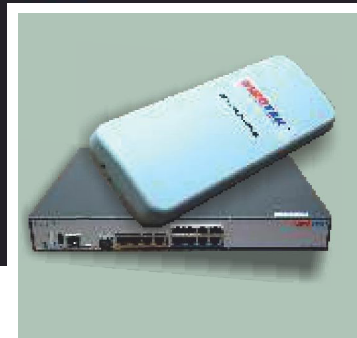


# ANNUAL REPORT 2021-22



**MROTEK**<sup>®</sup>

Integrating Next Generation Networks

## BOARD OF DIRECTORS

Aniruddha Bhanuprasad Mehta

Gauri Aniruddha Mehta

H S Venkatesh

Dr. Raghu Nambiar

Sudhir Kumar Hasija

Nicola Neeladri

Neela Manjunath

Srivatsa

Barun Pandey

Chairman & Managing Director

Director

Director

Director

Director

Director

Director

Chief Financial Officer

Company Secretary & Compliance Officer  
(upto 19.07.2022)

### 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) 4249 9300

### Bank of Baroda

#### Statutory Auditors

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

### 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

#### KFIN Technologies 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

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## **MRO-TEK REALTY LIMITED**

**CIN: L28112KA1984PLC005873**

**Registered Office: No. 6, New BEL Road, Chikkamaranahalli, Bangalore-560054**

**Telephone: 080 42499000**

**Website: [www.mro-tek.com](http://www.mro-tek.com), Email: [info@mro-tek.com](mailto:info@mro-tek.com)**

### **NOTICE OF THIRTY- EIGHTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty Eighth (38<sup>th</sup>) Annual General Meeting ("AGM") of MRO-TEK Realty Limited ("Company") will be held on Wednesday, the 28<sup>th</sup> day of September, 2022 at 11.30. A.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") ("hereinafter referred to as electronic mode") to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company including the Audited Balance Sheet as at March 31, 2022, the Statement of Profit and Loss for the financial year ended as on that date and the Cash Flow Statement together with reports of the Board of Directors and the Statutory Auditors thereon.
2. To appoint Mrs. Gauri Aniruddha Mehta (holding DIN: 00720443), Director, who retires by rotation and being eligible, offers herself for re-appointment.

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

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

**Place: Bangalore**

**Date: 03.08.2022**

### **NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020 ("MCA Circulars") permitted the holding of the 38<sup>th</sup> Annual General Meeting ("AGM") through Video Conference (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. In terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the requirement of Regulation 44(4) of the Listing Regulations is dispensed with temporarily, as the Company is convening the AGM through electronic mode. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for the appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical Shares and for ease of portfolio management, Members holding Shares in physical form are requested to consider converting their holdings

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to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents ("RTA"), Kfin Technologies Limited (KFintech) for assistance in this regard.

4. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the Shares are held by them in electronic form and with RTA in case the Shares are held by them in physical form.
5. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the Shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the Shares are held by them in electronic form and to the Company in case the Shares are held in physical form.
6. Members holding Shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the Share Certificates for consolidating their holdings in one folio. A consolidated Share Certificate will be issued to such Members after making requisite changes. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Members seeking any information with regard to finance and accounts are requested to write to the Company at [grd@mro-tek.com](mailto:grd@mro-tek.com) at an early date, so as to enable the Management to keep the information ready at the AGM.  
  
Regulation 36(1)(b) and (c) of the Listing Regulations and provisions under Section 136 of the Companies Act, 2013 specifies the Companies to send a hard copy of the statement containing salient features of all the documents to the Shareholders who have not registered their email addresses and hard copies of full annual reports to those Shareholders, who request for the same, respectively.
8. Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 will also be available on the Company's website [www.mro-tek.com](http://www.mro-tek.com) and website of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at <https://www.nseindia.com/> and <https://www.bseindia.com/> respectively. The AGM Notice is also disseminated on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
9. The Register of Members and Share Transfer Books will remain closed from 22<sup>nd</sup> September, 2022 to 28<sup>th</sup> September, 2022 (both days inclusive).
10. All documents relating to the above-mentioned Resolutions shall be open for inspection at the Registered Office of the Company during normal business hours on any working day till the date of AGM.
11. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
12. The Shareholders may claim the unclaimed amount and shares already transferred to Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as mentioned below:
  - a) Shareholders may note that the IEPF claim refund process is now digital. They may refer the below link for FAQs related to filing the form and also refer the Instruction kit: <http://www.iepf.gov.in/IEPF/pdf/FAQsIEPF5.pdf>

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- b) The steps for Investors for claiming the amount and shares are as below:
- Register yourself on IEPF website: [www.iepf.gov.in](http://www.iepf.gov.in)
  - Fill the new web form IEPF 5 Online
  - Attach scanned copy of required documents with form
  - Take print out of auto generated advance receipt and indemnity bond (IEPF Website>Forms>WebForms IEPF 5>MCA Services.
  - Send all original Documents to the Company
  - Company to e-verify the claim in 30 days
  - On the basis of verification report, refund of shares and amount by IEPF Authority
13. Members are requested to address all their communications:
- relating to dividend or any other grievance/s, directly to the Shares Department to the Company's Registered Office or send e-mail to the dedicated e-mail id - [grd@mro-tek.com](mailto:grd@mro-tek.com);
  - relating to change of Bank account details, address etc, directly to their respective Depository Participant (DP), with whom Demat Account is held.
- pursuance of Section 112 and Section 113 of the Companies Act, 2013, the Body Corporate is entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- II. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under the provisions of Section 103 of the Act.
- III. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an Agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

**VOTING THROUGH ELECTRONIC MEANS**

In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021 and May 5, 2022, issued by the Ministry of Corporate Affairs (MCA), physical attendance of the Members to the AGM venue is not required and AGM will be held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

- I. Pursuant to Circular No. 14/2020 dated April 8, 2020, issued by the MCA, the facility to appoint a Proxy to attend and cast vote for the Members is not available for this AGM. However, in

- IV. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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V. The Board of Directors has appointed Mr. Vijayakrishna KT (Membership No. FCS 1788), Practising Company Secretary, Bangalore as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

VI. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 5, 2020.

VII. The voting rights of Members shall be in proportion to their Shares in the paid-up Equity Share Capital of the Company as on the cut-off date. A person, whose name is recorded in the Register of Members or the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting through remote e-voting.

### INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The e-voting period commences on Sunday, 25<sup>th</sup> September, 2022 (9:00 A.M. IST) and ends on Tuesday, 27<sup>th</sup> September, 2022 (5:00 P.M. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 2<sup>nd</sup> September, 2022 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	<b>For Shareholders holding Shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by the Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares

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in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

- (xi) For shareholders holding Shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of "MRO-TEK".
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by

the mobile app while Remote Voting on your mobile.

- (xx) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. **For Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. **For Demat Shareholders** - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVSN of MRO-TEK will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.



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3. Further, Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to Meeting mentioning their name, demat account number/folio number, email id, mobile number at (company's email id). The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to AGM mentioning his/her name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the Company suitably by email.
6. Those Shareholders who have registered themselves as a speakers will only be allowed to express their views/ask questions during the Meeting.

### INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the Shareholders attending the Meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

### GENERAL GUIDELINES FOR SHAREHOLDERS:

14. Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same. Alternatively, Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@mro-tek.com](mailto:cs@mro-tek.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

15. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help

section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

16. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager-CDSL, Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

17. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

**Pre-Requisites for Stakeholders/panellists/ Speakers:**

- Participant to join using his/her own Laptop on software provided (laptop to have good quality camera and microphone and internet connectivity. It is strictly Recommend to have a dedicated 1-2 mbps lease line connection).
- Laptop with Standard configuration. Recommended configuration is: Windows 10 ProOS, i3 processor, 4 GB Ram, Built Camera or USB Web camera for all Speakers.
- Any Desk software installed for remote access for the Technical team on the host side.
- Good Internet connectivity without proxy & firewall. Recommended speed is 2 mbps (1:1) for all speakers/ stakeholders.
- The Company will share one link to join the Meeting, Shareholder should accept the Meeting, invite and join the Meeting by accepting the Meeting Link.
- Recommended to assign 1 moderator from your side also to handle your all users. The Company will provide training to your moderator in advance as well as our technical team will also be in support at the time of video conferencing.
- Company panelist/members/speakers/viewer to download the respective software/app of respective platform provider for eg: cisco WebEx, webinar or any other platform in advance & ready to connect fast for Meeting.

**Pre-Requisites for Shareholders/Viewers/ Attendees:**

- Any internet enabled device – Laptop/Desktop/ Smartphone/Tablet
- Latest Internet Browser
- Laptop/desktop with at least Core2duo processor, 1GB RAM, good quality multimedia kit, Internet connectivity good quality without proxy & firewall –ideally broadband connectivity- 512 kbps or 2 mbps and above dedicated bandwidth
- Ports 1935, 443 and 80 should be opened to allow streaming content
- iPad viewers to have good internet connection of at least 1 Mbps bandwidth to view the webcast
- Access of Webcast url.
- Shareholders/viewers/Attendee to download the respective software/app of respective platform provider for eg: cisco WebEx, webinar or any other platform in advance & ready to connect fast for Meeting.

**OTHER INSTRUCTIONS:**

- a. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the AGM, 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.
- b. The result declared along with the Scrutinizer's Report shall be placed on the Company's website at [www.mro-tek.com](http://www.mro-tek.com) and on the Stock Exchange(s) website immediately. The Company shall simultaneously forward the results to the National Stock Exchange of India Limited and BSE Limited, where the Shares of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

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18. Additional information, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings, in respect of the Director seeking appointment/ re-appointment at AGM:

<b>Name of Director</b>	<b>Mrs. Gauri Aniruddha Mehta</b>
<b>Date of Birth</b>	14 <sup>th</sup> January, 1964
<b>Date of First Appointment</b>	August 8, 2016
<b>Qualifications</b>	She holds a Bachelor's degree in Arts from St. Xavier's College, Mumbai
<b>Experience and Expertise in specific functional areas</b>	She is a landscape architect by passion, with vast experience in designing. She brings on Board, standard project management principles and practices to ensure excellence in project design and delivery.

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

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

**Place: Bangalore**

**Date: 03.08.2022**

## BOARD'S REPORT

Dear Members

The Board of Directors ("Board") with immense pleasure present its 38<sup>th</sup> (Thirty Eighth) Annual Report on business and operations of MRO-TEK Realty Limited (the Company or MRO-TEK), along with Audited Financial Statements and the Auditors' Report thereon for the financial year (FY) ended March 31, 2022.

### 1. FINANCIAL REVIEW:

In compliance with the provisions of the Companies Act, 2013 ("Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), the Company has prepared its financial statements as per Indian Accounting Standards (Ind AS) for the FY 2021-22.

**The financial highlights of the Company's operations are as follows:**

(Rupees in Lakhs)

Particulars	2021-22	2020-21
Net Revenue from operations	12260.90	3162.42
Other Income	102.39	97.43
EBITDA	8948.37	(10.98)
Depreciation and Amortization	(254.10)	(132.86)
EBIT	8694.27	(143.84)
Interest and other Finance Costs	(609.84)	(571.98)
Profit /(Loss) before Tax	8084.43	(715.82)
Provision for Taxation (Deferred Tax Adjustments)	(215.63)	(30.57)
Profit / (Loss) after Taxation (PAT)	7868.80	(746.39)
Other Comprehensive Income	(6.10)	(0.45)
Total Comprehensive Income	7862.70	(746.84)

A detailed performance analysis on various segments, business and operations is provided in the Management Discussion and Analysis segment which is annexed to this report.

Your Company's financial statements for the financial year ended March 31, 2022 are the financial statements prepared in accordance with Ind AS noticed under the Companies (Indian Accounting Standards) Rules, 2015 including amendments Rules, 2018. Accordingly, numbers for all the comparative periods have been restated.

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### A. PERFORMANCE OVERVIEW:

#### **PERFORMANCE:**

The Company recorded profit after tax of Rs. 7,868.80 Lakhs during the year as against loss of Rs. 746.39 Lakhs for the corresponding previous financial year.

