05,21,418	61,26,982

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

iv. **Finished Goods under broad head**

Particulars	March 31, 2019	March 31, 2018
Modem	23,39,712	21,32,896
Converters	63,67,572	1,16,09,635
Ethernet Switch	39,66,793	1,10,079
Multiplexers	83,87,667	10,79,183
Others	68,54,974	63,15,213
Solutions	12,87,917	-
Total	2,92,04,635	2,12,47,006

v. **Gross Income**

Particulars	March 31, 2019	March 31, 2018
Manufactured		
Modems	83,68,404	1,23,61,657
Convertors	4,95,57,363	10,04,47,304
Multiplexers	9,11,06,748	4,24,86,532
Ethernet Switch	2,27,03,449	1,08,59,047
Racks	6,07,958	
Others	8,33,019	18,60,218
Wireless Convertor	1,29,200	75,150
UPS systems	-	27,29,320
Software	-	1,86,31,705
Refurbishment Products	-	28,05,850
EMS	2,46,15,199	44,19,785
Solutions	2,49,88,177	-
Sub total	22,29,09,517	19,66,76,568
LESS: Discontinuing operation-Solar Based Equipment Project & UPS	-	27,29,320
Add: Excise Duty	-	61,27,103
* Gross Income – Net Working, EMS, Refurbishment & Solutions.	22,29,09,517	20,00,74,351

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

Note 40

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, 2019	March 31, 2018
Measured at Cost		
Non Current		
Investments	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2019

	March 31, 2019	March 31, 2018
Measured at Amortised cost		
Non Current		
Trade Receivables	-	66,35,532
Loans	29,34,880	24,97,190
Current		
Trade Receivables	5,10,15,503	6,28,11,169
Cash and Cash Equivalents	12,63,541	1,33,45,508
Other Bank balances	1,83,41,367	35,00,000
Loans	-	-
Others	17,72,357	2,58,586
Total	7,53,27,648	8,90,47,985
Financial Liabilities	March 31, 2019	March 31, 2018
Measured at Amortised cost		
Current		
Borrowings	29,46,80,246	13,30,00,000
Trade Payables	5,98,30,273	2,81,22,416
Other financial liabilities	5,89,98,307	1,85,38,858
Total	41,35,08,826	17,96,61,274

Note 41**Going Concern Assumption**

The Company has incurred a loss during the year which has reduced the net worth as at 31 March 2019. The Company has made detailed analysis about its business vis a vis "Going concern" assumption. The Company has taken various initiatives in relation to saving cost, optimize revenue management opportunities and diversified into other streams / areas like EMS Solution, IT & Drone business which is expected to result in improved operating performance. The company has bagged new sizeable orders with better margins from new streams. Significant increase in revenues are expected from the development of commercial space which is into final stages of Joint Development. Accordingly, the financial statements continues to be prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