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

- The revenue from operations from each Business unit wise has been tabulated below:

(Rs. in Lakhs)			
Business unit wise	2021-22	2020-21	Increase/ (Decrease)
Product	1049.22	996.44	52.78
Real Estate	9182.38	-	9182.38
EMS (Electronic Contract Manufacturing Service)	1315.38	1,815.01	(499.63)
Solutions	713.92	350.97	362.95
<b>Total</b>	<b>12260.90</b>	<b>3,162.42</b>	<b>9098.48</b>

- The property development at Hebbal was completed and the Company was intimated by Messers Umiya Builders and Developers ("Developer") on 25th June 2021 that they are in receipt of occupation certificate ("OC") from the concerned authorities for the "Umiya Velociti" ("developed building") situated at Hebbal. As per bye laws of the Government, the Company has transferred portion belonging to developer and accounted revenue of Rs. 8834.00 Lakhs in exchange for the building accounted under investment property during the quarter ended 30<sup>th</sup> June 2021. The portion of real estate segment revenue includes this transaction value.
- COVID-19 had significant impact on the Company, its vendors and customers and has far reaching impact on the business affecting its results for the reporting period

and thereafter. The Company implemented lock down guidelines during the part of year resulting in scaling down of operations but the Company retained talented work force to be in the business domain in the market.

- The migration of labour due to announcement of lock down impacted supply of required talented work force for particular period resulting in loss of business opportunities to the Company resulting in operation loss to the company.
- Covid-19 impacted the business of the dealers, distributors and customers and affected the sales during the year under review. Further, the liquidity crisis in the market affected the sales to dealers and distributors resulting in slow down of overall business to the company.

The Company introduced **Switches / routers in the** products line to increase the product base and augment the business. With the Government thrust on Make in India Products taking shape on ground, your Company is seeing significant market interest in its products and expect to see good turnover from the Routing and switching Product Line. As per the newly introduced regulation on National Security Directive on the Telecommunication Sector (NSDTS), The Company successfully got listed as a "trusted source" for supply of Telecom and Networking Products to telecom/Internet Service Providers.

- The Company has strived to retain and regain strength in the core product business by introducing new dealers and distributors. The Company managed to increase revenue from Product Business Segment from Rs. 996.44 Lakhs (Previous year 2020-21) to Rs. 1049.22 Lakhs during the financial year 2021-22.
- The revenue from operations from EMS business has been decreased to Rs. 1,315.38 Lakhs during the financial year 2021-22 as against Rs. 1,815.01 Lakhs for the previous financial year 2020-21 **due to shortage of materials and components and uncertainty in the execution due to global supply chain crisis.**

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

- The Company executed business order from Railtel Corporation of India Limited for MPLS connectivity and recognised Rs. 412.44 lakhs for Capex and Rs. 73.79 lakhs for Opex revenue during the year under review. The total revenue generated from Solutions Business Segment increased from Rs. 350.97 lakhs to Rs. 713.92 lakhs during the year under review.
- The Company also bagged Solutions business order from BSNL, Jharkhand for MPLS connectivity across the Offices of Bharat Coking Coal Limited a subsidiary of Coal India Limited. BSNL will be the primary stakeholder and Project governance agency. The project will be executed in FY 2022-23 and the Operational and Maintenance support will be for five years.
- The total sales turnover of the Company stood at Rs. 12260.90 lakhs as against Rs. 3,162.42 lakhs as compared to previous financial year. Details on segmental revenue and performance are furnished in Note no. 36 on Supplementary Notes to Accounts.
- The EBITDA for the financial year 2021-22 is Rs. 8948.37 lakhs as against EBITDA for the previous year 2020-21 of Rs (10.98) lakhs. The increase in EBITDA is due to real estate net gain of Rs. 8761.30 lakhs during the year. Other business segments contributed to the increase in EBITDA by Rs. 187.07 lakhs during the year under review.
- The Company incurred additional depreciation of Rs. 121.24 lakhs as compared to corresponding previous year due to substantial increase in the value of building added during the year under review after completion of real estate property development.
- The Company incurred additional interest and finance cost of Rs. 37.86 lakhs as compared to corresponding previous year due to increase in borrowing during the year under review.
- The Profit (Loss) after Tax for the current year 2021-22 is Rs. 7868.80 lakhs as against loss of Rs. 746.39 lakhs during the previous year 2020-21.

- The Company has taken various initiatives in relation to saving cost, optimize revenue management opportunities and diversified into other streams / areas like EMS & Solution business which is expected to result in improved operating performance.

**2. SECRETARIAL STANDARDS:**

Pursuant to the provisions of Section 118 of the Act, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs (MCA).

**3. COVID-19 IMPACT:**

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. In the first three months of FY-2022, the second wave of the pandemic overwhelmed India's medical infrastructure.

The Company had taken initiatives to vaccinate all the employees and their immediate relatives. The Board records its appreciation and gratitude towards employees and management for keeping the businesses running under extremely challenging circumstances.

**4. DIVIDEND:**

The Board of Directors of your Company, after considering the relevant circumstances and the losses suffered by the Company, expresses its inability to recommend any dividend for the year under review.

However, the Directors will strive hard to bring the Company back to dividend track before long and the improving performance of the Company is hoped to continue to facilitate consideration of dividend in the days to come.

**5. TRANSFER TO RESERVES:**

The Company has not transferred any amount to the general reserves during the year under review.

**6. SUBSIDIARY COMPANIES:**

As on the date of reporting, the Company does not have any Subsidiaries. Therefore, there is no requirement to comply with the provisions of Section 129(3) of the Act.

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### 7. CHANGE IN NATURE OF BUSINESS:

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

### 8. MATERIAL CHANGES AND 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.

The Company has transferred portion of land area belonging to developer and accounted revenue of Rs. 8834.00 lakhs in exchange for the building received and resulted net gain of Rs. 8500.00 lakhs during the first quarter of the year 2021-22.

### 9. SHARE CAPITAL:

During the year under review, there has been no change in the Authorised Share Capital and Paid-up Share Capital of the Company. However, the Authorised Share Capital of Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 3,00,00,000 (Three Crores) Equity Share of Rs. 5/- (Rupees Five only) each and Paid-up Share Capital of the Company is Rs. 9,34,23,010/- (Rupees Nine Crores Thirty Four Lakhs Twenty Three Thousand and Ten only) divided into 1,86,84,602 (One Crore Eighty Six Lakh Eighty 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 Shares with Differential Voting Rights.

### Disclosure regarding issue of Employee Stock Options

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

### Disclosure regarding issue of Sweat Equity Shares

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

### 10. CREDIT RATING:

The Company has received intimation of withdrawal of Credit Ratings from CRISIL with respect to the Company's long term and short fund-based limits. As on March 26, 2021, CRISIL has given intimation of withdrawal of Credit Ratings as mentioned below:

<b>Total Bank Loan Facilities related</b>	<b>Rs.17 Crore</b>
<b>Long Term Rating</b>	<b>CRISIL B+/Stable (Rating Reaffirmed and Withdrawn)</b>
<b>Short Term Rating</b>	<b>CRISIL A4 (Rating Reaffirmed and Withdrawn)</b>

The same has been uploaded on the Company's official website at [www.mro-tek.com](http://www.mro-tek.com).

### 11. DEPOSITS:

The Company has not accepted deposits from the public/ members under Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014, during the year under review.

### 12. DIRECTORS AND KEY MANAGERIAL PERSONNELS (KMPs):

#### (a) Director retiring by rotation

In accordance with the provisions of Section 152 of the Act and Articles of Association of the Company, Mrs. Gauri Aniruddha Mehta (holding DIN: 00720443), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. A Resolution seeking Shareholders' approval for her re-appointment forms part of the Notice.

#### (b) Cessation of Office of Directorship

Mr. Sudhir Kumar Hasija, Non-Executive-

Independent Director of the Company had ceased to be an Independent Director of the Company as having completed his tenure of 5 (five) years as an Independent Director of the Company as on August 8, 2021; however, he was inducted in to the Board as Non Executive Non Independent Director .

**(c) Appointment of Directors and KMPs**

The Composition of the Board and Key Managerial Personnel is as follows:

Sl. No.	Name	Designation	DIN
1.	Mrs. Neela Manjunath	Independent Director	06981005
2.	Mr. Sudhir Kumar Hasija	Non-Executive Non-Independent Director	00157168

On the basis of the recommendation of Nomination and Remuneration Committee and the Board of Directors, the Shareholders had appointed Mr. Sudhir Kumar Hasija, (holding DIN: 00157168) as Non-Executive Non-Independent Director and Mrs. Neela Manjunath (holding DIN: 06981005) as a Director in the capacity of Non-Executive-Independent Director of the Company.

**(d) Declaration of Independence**

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted their declarations that each one of them meets the criteria of independence as provided under the provisions of Section 149(6) of the Act along with Rules framed thereunder under Regulations 16(1) (b) and 25 of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any, and reimbursement of expenses incurred by them for the purpose of attending Meetings of the Board/ Committees of the Company.

**(e) Board Diversity**

The Company believes that building a diverse and inclusive culture is integral to its success. The Company has evaluated the Policy with a purpose to ensure adequate diversity in its Board of Directors, which enables them to function efficiently and foster differentiated thought processes at the back of varied industrial and management expertise. The Board recognizes the importance of diverse composition and has therefore adopted a Board Diversity Policy. The Policy is made available on the Company's website at <https://www.mro-tek.com/pdf/BoardDiversityPolicy.pdf> .

**(f) Annual Board evaluation and Familiarisation Programme for Board Members**

The Board of Directors and the Nomination and Remuneration Committee had carried out an annual evaluation of its own performance, the Board Committees and Individual Directors pursuant to the provisions of the Act and Listing Regulations on February 09, 2022. The performance as a whole was evaluated by the Board after seeking input from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the SEBI on January 5, 2017. In a separate Meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meetings, in terms of preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, etc. At the Board Meeting that followed the Meeting of the Independent Directors and Meeting of Nomination



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and Remuneration Committee, the performance of the Board, its committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

A note on the Familiarisation Programme adopted by the Company for orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Act, and the Listing Regulations is referred herewith is made available at Company's official website at [https://www.mro-tek.com/pdf/1st\\_Familiarization\\_Programme\\_for\\_FY\\_2021\\_22.pdf](https://www.mro-tek.com/pdf/1st_Familiarization_Programme_for_FY_2021_22.pdf)

### 14. Policy on Directors Appointment and Remuneration

In compliance with the provisions of Section 178(3) Act and Regulation 19 of the Listing Regulations, the Board, on the recommendation of Nomination and Remuneration Committee has approved the Policy for selection and appointment of Directors. The aforesaid Policy provides a framework to ensure that suitable and efficient succession plans are in place for appointment of Directors on the Board. The Policy also provides for selection criteria for appointment of Directors. The Policy on remuneration can be accessed at the official website of the Company at [http://www.mro-tek.com/pdf/MRO-TEK%20Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.mro-tek.com/pdf/MRO-TEK%20Nomination_and_Remuneration_Policy.pdf)

### 15. COMPOSITION OF AUDIT COMMITTEE:

As on the financial year ended March 31, 2022, the Audit Committee of the Company consisted of four Members and all of them have financial and accounting knowledge. The Board has accepted all the recommendations made by the Audit Committee during the year under review.

SI. No.	NAME	DIN	DESIGNATION
1.	H S VENKATESH	01776040	CHAIRMAN
2.	NEELA MANJUNATH	06981005	MEMBER
3.	RAGHU NAMBIAR	07325471	MEMBER
4.	GAURI ANIRUDDHA MEHTA	00720443	MEMBER

### 16. NOMINATION AND REMUNERATION COMMITTEE POLICY :

The Board has, on the recommendation of Nomination and 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 on the website at [www.mro-tek.com](http://www.mro-tek.com) . The composition, criteria for selection of Directors and the terms of reference of the Nomination and Remuneration Committee is stated in the Corporate Governance Report.

### NOMINATION AND REMUNERATION COMMITTEE:-

SI. No.	NAME	DIN	DESIGNATION
1.	RAGHU NAMBIAR	07325471	CHAIRMAN
2.	NEELA MANJUNATH	06981005	MEMBER
3.	NICOLA NEELADRI	01997936	MEMBER
4.	GAURI ANIRUDDHA MEHTA	00720443	MEMBER

### 17. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- In the preparation of the accounts for the financial year ended March 31, 2022, the applicable Accounting Standards have been followed and there are no material departures from the same;
- The Directors had selected such Accounting Policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for the financial year under review;

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared Annual Accounts of the Company on a 'going concern' basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

#### 18. NUMBER OF MEETINGS OF THE BOARD

The Meetings of the Board were held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors were held when necessary.

Six (6) Meetings of the Board were held during the financial year under review on the following dates: June 30, 2021; August 13, 2021; August 30, 2021; October 26, 2021, November 11, 2021 and February 09, 2022. For details of Meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Report as **Annexure –V**.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

#### 19. INTERNAL FINANCIAL CONTROL SYSTEMS AND 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 Secretarial Auditors.

During the financial year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during financial year 2020-21.

#### 20. AUDIT AND AUDITORS:

##### (a) Statutory Auditors -

The Statutory Auditor, Messrs K. S. Aiyar and Co, were re-appointed as Statutory Auditor of the Company at the 37<sup>th</sup> Annual General Meeting of the Company held on September 30, 2021 through Video Conferencing for the to hold office for a period of Five (5) consecutive years, from the conclusion of the ensuing 37<sup>th</sup> AGM until the conclusion of 42<sup>nd</sup> AGM to be held in the calendar year 2026.

The Board has duly examined the Statutory Auditors' Report to the Financial Statements, which is self-explanatory. Clarifications, wherever necessary, have been included in the notes to the Financial Statements section of the Annual Report. The Auditors' Report for the FY 2021-22 does not contain any qualification, reservation or adverse remark for the year under review. The Auditors' Report is enclosed with the Financial Statements in this Annual Report.

##### (b) Secretarial Auditors and Secretarial Audit Report -

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of

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Managerial Personnel) Rules 2014, the Board has appointed Mr. Vijayakrishna K T, Practising Company Secretary (Membership No. FCS-8860), as its Secretarial Auditors to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the FY 2021-22 is annexed as **Annexure – I** and forms part of this Report. The Report does not contain any qualification, reservation, disclaimer or adverse remark for the year under review.

Pursuant to Regulation 24A of the Listing Regulations, Secretarial Compliance Report for the financial year ended March 31, 2022 is annexed as **Annexure II**.

### **(c) Details of frauds reported by the Auditors -**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

### **(d) Internal Auditors -**

The Board had appointed Messrs Ishwar and Gopal, Chartered Accountants, Bangalore as the Internal Auditors of the Company to conduct the audit on basis of a detailed internal audit plan which is reviewed each year in consultation with the Internal Audit Team and the Audit Committee. On a quarterly basis also, Internal Auditors give presentations and provide a report to the Audit Committee of the Company.

### **(e) Cost Audit -**

Maintenance of cost records as specified by the Central Government pursuant to Section 148(1) of the Act, is not required by the Company and accordingly, such accounts and records are not made and maintained.

## **21. RELATED PARTIES TRANSACTIONS:**

All Related Party Transactions which were entered into, during the financial year were on an arm's length basis and in the ordinary course of

business. There were no materially significant Related Party Transactions entered by the Company during the year that required Shareholders' approval under Regulation 23 of the Listing Regulations. Prior omnibus approval from the Audit Committee is obtained for transactions which are repetitive in nature. Further, disclosures are made to the Audit Committee on a quarterly basis. Pursuant to Regulation 23(9) of the Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchanges.

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure – III** in Form AOC-2 and the same forms part of this report.

The Company has adopted a Policy for dealing with Related Party Transactions and is made available on the Company's website at [http://www.mro-tek.com/pdf/20\\_5\\_15\\_RPT\\_Policy.pdf](http://www.mro-tek.com/pdf/20_5_15_RPT_Policy.pdf)

## **22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(M) OF THE ACT:**

### **(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. ISO 13485 – for Medical. Defence – AS 9100D is in process. This has helped us in capturing EMS business from Medical and Defence Industry.

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 financial 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 no. 35 of "Notes to Accounts and other explanatory information".

**23. CAPITAL EXPENDITURE:**

As on March 31, 2022, the gross tangible and intangible assets stood at Rs. 1,691.54 lakhs and the net tangible and intangible assets at Rs. 1,093.35 lakhs Additions during the financial year amounted to Rs.9.93 lakhs and deletions during the financial year amounted to Rs. 15.74 lakhs. In addition to this, as on March, 31, 2022, the gross tangible investment assets stood at Rs. 10,553.05 lakhs and the net tangible investment assets at Rs. 10,403.83 lakhs. Additions during the financial year amounted to Rs. 10,423.95 lakhs arising out of transfer of land area portion related to the developer upon completion of development project at Hebbal, Bengaluru.

**24. RISK MANAGEMENT POLICY:**

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.

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 on the website of the Company at [http://www.mro-tek.com/pdf/MRO-TEK-Risk\\_Management\\_Management\\_Policy.pdf](http://www.mro-tek.com/pdf/MRO-TEK-Risk_Management_Management_Policy.pdf)

**25. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company believes in building and maintaining a sustainable societal value, inspired by a noteworthy vision to actively participate, contribute and impact not just individual lives but create a difference on a social level as well. During the year under review, your Company has incurred loss of Rs. 746.39 lakhs. Hence, the Company was not required to incur any CSR Expenditures during the financial year.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the CSR Committee.

The Board has adopted the CSR Policy, as formulated and recommended by the CSR Committee, and is available on the Company's website at [http://www.mro-tek.com/pdf/CSR\\_Policy\\_MRO-TEK.pdf](http://www.mro-tek.com/pdf/CSR_Policy_MRO-TEK.pdf).

The disclosure of contents of CSR Policy pursuant to the provisions of Section 134(3)(o) of Act read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is therefore not annexed.

**26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY OPERATIONS IN FUTURE:**

There were no significant and material orders passed by the Regulators, Courts or Tribunals that would impact the going concern status of the Company's operation in the future.

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### 27. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Policy aims to promote a healthy work environment and to provide protection to employees at the workplace and redress complaints of sexual harassment and related matters thereto. 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. Details of the same, including the details of the complaints received are provided in the Report on Corporate Governance, which forms part of this Report.

Following is the summary of sexual harassment complaints received and disposed off during the financial year 2021-22:

No. of complaints received: NIL

No. of complaints disposed off: NIL

### 28. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

In compliance with Section 177(9) of the Act, and Regulation 22 of the Listing Regulations, the Company has a Whistle Blower Policy and has established the necessary Vigil Mechanism for Directors and employees in confirmation with the above laws, to report concerns about unethical behaviour. The details of the Policy have been disclosed in the Corporate Governance Report, which is a part of this report and is also available on the website of the Company at <http://www.mro-tek.com/pdf/Whistle%20Blower%20Policy.pdf>

### 29. MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the financial year under review, is presented in a separate section, forming part of the Annual Report.

### 30. CORPORATE GOVERNANCE:

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

A Certificate from Mr. Vijayakrishna K T, Practising Company Secretary, Bangalore, confirming compliance to conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed to the Corporate Governance Report. A statement containing additional information as required under Clause IV of Section II of Part II of Schedule V of the Act, is provided in the Report on Corporate Governance, which forms part of this Annual Report.

### 31. ANNUAL RETURN:

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company on the following link: [https://www.mro-tek.com/pdf/Annual\\_Return\\_E\\_FORM\\_MGT\\_7\\_FY2021\\_22.pdf](https://www.mro-tek.com/pdf/Annual_Return_E_FORM_MGT_7_FY2021_22.pdf)

### 32. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details relating to loans, corporate guarantees and investments covered under Section 186 of the Act, forms part of the notes to the Financial Statements provided in this Annual Report.

### 33. CODE OF CONDUCT:

The Company has laid down a Code of Conduct for the Directors as well as for all Senior Management of the Company. In terms of Regulation 26(3) of SEBI (Listing Obligations and

Disclosure Requirements) Regulation 2015 as amended from time to time, 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 FY 2021-22. As prescribed under Regulation 17 of the Listing Regulations, a declaration signed by the Managing Director affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the financial year 2021-22 forms part of the Corporate Governance Report.

**34. PARTICULARS OF EMPLOYEES:**

The disclosure pursuant to the provisions of Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure -V** and forms part of this Report.

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 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 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.

**35. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing fees for the financial year 2022-23 to National Stock Exchange of India Limited and BSE Limited where the Company's Shares are listed.

**36. HUMAN RESOURCES MANAGEMENT:**

Professionals are the Company's most important assets. The Company is committed to hiring and

retaining the best talent and being among the industry's leading employers. For this, your Company is focused on promoting a collaborative, transparent and participative organization culture, and rewarding individual contribution and innovation. The focus on Human Resources Management is to enable our employees to navigate their next, not just for clients, but also for themselves.

**37. INDUSTRIAL RELATIONS:**

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

**38. AWARDS AND RECOGNITIONS:**

During the financial year under review, the Company was conferred with various awards and recognitions, the details of which are provided in a separate section of the Annual Report.

**39. DISCLOSURE REQUIREMENTS:**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time and that such systems are adequate and operating effectively

**40. INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)**

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

**41. ACKNOWLEDGEMENTS:**

The Directors wish to thank MRO-TEK employees, vendors, customers, investors, and other partners for their sincere support.

The Board expresses its grief for loss of life due to COVID-19 pandemic and has immense respect for every person who has risked their life and safety to fight against this crisis.

The Directors also take this opportunity to thank all Stakeholders, Government, Non-Government Agencies, Regulators and Stock Exchanges for their continued support.

## **Annual Report 2021-22**

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### **42. CAUTIONARY STATEMENT:**

The Board's Report and Management Discussion and Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein.

The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations include global and domestic economic developments, competitor's behaviour, changes in Government Regulations, Tax laws and litigations.

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

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

**Address: # 06, New BEL Road,  
Chikkamaranahalli,  
Bangalore 560054**

**Place : Bengaluru  
Date : 26-05-2022**

## 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, 2022.

- 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.
- Impact of COVID -19 Pandemic on the Business operation of the Company

### SEGMENT WISE OR PRODUCT WISE PERFORMANCE

As the Board of Directors reported in the last AGM, the Company continued efforts on existing business segments with a focus on ensuring growth in each of the Segments while mitigating new risks and challenges posed by the pandemic. The emphasis was on creating higher demand for the products, ensuring frugality in operations and multi-tasking existing resources.

- Products
- Solutions
- EMS
- Real Estate

### SEGMENT : PRODUCTS

The thrust and focus of the Product Management team during the financial year 2021-22, has been to strengthen the Product portfolio in order to ensure the penetration and expansion of your Company’s products footprint in the Market. A few new products introduced last year like the Auto Media Changeover device & TDMolP found good traction. On the telecom front, the GPON line of products did not provide the expected market penetration due to large lead times and price fluctuations due to components shortage in the Industry. Wireless radios were gainfully deployed into our Solutions projects.

Pursuing the vision of having a market relevant and more efficient portfolio, few legacy products were retired, existing Products were upgraded/redesigned

and new products in Switching and Routing were introduced. Accordingly, with a view to keep a leaner and less inventory burdening portfolio, GPON was tapered down along with a few other legacy products. To mitigate adverse impact due to the semiconductor shortage, the technical team successfully redesigned few products with more available ICs.

The Products team worked closely with the Marketing team and the industry to introduce new products into the portfolio based on Technology and Market demand. In keeping with the current Government thrust and **initiatives on “Atmanirbhar”, your Company remained focused on high Local content led development/upgrade of Products.** Your company introduced Switches and Routers in various capacities and configurations to meet market demand. This new induction was based on market intelligence gathered from continuous interaction with Industry experts, ODMs, Telecom/Internet Providers and Channel Partners. In keeping with newly introduced Government regulation on “National Security Directive on the Telecommunication Sector (NSDTS)”, **your Company has successfully got listed on the Trusted Portal as a “trusted source” for supply of Telecom and Networking Products to telecom/ Internet Service Providers.**

The Company’s Product Development team made break throughs in the following products:

Product	Application/Sector
Enterprise Routers	Telecom Enterprise / ISPs/ SI Projects
Enterprise and Campus Switches (Specifications from 1G to 40 G)	Telecom Enterprise / ISPs/ SI Projects
In House Re-design and development: <ul style="list-style-type: none"> <li>• Gigabit Media Convertor (HOST A-UG)</li> <li>• Manage Media Convertor (FCAT 1000 J)</li> <li>• TDM Mux</li> </ul>	Telecom/Power Sector/ Defense/Oil and Gas



## Annual Report 2021-22

The Service Business Unit continues to be the operations arm for maintenance / operations / repair of all OEM products sold by the Company.

The turnover of the Company under the Segment Products is increased during the year from Rs. 996.44 lakhs to Rs. 1049.22 lakhs. The net gain from this segment before allocation of Plant and Corporate Office expenditure of Rs. 341.94 lakhs is Rs. 313.40 lakhs as compared to previous year net gain of Rs. 213.58 lakhs before allocation of expenses of Rs. 6.17 lakhs during the corresponding previous year.