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

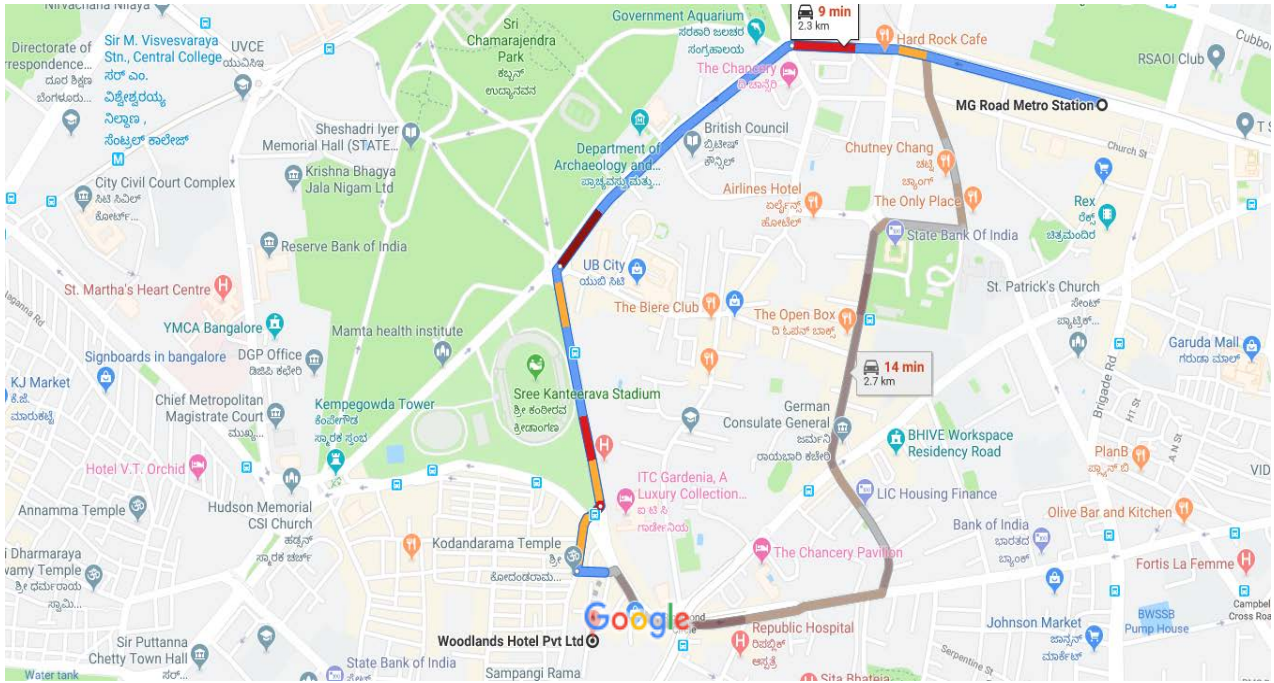
Gauri Mehta
 Director
 DIN No. 00720443

Place : Bengaluru
 Date: 22.05.2019

Srivatsa
 Chief Financial Officer

Barun Pandey
 Company Secretary and
 Compliance Officer

ROUTE MAP - AGM VENUE



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 35th Annual General Meeting of the Company, to be held on the on Friday, the 2nd August, 2019 at 11.30 AM at Woodland Hotel, No-5, Rajaram Mohan Roy Road, Bangalore 560 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1. Adoption of Financial Statements for the year ended March 31, 2019.
2. To appoint Mrs. Gauri Aniruddha Mehta, Director, who retires by rotation and being eligible, offers herself for re-appointment.

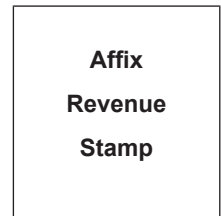
SPECIAL BUSINESS

3. Appointment of Dr. Raghu Nambiar, (holding DIN: 07325471) as Director of the Company.
4. Appointment of Dr. Raghu Nambiar, (holding DIN: 07325471), as an Independent Director of the Company.
5. Re-appointment of Mr. Aniruddha Bhanuprasad Mehta (Holding DIN: 00720504) as Chairman & Managing Director of the Company.

Signed this..... day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)



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, Web: 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, 2019.			
2.	To appoint Mrs. Gauri Aniruddha Mehta, Director, who retires by rotation and being eligible, offers herself for re-appointment			
SPECIAL BUSINESS				
3.	Appointment of Dr. Raghu Nambiar, (holding DIN: 07325471) as Director of the Company.			
4..	Appointment of Dr. Raghu Nambiar, (holding DIN: 07325471), as an Independent Director of the Company.			
5.	Re-appointment of Mr. Aniruddha Bhanuprasad Mehta (Holding DIN: 00720504) as the Chairman & Managing Director 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: 02.08.2019 Time: 11.30 AM Place: Woodsland Hotel, No-5, Rajaram Mohan Roy Road, Bangalore 560 025
-------	--

I hereby record my presence at the 35th Annual General Meeting of the Company

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

- 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 Tuesday, 30th July, 2019 to 5.00 p.m. on Thursday, 1st August, 2019 as detailed in the Notice of AGM.



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 Umiya 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.

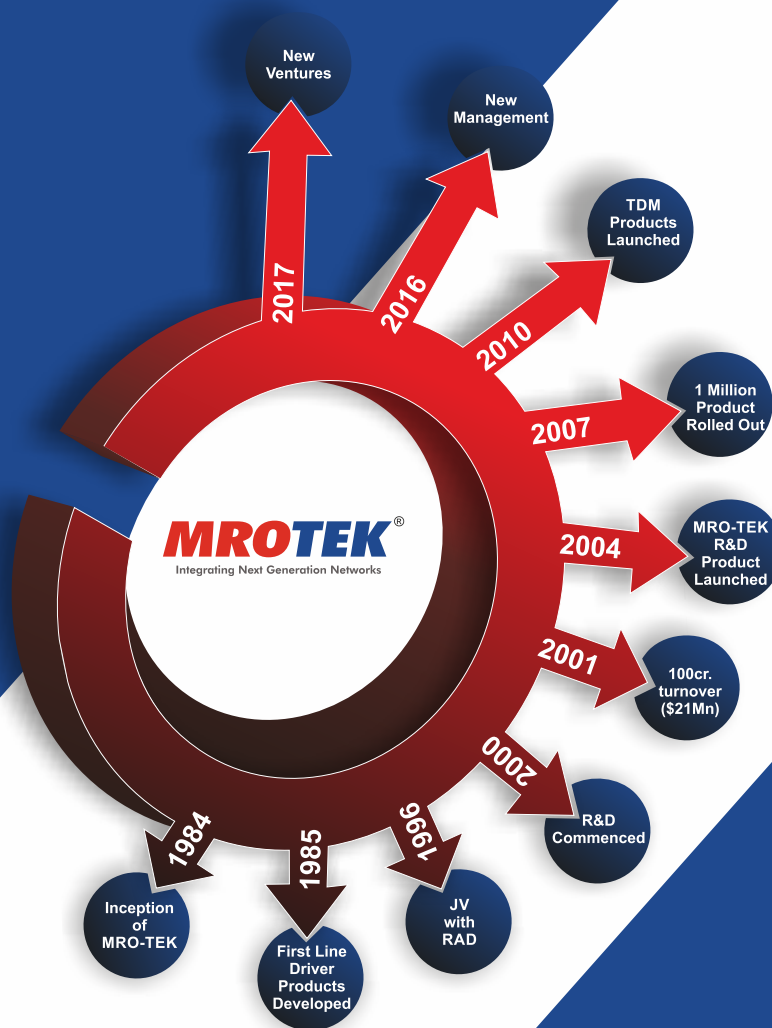
WHY MROTEK?

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 2333 2951

Factory

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

**For business queries, write to,
info@mro-tek.com**