Technology / Solution	Segment
Turnkey Networking Solutions/System Integration	Complete end to end Design and implementation of large network projects, Operations and Maintenance contracts
Managed Network Services	Managed network Services (Over Cloud or on Premise Solution) for Service Providers, Medium and Large Networks, retail, BFSI

### SEGMENT : SOLUTIONS

Over the past few years, the Company has made several forays into System Integration (SI) and TurnKey Network projects implementation and is now a player of reckonable strength in this Segment. During the financial year 2021-22, the Company has successfully executed the Project from RailTel (which the Company had won in March 2021) with the end user being Western Coal Fields (WCL). 136 Sites were commissioned in a timely manner as per the Work Order. The project Operations and maintenance is spread over 5 years and your Company is delivering Services as per specified Project Service Level Agreements (SLAs). Billing has commenced since Sep 2021.

Further, during the year, your Company has won a Project from BSNL, Jharkhand for Implementation of Multi-Protocol Label Switching (MPLS) managed network services for connectivity of 304 Sites of Bharat Coking Coal Limited (BCCL) a subsidiary of Coal India Limited (CIL). The Project value is Rs. 37.70 Crs. and the execution has commenced from Feb 2022. The project will be completed in Phases and the network will be Operated and maintained by your Company for 5 years from Commissioning date.

Including this order, currently your Company is Managing, Operating and Maintaining 4 projects across the country which has ensured a robust regular cashflow for your Company.

The Company's Solution Line continues to focus on turnkey projects business in Network specific areas. Our efforts are on to secure new projects and business in System Integration which will ensure regular cash flows with good bottom line.

The turnover of the Company under this segment for the year 2021-22 is Rs. 713.92 lakhs as compared to Rs. 350.97 lakhs and the net resulting gain under this segment is Rs. 207.88 lakhs as compared to Rs. 21.82 lakhs.

### SEGMENT : ELECTRONIC MANUFACTURING SERVICES (EMS)

The EMS segment has seen severe stress (especially so for the MSME sector) in the past two years due to the Pandemic and followed by the consequent global components shortage. New business opportunities are hard to come by and some of our potentially large pipeline orders especially in the Aerospace and Medical sectors have been delayed. The Company did receive significant Orders from our existing medical customers. However there were severe constraints and risks to executing these orders with reasonable margins. The procurement lead times for the components were too lengthy and uncertain (Due to global component shortages), Cost of components were unstable and constantly escalating. Following internal Management discussions it was decided that it would be prudent to avoid investing capital with such high potential risk and margin uncertainties post execution. It was decided to taper down on Operations and associated cost while we await the situation to improve. This move has benefited the company in being able to reduce costs and allocate capital to the execution of new project won from BSNL Jharkhand. The Company however successfully executed and delivered all pending orders and realized the planned revenue.

As mentioned earlier, the EMS segment has been most affected by the Pandemic due to non-availability of components, large lead times and higher input costs. The EMS BU executed all pending order

**MRO-TEK REALTY LIMITED**  
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for the year and generated a revenue of Rs. 1315 lacs as compared to previous year revenue of Rs. 1815 lacs and the net resulting gain under this segment is Rs. 53.32 lacs as compared to Rs. 246.27 lacs.

**RISKS AND CONCERNS**

The Company has consolidated its business focus into specific dedicated opportunities – a) Products for Telecom and Railways; c) Turnkey Projects/System Integration c) Services d) Real Estate. 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:

<b>STRENGTHS</b>	<ol style="list-style-type: none"> <li>1. Trusted brand name</li> <li>2. High quality engineering skills</li> <li>3. Major Tier-1 customer confidence</li> <li>4. Products with High Local content and confirming to Government Policies of Make in India.</li> </ol>	<b>WEAKNESSES</b>	<ol style="list-style-type: none"> <li>1. Product portfolio requires some more strengthening and diversification</li> <li>2. Ability to scale up quickly</li> <li>3. High skill manpower bench is limited</li> <li>4. High Cost of Capital</li> </ol>
<b>OPPURTUNITIES</b>	<ol style="list-style-type: none"> <li>1. Favorable trends in Government policies</li> <li>2. Make in India initiatives</li> <li>3. System Integration</li> </ol>	<b>THREATS</b>	<ol style="list-style-type: none"> <li>1. Liquidity crisis with most customers</li> <li>2. Dependence on government customers</li> <li>3. Regular disruption of business due to COVID -19</li> </ol>

**OPERATIONAL PERFORMANCE**

The Overall Business in all the BUs continued to experience disruption and Challenges due to the Pandemic.

**Despite all the challenges, your company ensured steady product sales and ensured a reasonable revenue growth of 5% over the last FY in the Products BU.** Having self sufficiency in Routing and Switching Products had provided the capability to provide more cost efficient solutions. This has proven extremely valuable for the Company to bid Competitively for SI tenders.

On the Solutions front, your company has ensured successful Operations and Maintenance of current projects with BSNL/WCL, RailTel/WCL, APEPDCL and HAL. The stipulated SLAs are being achieved and progressively improved. The company won one new project in FY 2021-22 worth Rs. 37.77 Cr which will be executed in the upcoming FY. We had set sights on expanding our SI and Solutions vertical and had foreseen high potential for revenue scale up. Securing the new Project from BSNL Jharkhand has further validated that vision and the future roadmap envisages robust growth in this vertical.

**Key financial ratios comparison:**

PARTICULARS	2021-22	2020-21
Debtors Turnover	5.01	1.35
Inventory Turnover	11.16	1.80
Interest Coverage Ratio	14.25	(0.25)
Current Ratio	0.54	0.79
Debt Equity Ratio	1.03	(6.87)
Operating Profit Margin (%)	63.29%	(26.70)%
Net Profit Margin (%)	64.13%	(23.62)%
Return on Net Worth	1.13	(0.83)

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

During the financial year under review, your management had recruited new employees. The Management is also focusing on the Electronic/ Contract Manufacturing Services (EMS/CMS) which required significant workforce. Your Company had employed and is planning to employ good number of skilled /unskilled labour in near future. This will lead to generation of employment opportunities 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 financial year under review.

Your Company has taken care of employees and ensured healthy environment during the pandemic

situation by implementing safety protocols like Covid Appropriate Behavior (CAB) in the factory premises, by allowing staff to carryout work from home during Covid-19 1st & 2nd Wave.

### **IMPACT OF COVID -19 PANDEMIC ON THE BUSINESS OPERATION OF THE COMPANY**

**COVID-19** has already had a significant impact on the global financial markets, including India and it may have accounting and reporting implications for the Company.

The Company hopes at this point of time there is no major impact of COVID-19 on the operations in the long run. However, probability of higher defaults in payment from customers or lower market demand of products cannot be ruled out.

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

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

**Place: Bengaluru  
Date: 26-05-2022**

**ANNEXURE -I**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

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

To  
The Members  
MRO-TEK REALTY LIMITED  
Bangalore

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MRO-TEK REALTY LIMITED (CIN: L28112KA1984PLC005873) (hereinafter called 'the Company'). 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, 2022 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 31.03.2022 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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- (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
  - (k) Circulars/Guidelines issued thereunder;
- (vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.
- (vii) The other general laws as may be applicable to the Company including the following:

### **(1) Employer/Employee Related Laws & Rules:**

- The Factories Act, 1948
- The Employees State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Contract Labour (Regulation and Abolition) Act, 1970
- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Maternity Benefit Act, 1961
- The Equal Remuneration Act, 1976
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- The Karnataka Labour Welfare Fund Act, 1965
- The Apprentices Act, 1961
- The Industrial Employment Standing Orders Act, 1946
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- The Karnataka Industrial Establishments (National & Festival) Holidays Act, 1963
- The Karnataka Public Safety (Measures) Enforcement Act, 2017
- Karnataka Shops & Commercial Establishment Act, 1961

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

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

- The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

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

- The Competition Act, 2002
- The Indian Contract Act, 1872
- The Sales of Goods Act, 1930
- The Forward Contracts (Regulation) Act, 1952
- The Indian Stamp Act, 1899
- The Transfer of Property Act, 1882
- The Patents Act, 1970
- The Trade Marks Act, 1999
- The Explosives Act, 1884
- Legal Metrology Act, 2009

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 as may be applicable during the year under review.

Certain non material findings made during the course of the audit relating to the provisions of the Companies Act, Secretarial Standards and Labour Laws which 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. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Place: Bangalore

Date: 26<sup>th</sup> May, 2022

Vijayakrishna KT  
Practising Company Secretary  
FCS No.: 1788 C P No.: 980  
UDIN:F001788D000396930

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

**‘Annexure’**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under The Income Tax Act, The Central Excise Act, The Customs Act, The Goods and Services Tax Act.
4. Whereever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc. as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore  
Date: 26<sup>th</sup> May, 2022

Vijaykrishna KT  
Practising Company Secretary  
FCS No.: 1788 C P No.: 980  
UDIN:F001788D000396930

**ANNEXURE-II**

**SECRETARIAL COMPLIANCE REPORT OF MRO-TEK REALTY LIMITED  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

I, Vijayakrishna K T, Practising Company Secretary have examined all the documents and records made available to us and explanation provided by **MRO-TEK REALTY LIMITED**, having registered office at No.6, New BEL Road, Chikkamaranahalli Bangalore - 560054 and bearing CIN **L28112KA1984PLC005873** ("the listed entity") and the filings/submissions made by the listed entity to the stock exchanges, website of the listed entity and other document/filing and as may be relevant, which has been relied upon to make this certification for the Financial Year ended 31<sup>st</sup> March, 2022 ("1st April, 2021 to 31<sup>st</sup> March, 2022") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the Circulars/Guidelines issued thereunder, have been examined, include:-

- (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;

Based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued except in respect of matters specified below:

Sl. No.	Compliance Requirement (Regulations/circulars/Guidelines including specific clause)	Deviations	Observations/Remarks of the Practising Company Secretary
NIL			



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- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from my examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its Promoters/Directors/ Material Subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and Circulars/Guidelines issued thereunder:

Sl. No.	Action taken by	Details of violation	Details of action taken ex. Fines, warning letter, debarment etc....	Observations/Remarks of the Practising Company Secretary, if any
NIL				

- (d) As there are no observations in previous reports, actions on the observations made in previous reports did not arise.

Place : Bangalore  
Date : 26<sup>th</sup> May, 2022

Vijayakrishna KT  
Practising Company Secretary  
FCS No.: 1788 C P No.: 980  
UDIN:F001788D000397007

**ANNEXURE- III**

**FORM NO. AOC.2**

**Particulars of Contracts / Arrangements made with Related Parties**  
(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

**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 arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2022, which were not at arm's length basis. The Company has laid down policies and processes/procedures to ensure compliance with the subject section in the Companies Act, 2013 and the corresponding Rules. Besides, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

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

<b>Nature of contracts/ arrangements / transactions</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Duration of the contracts/ arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date(s) of approval by the Board, if any</b>	<b>Amount paid as advances, if any</b>
<b>Not Applicable</b>					

There were no material contracts or arrangements or transactions entered into during the financial year ended March 31, 2022 crossing the materiality threshold of 10% of the annual consolidated turnover as per the latest audited financial statements of the Company. The details of contracts or arrangements or transactions at arm's length basis for the financial year ended March 31, 2022 are detailed in the Notes to Financial Statement annexed to the Annual Report for which appropriate approvals have been taken from the Audit Committee and Board of Directors of the Company from time to time.

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

**Aniruddha Bhanuprasad Mehta**  
**Chairman & Managing Director**  
DIN: 00720504  
Address: # 06, New BEL Road,  
Chikkamaranahalli,  
Bangalore 560054

Place : Bengaluru  
Date : 26-05-2022

**REPORT ON CORPORATE GOVERNANCE**

Pursuant to Regulation 15(2) of SEBI (LODR), Regulations, 2015, the Paid-up Equity Share Capital of the Company and Net-worth of the Company were not exceeding rupees ten crores and rupees twenty-five crores respectively as on the last day of the previous financial year and hence filing of quarterly Corporate Governance Report under Regulation 27 of SEBI (LODR) is not mandatory. However, as a good corporate governance practice, the Company is voluntarily furnishing the same.

The Total Paid-up capital and net worth of the Company as on 31<sup>st</sup> March, 2021 as mentioned below:

1. Paid Up Capital: Rs. 9,34,23,010 (Rupees nine crore thirty-four lakhs twenty three thousand and ten only)
2. Net worth : (Negative) Rs. (-9,04,75,145) {Rupees Nine Crore Four Lakhs Seventy Five Thousand One Hundred Fortv Five Only (Negative)}

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2022, in compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations")

**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 7 (Seven) Directors, comprising of one Executive Director, one Non-Executive Woman Director, One Non-Executive Director, One Woman Non-Executive-Independent 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 7 Members, four of whom are Independent Directors, one Executive Chairman and the other two are Non-Executive Non-Independent Director. The Company has an Executive Chairman and the number of Independent Directors is more than half of the total number of Directors. The profiles of the Directors are available on the website of the Company at <https://www.mro-tek.com/Board-of-Directors.html>. The Company meets the requirement of Regulation 17(1) of the Listing Regulations read with Section 149 of the Companies Act, 2013 (the 'Act') in terms of the composition of its Board.

**MRO-TEK REALTY LIMITED**  
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Pursuant to Regulation 17A of the Listing Regulations, none of the Directors

- holds directorships in more than ten public companies.
- serves as Director or as independent director in more than seven listed entities; and
- who are the Executive Directors serves as independent directors in more than three listed entities.

*Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 has been received from the Directors. Except Mr. Aniruddha B Mehta and Ms. Gauri A Mehta, none of the Directors are related inter-se.*

As per the declarations received by the Company, none of the Directors are disqualified under the provisions of Section 164(2) of the Act, read with Companies (Appointment and Qualification of Directors) Rules, 2014.

As required under Regulation 25(8) of the Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Company has obtained Directors and Officer's Insurance ("D and O Insurance") for all its Directors of such quantum and for such risks as determined by its Board of Directors.

Chairman and Managing Director is primarily responsible for:

- a. Ensuring that the Board provides effective governance to the Company and in doing so presides over Meetings of the Board and Shareholders of the Company. The Chairman takes a lead role in managing the Board and facilitating effective communication among Directors.
- b. Corporate strategy, planning and other management matters. Managing Director and the Senior Management Personnel being responsible for achieving annual business targets, acquisitions, new initiatives and investments make periodic presentations to the Board on their responsibilities and performance.

The Board Meetings are held generally at the Registered Office of the Company at Bangalore, India. The agenda for each Board Meeting along with explanatory notes are circulated 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.

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021-22 were held through video conferencing.

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

Sl. No.	Name	Designation	Date of Appointment	Date of cessation
1.	Mr. Sudhir Kumar Hasija	Non-Executive Independent Director	-	08-08-2021
2.	Mrs. Neela Manjunath	Non-Executive Independent Director	30-09-2021	-
3.	Mr. Sudhir Kumar Hasija	Non-Executive Non-Independent Director	13-08-2021	-

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**Reason for Cessation of Independent Director Office: Mr. Sudhir Kumar Hasija, Independent Director of the Company had ceased to be an Independent Directors of the Company as he had completed his tenure of 5 (five) years as an Independent Director of the Company as on 8<sup>th</sup> August, 2021.**

### Board Meetings:

Board Meetings are scheduled as required under the Listing Regulations, the Act and the Rules made thereunder and as required under business exigencies. At every quarterly scheduled Meeting, the Board reviews recent developments, the regulatory compliance position and proposals for business growth that impact the Company's strategy.

The Board Meetings are usually held at the Company's Registered and Corporate Office in Bangalore and through Video Conference (VC).

During the financial year under review, the Board met 6 (six) times on June 30, 2021; August 13, 2021; August 30, 2021; October 26, 2021; November 11, 2021 and February 09, 2022. The Company, as required by the regulations, convened at least one Board Meeting in a quarter and the maximum time gap between any two consecutive Meetings did not exceed 120 (one hundred and twenty) days as stipulated under the provisions of Section 173(1) of the Act and Regulation 17(2) of Listing Regulations and the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI"). All material information was circulated to all the Directors before the Meeting or placed at the Meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The necessary quorum was present for all the Meetings.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairpersonships/Memberships held by them in other public limited companies as on March 31, 2022 are given hereinbelow. For the purpose of determination of limit of the Board Committees, Chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

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 Director
Mrs. Gauri Aniruddha Mehta	MRO-TEK Realty Limited – Non-Executive Director
Dr. Raghu Nambiar	MRO-TEK Realty Limited – Non-Executive Independent Director
Mrs. Nicola Neeladri	MRO-TEK Realty Limited – Non-Executive Independent Director. Bal Pharma Limited- Non-Executive Independent Director.
Mr. H S Venkatesh	MRO-TEK Realty Limited- Non-Executive Independent Director. Bal Pharma Limited - Non-Executive Independent Director.
Mrs. Neela Manjunath, IAS(Retd)	MRO-TEK Realty Limited – Non-Executive Independent Director

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Name of Director	Position	No. of Board Meetings Attended during the financial year	Attendance at the previous AGM on 30.09.2021	No. of Directorships held in Listed company (including this company)	No. of membership / Chairmanship in other Board Committees
<b>Executive Directors:</b>					
Mr. Aniruddha Bhanuprasad Mehta	Chairman & Managing Director	6	Present	1	-
<b>Non-Executive, Non-Independent Directors:</b>					
Mrs. Gauri Aniruddha Mehta	Director	5	Present	1	-
<b>Non-Executive, Independent Directors:</b>					
Mr. Raghu Nambiar	Director	6	Present	1	2
Mr. SudhirKumarHasija	Director	3	Present	1	0
Mr. H S Venkatesh	Director	6	Present	2	5
Mrs. Nicola Neeladri	Director	6	Present	2	4
Mrs. Neela Manjunath	Director	3	Present	1	3

**Notes:**

- None of the Directors is related to any Director or is a Member of an extended family except Mr. Aniruddha Bhanuprasad Mehta and Mrs. Gauri Aniruddha Mehta.
- 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 financial year.
- The above table excludes directorships in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

**Compliances related to Board/Committee Meetings**

The Company is in compliance with the provisions of the Listing Regulations pertaining to the intimation of a notice of a Board Meeting, publication of the notice and the results and outcome of the Meeting, etc. The Board periodically reviews the compliance reports of all laws applicable to the Company. The information is also made available to the investors on the website of the Company at <http://www.mro-tek.com/>,

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### a) Matrix setting out key Board qualifications, skills, expertise and attributes

The Nomination and Remuneration Committee (“NRC”) along with the Board, identifies the right candidate with the right qualities, skills and experience required for an individual Member to possess and also the Board as a whole. The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company’s business or is a proven academician in the field relevant to the Company’s business. In addition to the above, in case of the appointment of Independent Directors, the Committee shall satisfy itself with regard to the independence of the Directors to enable the Board to discharge its functions and duties effectively.

In compliance with the Listing Regulations, the Board of Directors of the Company has identified the list of core skills / expertise / competencies of the Board of Directors in the context of the Company’s business and its sector for effective functioning, which are currently available with the Board:

1.	Finance and Accounts	Leadership experience in handling financial management and risk management of large organizations. Experience in foreign exchange management.
2.	Wide management and leadership experience	Strong management and leadership experience including in areas of business development, strategic planning, mergers and acquisitions.
3.	Information Technology	Expertise or experience in information technology business, technology consulting and operations, emerging areas of technology such as digital, artificial intelligence, cloud and cyber security, intellectual property in information technology domain and knowledge of technology trends.
4.	Regulatory Compliance, Governance and Stakeholders Management	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders’ interests and Company’s responsibilities towards customers, employees, suppliers, regulatory bodies and the communities in which it operates.
5.	Functional and managerial Experience	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro-economic perspectives, human resources, labour laws, international markets, and risk management.
6.	Diversity	Diversity of thought, experience, knowledge, perspective, gender and culture. A varied mix of strategic perspectives, and geographical focus with knowledge and understanding of key geographies.

**b) Below is the list of core skills, expertise and competencies of the individual Directors:**

Name of the Director	Skills/expertise/Competencies					
	Finance and Accounts	Wide management and leadership experience	Information Technology	Regulatory Compliance, Governance and Stakeholders Management	Functional and managerial experience	Diversity
Mr. Aniruddha B Mehta, CMD	✓	✓	✓	✓	✓	✓
Mrs. Gauri A Mehta, Non-Executive Director	✓	✓	✓	✓	✓	✓
Mr. H S Venkatesh, Independent Director	✓	✓	✓	✓	✓	✓
Mr. Sudhir Kumar Hasija, Independent Director	✓	✓	✓	✓	✓	✓
Mr. Raghu Nambiar, Independent Director	✓	✓	✓	✓	✓	✓
Mrs. Nicola Neeladri, Independent Director	✓	✓	✓	✓	✓	✓

**c) Confirmation on fulfilling the criteria of Independence by an Independent Director**

All Independent Directors have furnished declarations that they meet the criteria of Independence as laid down under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Pursuant to a Notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all the Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the Directors in this regard.

**d) Limit on number of Directorships by Independent Director**

The number of companies in which each independent Director of the Company holds office as an Independent Director is within the limits prescribed under Regulation 25 of the Listing Regulations.



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### e) Maximum tenure of Independent Director

None of the Independent Directors has exceeded the tenure prescribed under Regulation 25 of the Listing Regulations and Section 149(10) of the Act.

### f) Performance evaluation of Independent Director

The Nomination and Remuneration Committee has laid down criteria for performance evaluation of Independent Directors which are furnished below:

- (a) Attendance at Board Meetings and Board Committee Meetings;
- (b) Chairpersonship of the Board and Board Committees;
- (c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings; and
- (d) Guidance and support provided to Senior Management of the Company.

### 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 Aniruddha Mehta who is a Non-Executive – Non Independent Director. Mr. H S Venkatesh was appointed as Chairman of the Audit Committee with effect from 15<sup>th</sup> June, 2021. Other Members were Mr. Sudhir Kumar Hasija till 08.08.2021, Mrs. Neela Manjunath after 11.11.2021, Mr. Raghu Nambiar and Mrs. Gauri Aniruddha Mehta.

The roles 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 and annual.
- Accounting & financial policies and practices
- Internal Control and Internal Audit Systems
- Compliance with Company's 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

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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 37<sup>th</sup> Annual General Meeting of the Company to answer queries of the Shareholders.

During the financial year, the Committee met 4 (four) times on 30.06.2021, 13.08.2021, 11.11.2021 and 09.02.2022. 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 the Listing Regulations as amended from time to time.

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. H S Venkatesh	Chairman	4
Mr. Raghu Nambiar	Member	4
Mr. Sudhir Kumar Hasija till 08.08.2021**	Member	1
Mrs. Gauri Aniruddha Mehta	Member	2
Mrs. Neela Manjunath (After 11.11.2021)	Member	2

Notes:

\*\* Mr. Sudhir Kumar Hasija, Independent Director of the Company had ceased to be an Independent Director of the Company as he had completed his tenure of 5 (five) years as an Independent Director of the Company as on 8<sup>th</sup> August, 2021.

**Nomination and Remuneration Committee:**

Nomination and Remuneration Committee was 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 Aniruddha Mehta who is a Non-Executive–Non-Independent Director. The Committee comprised of Mr. Raghu Nambiar as Chairman, Mr. Sudhir Kumar Hasija, till 08.08.2021, Mrs. Neela Manjunath after 11.11.2021, Mrs. Nicola Neeladri and Mr. Gauri Aniruddha Mehta as Members Committee.

The Board has authorized the Committee with execute 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/MRO-TEK%20 Nomination and Remuneration Policy.pdf](http://www.mro-tek.com/pdf/MRO-TEK%20Nomination%20and%20Remuneration%20Policy.pdf)).

The Nomination and Remuneration Policy, *inter-alia*, 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.

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- 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 31<sup>st</sup> March, 2022. No stock options were granted/allotted under Employee Stock Option Scheme (ESOS), to any of the Directors.

During the financial year, the Committee met four (4) times on June 30, 2021; Aug 13, 2021, Aug 30, 2021 and Feb 9 2022.

Name of Directors	Designation	No. of Meetings Attended
Mr. Raghu Nambair	Chairman	4
Mr. Sudhir Kumar Hasija*	Member	1
Mrs. Gauri Aniruddha Mehta	Member	4
Mrs. Nicola Neeladri	Member	4
Mrs. Neela Manjunath **	Member	1

\*Mr. Sudhir Kumar Hasija had vacated the office as member of Audit Committee on August 30, 2021.

\*\*Mrs. Neela Manjunath was appointed as Member of the Committee on September 30, 2021.

### Disclosures with respect to remuneration of Directors in terms of Schedule V-C (5) of the Listing Regulations

- 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 extract of Annual Report to the Board's Report.
- 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 2021-22

(In Rupees)

Name of the Directors	Sitting Fee	Salaries	Provident Fund & Superannuation	Total
Mr. Aniruddha Bhanuprasad Mehta	Nil	12	-	12
Mrs. Gauri Aniruddha Mehta	1,14,000	NIL	NIL	1,14,000
Mr. H S Venkatesh	1,00,000	NIL	NIL	1,00,000
Mrs. Nicola Neeladri	84,000	NIL	NIL	84,000
Mr. Sudhir Kumar Hasija	56,000	NIL	NIL	56,000
Mr. Raghu Nambiar	1,24,350	NIL	NIL	1,24,350

### 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

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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. Raghu Nambiar, who was appointed as a Chairman of the Committee, Mrs. Gauri Aniruddha Mehta and Mr. Sudhir Kumar Hasija as Members, Mr. H S Venkatesh as Member of the Committee. Further, except Mrs. Gauri Aniruddha Mehta all the others are Independent and Non-Executive Directors.

During the financial year, the Committee met 1 (one) time on February 09, 2022 with the following details:

Name of Directors	Designation	No. of Meetings Attended
Mr. Raghu Nambiar	Chairman	1
Mrs. Neela Manjunath	Member	1
Mrs. Gauri Aniruddha Mehta	Member	1
Mr. H S Venkatesh	Member	1

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

1. Pursuant to Schedule V- C (6) of SEBI LODR Regulations:

Sl. No.	Particulars	Details
1	(a) all pecuniary relationship or transactions of the non-executive Directors vis-à-vis the listed entity;	NIL
2	(b) criteria of making payments to non-executive directors' details are decimated in the Company website link given here.	<a href="https://www.mro-tek.com/pdf/Criteria_of_making_Payments_to_the_Non_Executive_Directors.pdf">https://www.mro-tek.com/pdf/Criteria_of_making_Payments_to_the_Non_Executive_Directors.pdf</a>
3	(c) disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:	
	(i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;	As per Annual Return - <a href="https://www.mro-tek.com/pdf/Annual_Return_E_FORM_MGT_7_FY2021_22.pdf">https://www.mro-tek.com/pdf/Annual_Return_E_FORM_MGT_7_FY2021_22.pdf</a>
	(ii) details of fixed component and performance linked incentives, along with the performance criteria;	As per Annual Return - <a href="https://www.mro-tek.com/pdf/Annual_Return_E_FORM_MGT_7_FY2021_22.pdf">https://www.mro-tek.com/pdf/Annual_Return_E_FORM_MGT_7_FY2021_22.pdf</a>
	(iii) service contracts, notice period, severance fees;	NA
	(iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.	NA

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- Name and designation of compliance officer: Mr. Barun Pandey, Company Secretary and Compliance Officer

### Information on Investors' Complaints for the financial year ended 31<sup>st</sup> March, 2022:

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

### Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of Section 135 of the Companies Act, 2013, your Company has constituted the Corporate Social Responsibility Committee.

### Composition of Committee is as follows:

Sl. No.	Name	Designation
1	Mrs. Gauri Aniruddha Mehta	Chairman
2	Mrs. Nicola Neeladri	Member
3	Mr. Raghu Nambiar	Member

Further, your Company has incurred continuous losses for the three consecutive previous financial years and hence, is not required to incur any CSR Expenditures during the financial year. The CSR Policy is disseminated on the website of the Company at <http://www.mro-tek.com/pdf/CSRPolicy.pdf>.

### Meeting of Independent Directors:

The Independent Directors of the Company had met once during the financial year on 09.02.2022 at the Registered Office of the Company 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 also during the financial year, conducted Familiarization programmer for Independent Directors of the Company and the details of such familiarization programmers are disseminated on the website of the Company at ([https://www.mro-tek.com/pdf/1st\\_Fimilaization\\_Programme\\_for\\_FY\\_2021\\_22.pdf](https://www.mro-tek.com/pdf/1st_Fimilaization_Programme_for_FY_2021_22.pdf)<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 is Promoters of the Company or its Holding, Subsidiary or Associate Company nor is related to each other. None of the Independent Directors is related to Promoters of the

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Company or others referred to above. The Independent Directors, apart from receiving the sitting fees, 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. pursuant to the Regulations 25 and 26 of SEBI (LODR) Regulations, 2015 and provisions of 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 Code of Conduct for its Directors and senior Management Personnel, duly approved by the Board. During the financial 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 the Listing Regulations, as amended from time to time is placed as an annexure to the Board's Report. The above annual affirmations were placed before the Board for Information.

In terms of the Code of Conduct of Independent Directors pursuant to 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%20 MRO-TEK.pdf](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](http://www.mro-tek.com).

**Related Party Transactions:**

The Company has a Policy in place on the Related Party Transactions. The Policy defines clearly the transactions which require approval from Audit Committee, the Board of Directors and Members at the Annual General Meeting, provision for prior approval, periodical review, omnibus approval, transactions in the ordinary course of business or otherwise, transactions within arm's length basis or otherwise, materiality of the transactions as defined under Regulation 23 of SEBI (Listing Obligations and Disclosure

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Requirements) Regulations, 2015 (as amended from time to time), 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 Regulations.

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

As on 31<sup>st</sup> March, 2022, 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 the Board's Report.

The Company's Related Party Transactions Policy is placed on the website of the Company at [http://www.mro-tek.com/pdf/20\\_5\\_15\\_RPT\\_Policy.pdf](http://www.mro-tek.com/pdf/20_5_15_RPT_Policy.pdf).

### Details of Non-Compliance, if any:

During the financial year, there was no instances 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 have 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:

Sl. No.	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 has 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 Company 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: Rs. 15.00 Lakhs.

**Details of compliance with requirements:**

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

This Corporate Governance Report of the Company for the financial year 2021-22 or as on March 31, 2022 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.

**Credit Rating:**

The Company has received intimation of withdrawal of Credit Ratings from CRISIL with respect to the Company's long term and short fund-based limits. As on March 26, 2021, CRISIL has given intimation of withdrawal of Credit Ratings as mentioned below:

Total Bank Loan Facilities Rated	Rs.17 Crore
Long Term Rating	CRISIL B+/Stable (Rating Reaffirmed and Withdrawn)
Short Term Rating	CRISIL A4 (Rating Reaffirmed and Withdrawn)

The same has been uploaded on the Company's official website at [www.mro-tek.com](http://www.mro-tek.com).

**Adoption of the Non-Mandatory Requirements:**

**THIS SECTION NEEDS TO BE REVIEWED AND CHANGED AS PER SCHEDULE V PART B.**

- 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 allow 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



## Annual Report 2021-22

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by way of guidance, directions and time devoted to the activities of your Company. Such remunerations paid are 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 the Audit Committee, as detailed elsewhere in the report include, *inter-alia*, recommendation to the Board, on appointment of Statutory and Internal.
- Internal Auditors 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.

### Accounting Treatment:

The Financial Statement of the Company is prepared as per the prescribed Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance.

### Declaration under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018:

All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India /the Ministry of Corporate Affairs or any such statutory authority. The Company has obtained a Certificate from Mr. Vijayakrishna K.T. Practising Company Secretary, Bengaluru to this effect.

### General Body Meetings:

Location and time of previous three Annual General Meetings are as follows:

Year	Location	Date	Time
2018-19	Woodlands Hotel, # 5, Rajaram Mohan Roy Road, Bangalore -560 025	August 02, 2019	11:30 AM
2019-20	Through video Conferencing/ Other Audio –Visual Means (“OAVM”)	September 30, 2020	11:30 AM
2020-21	Through video Conferencing/ Other Audio –Visual Means (“OAVM”)	September 30, 2021	11:30 AM

**SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE ANNUAL GENERAL MEETINGS:**

Year	Special Resolutions
2019	NIL
2020	NIL
2021	NIL

**Postal Ballot:**

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

Year	Special Resolutions
2019	NIL
2020	NIL
2021	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 (NSE) ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and BSE Limited (BSE)
II	Publications in News Papers	Published in National and local dailies i.e., Financial Express (English) & Sanjevani (Kannada)
III	Publications in Websites	<a href="http://www.mro-tek.com">www.mro-tek.com</a>
IV	Displaying of official news releases	<a href="http://www.mro-tek.com">www.mro-tek.com</a> and official websites of NSE and BSE
V	Presentations to Institutional Investors or analysts	NA

## Annual Report 2021-22

### SHAREHOLDER INFORMATION:

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

Date	Time	Mode
28-09-2022	11:30 am (IST)	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)

b) Particulars of Financial Calendar for the financial year 2022-23.

Financial Year	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023
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: 22<sup>nd</sup>September, 2022 to 28<sup>th</sup>September, 2022 (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 2022-23.
- Annual custody fee has been remitted for NSDL and CDSL for the financial year 2022-23.

e) Stock Exchange Codes

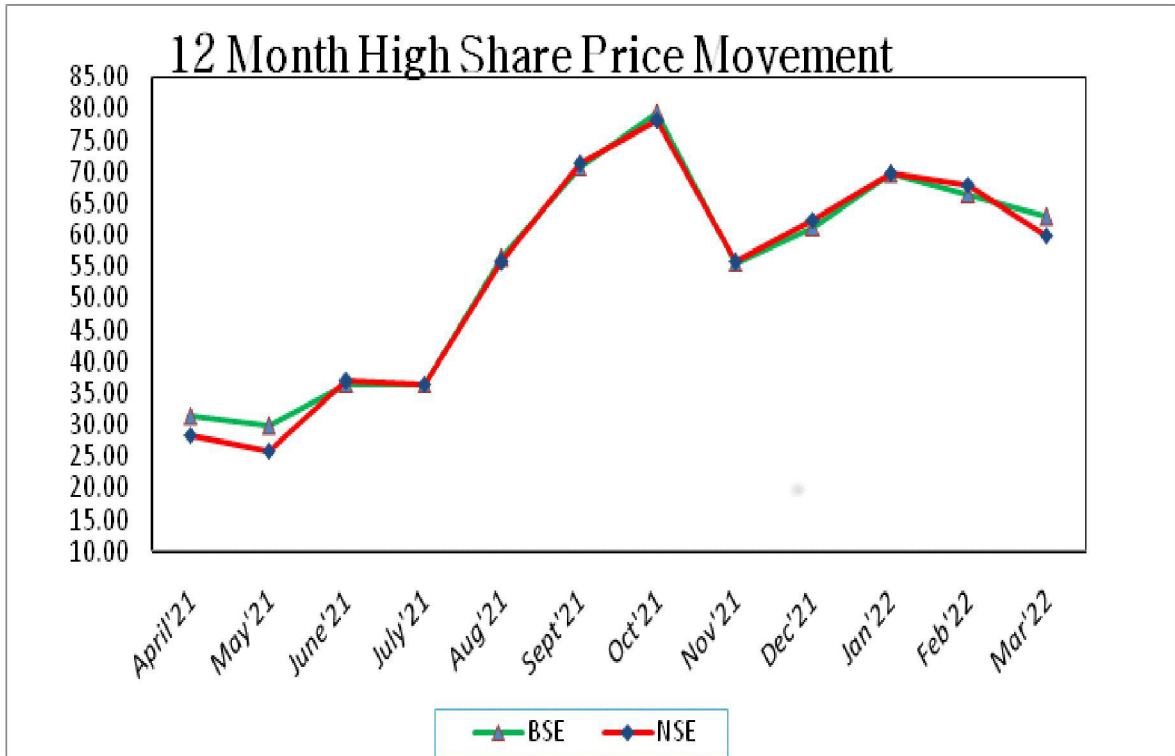
Stock Exchange	Code
National Stock Exchange Limited, Mumbai	MRO-TEK
BSE Limited, Mumbai	532376

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 2021-22 is furnished below:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Apr-21	31.35	31.35	31.00	28.35	22.10	279000.00
May-21	29.80	23.60	80451.00	25.95	22.05	1058000.00
Jun-21	36.50	24.00	1208076.00	36.95	24.35	4828000.00
Jul-21	36.45	30.65	1189632.00	36.50	30.25	6293000.00
Aug-21	56.40	26.60	10452661.00	55.80	28.00	11609000.00
Sep-21	70.85	45.15	30590057.00	71.20	44.15	41465000.00
Oct-21	79.25	53.00	21023899.00	78.30	52.55	8854000.00
Nov-21	55.55	44.10	2416943.00	55.75	43.90	14381000.00
Dec-21	61.15	45.65	4780828.00	62.35	46.00	24023000.00
Jan-22	69.75	55.50	4174883.00	69.95	54.05	23495000.00
Feb-22	66.35	49.65	4275732.00	68.00	49.55	12069000.00
Mar-22	62.90	46.50	2357461.00	60.00	47.05	12069000.00



**h) Share Transfer System:**

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

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

**j) Distribution of Shareholding as on 31<sup>st</sup> March, 2022:**

Sl. No.	Category	Cases	% of Cases	Amount	% Amount
1	0001 - 5000	8,984	93.89	88,78,535	09.50
2	5001 - 10000	361	3.33	24,20,370	02.60
3	10001 - 20000	138	1.46	19,95,235	02.14
4	20001 - 30000	43	0.45	10,58,470	01.13
5	30001 - 40000	22	0.23	8,00,910	00.86
6	40001 - 50000	13	0.14	6,21,430	00.67
7	50001 - 100000	22	0.23	16,20,085	01.73
8	100001 & ABOVE	25	0.27	7,60,27,975	81.37
	<b>Total:</b>	<b>9,608</b>	<b>100.00</b>	<b>93423010.00</b>	<b>100.00</b>

## Annual Report 2021-22

### k) Categories of Shareholding as on 31<sup>st</sup> March, 2022

Category	No. of Shareholders	Total Shares	%	Equity Share Pledged	
				No	%
Promoters / Promoters Group	3	1,02,83,138	55.04	NIL	NIL
NRIs/ Foreign Nationals	83	57,814	0.31	N/A	N/A
NBFCs Registered with RBI	0	0	0	N/A	N/A
Bodies Corporate	83	6,19,234	3.31	N/A	N/A
IEPF	1	83,198	0.45		
Resident Individuals	9,421	76,34,737	40.86	N/A	N/A
CLEARING MEMBERS	17	6,481	0.03	N/A	N/A
<b>Total</b>	<b>9,608</b>	<b>1,86,84,602</b>	<b>100.00</b>	<b>NA</b>	<b>NA</b>

### l) Dematerialization of Shares and Liquidity:

Category – Demat/Physical	No. of Shareholders	%	No. of Shares	%
Total no. of Shareholders holding Shares physically	219	2.28	88,009	0.47
Total No. of Shareholders in electronic (Demat) form	9,389	97.72	1,85,96,593	99.53
<b>Total</b>	<b>9,608</b>	<b>100.00</b>	<b>1,86,84,602</b>	<b>100.00</b>

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

Mrs. Gauri Aniruddha Mehta holds 7,53,553 Equity Shares in the Company (i.e. 4.03%) and except her none of the other Directors viz. Mr. Sudhir Kumar Hasija, Dr. Raghu Nambiar, Mrs. Nicola Neeladri and Mr. H S Venkatesh holds any Shares of your Company.

#### n) Plant Location:

No.29-B, Electronic City,  
Hosur Road,  
Bangalore – 560 100,  
IndiaTel : (91) (80) 42499300

#### o) Address for Investor Correspondence (all matters):

MRO-TEK Realty Limited ,  
#6, New BEL Road,  
Chikkamaranahalli,  
Bangalore - 560 054  
Tel : (91) (80) 42499000  
E-mail : [grd@mro-tek.com](mailto:grd@mro-tek.com)

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

KFin Technologies Limited  
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  
Aniruddha Bhanuprasad Mehta  
DIN: 00720504

Address: #06, New BEL Road,  
Chikkamaranahalli, Bangalore -560054

Date: 26-05-2022  
Place : Bangalore

**CEO & CFO CERTIFICATION**

We have reviewed financial statements and the Cash Flow Statement for the financial year ended March 31, 2022 and certify, to the best of our knowledge and belief, that:

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

Place: Bangalore  
Date:26-05-2022

Aniruddha Bhanuprasad Mehta  
CMD

Srivathsa  
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 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 March 31, 2022.

Place: Bangalore  
Date:26-05-2022

Aniruddha Bhanuprasad Mehta  
Chairman and Managing Director  
DIN: 00720504

**ANNEXURE – V**

**DETAILS OF RATIO OF REMUNERATION OF DIRECTOR**

(Pursuant to the provisions of Section 197 (12) read Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014)

- A. The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

<p>(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>	<table border="1"> <thead> <tr> <th style="text-align: center;">Name of Directors</th> <th style="text-align: center;">Ratio</th> </tr> </thead> <tbody> <tr> <td>Mr. Aniruddha Bhanuprasad Mehta</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Mr. Sudhir Kumar Hasija</td> <td style="text-align: center;">0.11:1</td> </tr> <tr> <td>Mrs. Nicola Neeladri</td> <td style="text-align: center;">0.16:1</td> </tr> <tr> <td>Mrs. Gauri Aniruddha Mehta</td> <td style="text-align: center;">0.21:1</td> </tr> <tr> <td>Mr. H S Venkatesh</td> <td style="text-align: center;">0.19:1</td> </tr> <tr> <td>Mr. Raghu Nambiar</td> <td style="text-align: center;">0.23:1</td> </tr> <tr> <td>Mrs. Neela Manjunath</td> <td style="text-align: center;">0.09:1</td> </tr> <tr> <th colspan="2" style="text-align: center;">Name of KMP</th> </tr> <tr> <td>Mr. Aniruddha Bhanuprasad Mehta (CMD)</td> <td style="text-align: center;">0.00</td> </tr> <tr> <td>Mr. Srivathsa (CFO)</td> <td style="text-align: center;">8.29:1</td> </tr> <tr> <td>Mr. Barun Pandey (CS)</td> <td style="text-align: center;">2.06:1</td> </tr> </tbody> </table>	Name of Directors	Ratio	Mr. Aniruddha Bhanuprasad Mehta	0	Mr. Sudhir Kumar Hasija	0.11:1	Mrs. Nicola Neeladri	0.16:1	Mrs. Gauri Aniruddha Mehta	0.21:1	Mr. H S Venkatesh	0.19:1	Mr. Raghu Nambiar	0.23:1	Mrs. Neela Manjunath	0.09:1	Name of KMP		Mr. Aniruddha Bhanuprasad Mehta (CMD)	0.00	Mr. Srivathsa (CFO)	8.29:1	Mr. Barun Pandey (CS)	2.06:1
Name of Directors	Ratio																								
Mr. Aniruddha Bhanuprasad Mehta	0																								
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Mr. Srivathsa (CFO)	8.29:1																								
Mr. Barun Pandey (CS)	2.06:1																								
<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;</p>	<p>There was no increase in Remuneration to Directors.</p>																								
<p>(iii) The percentage increase/decrease in the median remuneration of employees in the financial year;</p>	<p>39.09% *</p>																								
<p>(iv) The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2022;</p>	<p>65</p>																								
<p>(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;</p>	<p>There was an increment on Remuneration of the Employees for Financial year 2021-22.</p>																								

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

(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 employees on roll are 65.

\*\* Median Remuneration for the year ended 31<sup>st</sup> March, 2022 is Rs. 5,32,824 /- (Rupees Five Lakhs Thirty Two Thousand Eight Hundred and Twenty Four only) Per annum.

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

**Place: Bengaluru**  
**Date : 26-05-2022**

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



## Annual Report 2021-22

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### **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 31<sup>st</sup> March, 2022 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**  
**UDIN: F001788D000396897**

**Place : Bangalore**  
**Date: 26th May, 2022**

**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](http://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 31<sup>st</sup> March, 2022 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*.

SI. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Sudhir Kumar Hasija	00157168	08.08.2016
2.	Mrs. Gauri Aniruddha Mehta	00720443	08.08.2016
3.	Mr. Aniruddha Bhanuprasad Mehta	00720504	08.08.2016
4.	Mr. Raghu Nambiar	07325471	22.05.2019
5.	Mr. H S Venkatesh	01776040	15.06.2020
6.	Mrs. Nicola Neeladri	01997936	15.06.2020
7.	Mrs. Neela Manjunath (IAS) (Retd)	06981005	30.09.2021

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.

**Vijaykrishna K T**  
**Practising Company Secretary**  
FCS-1788  
CP-980  
UDIN: F001788D000396941

Place : Bangalore  
Date: 26-05-2022

## Annual Report 2021-22

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### **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, 2022, 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, 2022, the profit 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 your attention to Note 45 to the financial statements results which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of above 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.

**MRO-TEK REALTY LIMITED**  
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Sl. No.	Key Audit Matter	Auditor's Response
<b>1</b>	<b>Inventory Management</b>	
	<p>We refer to financial statements' note no 2.11 accounting policy and note no. 8 disclosure on inventories.</p> <p>At the balance sheet date, the value of inventory is to Rs. 9.07 crores representing 5.56% of total assets. 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 cost or net realisable value.</p>	<p><b><u>Audit Procedures</u></b> Our audit approach consisted testing of the design and operating effectiveness of the internal controls as follows:</p> <ul style="list-style-type: none"> <li>● Accessing the compliance of Company's accounting policy over inventory with applicable standards.</li> <li>● Evaluated the design of internal controls relating to assessing the inventory management and valuation process and practices.</li> <li>● Selected samples and tested the operating effectiveness of the key control.</li> <li>● Assessing the analyses and assessment made by management with respect to slow and obsolete stock.</li> <li>● We have assessed the adequacy of the Company's disclosures related to inventories.</li> </ul>
<b>2</b>	<b>Trade Receivables</b>	
	<p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an on-going basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgement, involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p>	<p><b><u>Audit Procedures</u></b> Our audit procedures are follows:</p> <ul style="list-style-type: none"> <li>● The assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received.</li> <li>● Assessing the impact of impairment on trade receivables requires judgement and we evaluated management s assumptions in determining the provision for impairment of trade receivables, by analysing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</li> <li>● We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers.</li> <li>● We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</li> </ul>

## Annual Report 2021-22

### 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 is 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 A**". 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:

## Annual Report 2021-22

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 35 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.
  - iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v) The Company has not proposed any dividend during the financial year nor in previous year. Accordingly reporting under Rule 11(f) of the Companies (Audit and Auditors) Rules 2014 not applicable to the Company.
- 2) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For K S Aiyar & Co  
Chartered Accountants**

**ICAI Firm's Registration No.100186W**

**Deepak Kamath**

**Partner**

**Membership No.218292**

**UDIN: 22218292AJRCRI1501**

**Place: Bengaluru  
Date: 26<sup>th</sup> May, 2022**

## **ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(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, 2022 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



## **Annual Report 2021-22**

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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, 2022, 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.

### **Other Matters**

We draw your attention to additional disclosures on filing of quarterly returns or statements with banks, which are in agreement with the books of account other than those as set out in Note 44(a) for working capital sanction on the basis of current assets.

Our opinion is not modified in respect of this matter.

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

**Deepak Kamath**  
**Partner**  
**Membership No.218292**  
**UDIN: 22218292AJRCRI1501**

**Place: Bengaluru**  
**Date: 26<sup>th</sup> May, 2022**

**ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT**

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

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has done of physical verification of Property, Plant and Equipment, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included under property plant and equipment in the fixed assets are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below.

			Rupees in Lakhs				
Quarter	Particulars of Securities Provided	Name of the bank	Aggregate Working capital limits sanctioned	Amount as per Books of accounts	Amount reported in Quarterly return submitted to Bank	Difference	Reason
Jun-21	Stock	Bank of Baroda	1,000.00	1,300.42	1,831.20	-530.78	Provision made for Non/Slow moving stock not considered

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	Value of Stock - Adjusted on account of IND AS 116			649.49	-	649.49	Not Disclosed
	Debtors			1,035.60	1,194.56	-158.96	Provision made for Doubtful Debts and unapplied credits
<b>Sep-21</b>	Stock	Bank of Baroda	1,400.00	1,170.22	1,965.58	-795.36	Provision made for Non/Slow moving stock not considered & Entry towards Unbilled Revenue.
	Value of Stock - Adjusted on account of IND AS 116			905.56	-	905.56	Not Disclosed
	Debtors			873.66	1,379.42	-505.76	Provision made for Doubtful Debts and unapplied credits
<b>Dec-21</b>	Stock	Bank of Baroda	1,400.00	811.31	1,378.67	-567.36	Provision made for Non/Slow moving stock not considered

**MRO-TEK REALTY LIMITED**  
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	Value of Stock - Adjusted on account of IND AS 116			598.19	-	598.19	Not Disclosed
	Debtors			1,614.55	2,128.89	-514.34	Provision made for Doubtful Debts and unapplied credits
<b>Mar-22</b>	Stock	Bank of Baroda	1,400.00	907.64	1,964.07	-1,056.43	Provision made for Non/Slow moving stock not considered
	Value of Stock - Adjusted on account of IND AS 116			550.13	550.13	-	
	Debtors			1,003.87	1,077.97	-74.10	Provision made for Doubtful Debts and unapplied credits

- (iii) According to the information and explanations given to us, the Company has not has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraphs 3 (iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable to the Company

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- (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 2022, 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	466.91	FY 2010-11	Customs, Excise & Service Tax Appellate Tribunal, Bangalore

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) 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

**MRO-TEK REALTY LIMITED**  
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- further public offer (including debt instruments) but has obtained term loans during the year and applied for the purpose for which it was raised.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) 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.
- (b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit but incurred cash loss of Rs. 613.53 lakhs during the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.

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- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the provisions of section 135 of the Act is not applicable to Company. Accordingly, paragraph 3(xx) (a) and (b) of the Order is not applicable to the Company.
- (xxi) The company has no subsidiaries/ Associate companies and therefore preparation of Consolidated Financial Statements is not required, accordingly reporting under clause 3(xxi) of the Order is not applicable.

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

**Deepak Kamath**  
**Partner**  
**Membership No.218292**  
**UDIN: 22218292AJRCRI1501**

**Place: Bengaluru**  
**Date: 26<sup>th</sup> May, 2022**

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

## BALANCE SHEET

as at 31st March, 2022

All amounts are in Rupees in lakhs unless otherwise stated

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3 (i)	1,088.48	1,187.32
(b) Investment Property	3(ii)	10,403.83	-
(c) Investment Property Under Development	3(ii)	-	129.09
(d) Intangible Assets	3 (i)	4.87	4.57
(e) Financial Assets			
(i) Trade receivables	4		
(a) Billed	4(i)	-	-
(b) Un Billed	4(ii)	630.01	885.34
(ii) Others	5	317.81	302.08
(f) Deferred tax assets (net)	6	631.88	57.47
(g) Other non-current assets	7	297.81	307.51
<b>Total Non - Current Assets</b>		<b>13,374.69</b>	<b>2873.28</b>
<b>Current assets</b>			
(a) Inventories	8	907.64	1290.42
(b) Financial Assets			
(i) Trade receivables	9		
(a) Billed	9(i)	1,003.87	1,327.77
(b) Un Billed	9(ii)	562.16	490.31
(ii) Cash and cash equivalents	10	0.60	61.00
(iii) Bank Balances other Than (ii) Above	11	64.58	52.76
(iv) Others	12	15.88	61.02
(c) Current Tax Assets (Net)	13	19.84	36.72
(d) Other current assets	14	380.55	368.02
<b>Total Current Assets</b>		<b>2,955.12</b>	<b>3688.02</b>
<b>Total Assets</b>		<b>16,329.81</b>	<b>6,561.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	934.23	934.23
(b) Other Equity	16	6,023.72	(1,838.98)
<b>Total equity</b>		<b>6,957.95</b>	<b>(904.75)</b>



## Annual Report 2021-22

# BALANCE SHEET

as at 31st March, 2021

All amounts are in Rupees in lakhs unless otherwise stated

### LIABILITIES

#### Non-current liabilities

(a) Financial Liabilities			
(i) Borrowings	17	3,564.39	2,572.83
(b) Provisions	18	17.99	16.87
(c) Other Non Current Liabilities	19	275.47	209.44
<b>Total Non-current liabilities</b>		<b>3,857.85</b>	<b>2,799.14</b>

#### Current liabilities

(a) Financial Liabilities			
(i) Borrowings	20	3,595.20	3,646.95
(ii) Trade payables	21		
- Total outstanding dues of micro enterprises and small enterprises		3.67	8.71
- Total outstanding dues of creditors other than micro enterprises and small enterprises		163.93	364.85
(iii) Other financial liabilities	22	924.09	230.36
(b) Other current liabilities	23	45.96	379.51
(c) Provisions	24	781.16	36.63
<b>Total Current liabilities</b>		<b>5,514.01</b>	<b>4,667.01</b>

<b>Total Equity and Liabilities</b>		<b>16,329.81</b>	<b>6,561.40</b>
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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

Deepak Kamath  
Partner  
Membership Number : 218292

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

Aniruddha Bhanuprasad Mehta  
Chairman & Managing Director  
DIN No. 00720504

Gauri Mehta  
Director  
DIN No. 00720443

Place : Bengaluru  
Date: 26-05-2022

Srivathsa  
Chief Financial Officer

Barun Pandey  
Company Secretary and  
Compliance Officer

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

## STATEMENT OF PROFIT AND LOSS

for the period ended 31st March, 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	Notes	For the year ended March 31, 2022	For the yearended March 31, 2021
I Revenue from operations	25	12,260.90	3,162.42
II Other Income	26	102.39	97.43
<b>III Total Income (I + II)</b>		<b>12,363.29</b>	<b>3,259.85</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	27	2,009.18	2,234.07
(b) Purchase of Stock in Trade		268.80	0.19
(c ) Changes in stock of finished goods, work-in-progress and stock-in-trade	28	(262.79)	51.79
(d) Cost of land		317.39	-
(e) Employee benefit expense	29	647.92	660.64
(f) Finance costs	30	609.84	571.98
(g) Depreciation and amortisation expense	3 (i)	254.10	132.86
(h) Other expenses	31	434.42	324.14
<b>Total Expenses (IV)</b>		<b>4,278.86</b>	<b>3,975.67</b>
<b>V Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>8,084.43</b>	<b>(715.82)</b>
VI Exceptional Items			
<b>VII Profit/(loss) before tax (V - VI)</b>		<b>8,084.43</b>	<b>(715.82)</b>
VIII Tax Expense			
(1) Current tax		788.00	-
(2) Deferred tax		(602.28)	30.57
(3) Reversal of MAT Credit Entitlement		29.91	-
<b>Total tax expense (VIII)</b>		<b>215.63</b>	<b>30.57</b>
<b>IX Profit/(loss) after tax from continuing operations (VII - VIII)</b>		<b>7,868.80</b>	<b>(746.39)</b>
X Profit/(loss) before tax from discontinued operations		-	-
XI Tax Expense for discontinued operation		-	-
<b>XII Profit/(loss) after tax from discontinued operations (X - XI)</b>		<b>-</b>	<b>-</b>
<b>XIII Profit/(loss) for the period (IX + XII)</b>		<b>7,868.80</b>	<b>(746.39)</b>
<b>XIV Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	32	(8.15)	(0.45)
(ii) Income tax on item that will not be reclassified to Statement of Profit and Loss		2.05	
<b>XV Total comprehensive income for the period (XIII + XIV)</b>		<b>7,862.70</b>	<b>(746.84)</b>
<b>XVI Earnings per equity share (for continuing operation):</b>			
(1) Basic		42.11	(3.99)
(2) Diluted		42.11	(3.99)
<b>XVII Earnings per equity share (for discontinued operation):</b>			
(1) Basic		-	-
(2) Diluted		-	-
<b>XVIII Earnings per equity share (for continuing and discontinued operations):</b>			
(1) Basic		42.11	(3.99)
(2) Diluted		42.11	(3.99)

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  
Deepak Kamath  
Partner  
Membership Number : 218292

Place : Bengaluru  
Date: 26/05/2022

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

Aniruddha Bhanuprasad Mehta  
Chairman & Managing Director  
DIN No. 00720504

Gauri Mehta  
Director  
DIN No. 00720443

Srivathsa  
Chief Financial Officer

Barun Pandey  
Company Secretary and  
Compliance Officer

## Annual Report 2021-22

# STATEMENT OF PROFIT AND LOSS

for the period ended 31st March, 2022

All amounts are in Rupees in lakhs unless otherwise stated

### Equity share capital

Particulars	No. of Shares	Amount
Balance at the April 1, 2020	1,86,84,602	934.23
Changes in equity share capital during the year	-	-
Balance at the March 31, 2021	1,86,84,602	934.23
Changes in equity share capital during the year	-	-
<b>Balance at the March 31, 2022</b>	<b>1,86,84,602</b>	<b>934.23</b>

### Other Equity

Particulars	Reserves & Surplus						Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Other Comprehensive Income	Retained earnings	
Balance at March 31, 2020	1.10	1,769.07	102.85	4,830.00	14.91	(7,810.07)	(1,092.14)
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1.10	1,769.07	102.85	4,830.00	14.91	(7,810.07)	(1,092.14)
Profit for the year	-	-	-	-	-	(746.39)	(746.39)
Other comprehensive income for the year	-	-	-	-	(0.45)	-	(0.45)
Balance at March 31, 2021	1.10	1,769.07	102.85	4,830.00	14.46	(8,556.46)	(1,838.98)
Changes in accounting policy / prior period errors -	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1.10	1,769.07	102.85	4,830.00	14.46	(8,556.46)	(1,838.98)
Profit for the year	-	-	-	-	-	7,868.80	7,868.80
Other comprehensive income for the year	-	-	-	-	(6.10)	-	(6.10)
Balance at March 31, 2022	1.10	1,769.07	102.85	4,830.00	8.36	(687.66)	6,023.72
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1.10	1,769.07	102.85	4,830.00	8.36	(687.66)	6,023.72

### As per our attached report of even date

For K.S.Aiyar & Co  
Chartered Accountants  
ICAI Firm's registration number:100186W  
Deepak Kamath  
Partner  
Membership Number : 218292

Place : Bengaluru  
Date: 26/05/2022

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

Aniruddha Bhanuprasad Mehta  
Chairman & Managing Director  
DIN No. 00720504

Gauri Mehta  
Director  
DIN No. 00720443

Srivathsa  
Chief Financial Officer

Barun Pandey  
Company Secretary and  
Compliance Officer

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

## CASH FLOW STATEMENT

for the period ended 31st March, 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Profit before tax from continuing operations for the year	8,084.43	(715.82)
Profit before tax from discontinuing operations for the year	-	-
Adjustments for:		
Finance costs recognised in profit or loss	609.84	571.98
Interest income recognised in profit or loss	(86.80)	(33.83)
Net (gain)/loss on disposal of assets	(0.15)	(1.58)
Depreciation and amortisation expense	254.10	132.86
Provision for Doubtful Trade Receivables	17.77	-
Provision for Doubtful Trade Receivables written back	-	(23.80)
Net foreign exchange (gain)/loss	4.63	(5.72)
	<b>8,883.82</b>	<b>(75.91)</b>
(Increase)/decrease in trade and other receivables	489.63	(698.78)
(Increase)/decrease in inventories	382.78	794.26
(Increase)/decrease in other assets	18.43	(159.23)
Increase/(Decrease) in trade and other payables	(210.03)	(782.76)
Increase/(Decrease) in provisions	2.14	(11.04)
increase/(Decrease) in other liabilities	(267.53)	199.10
<b>Cash generated from operations</b>	<b>9299.24</b>	<b>(734.36)</b>
Income taxes paid	(27.61)	16.20
<b>Net cash generated by operating activities</b>	<b>9271.63</b>	<b>(718.16)</b>
<b>Cash flows from investing activities</b>		
Purchase of Property Plant and Equipment (including Adjustments on Account of Capital Work-in-progress, Capital Creditors-and Capital Advances)	(9.97)	(48.39)
Investment in Investment property ( Net of under development and Capital Creditors)	9730.78	-
Sale Proceeds from Property Plant and Equipment	3.78	28.59
Interest received	86.80	33.83
Redemption/maturity of term deposits (having original maturity of more than 3 months)	(11.82)	(2.79)
<b>Net cash (used in)/generated by investing activities</b>	<b>9661.99</b>	<b>11.24</b>
Cash flows from financing activities		
Proceeds from borrowings net of repayments	1,876.27	2,644.71
Repayment of borrowings	(936.47)	(1,312.64)
Interest paid	(609.84)	(571.98)
<b>Net cash used in financing activities</b>	<b>329.96</b>	<b>760.09</b>
<b>Net increase in cash and cash equivalents</b>	<b>60.40</b>	<b>53.17</b>
<b>Opening Cash and cash equivalents</b>	<b>61.00</b>	<b>7.82</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	0.01
<b>Closing Cash and cash equivalents</b>	<b>0.60</b>	<b>61.00</b>

Note : The above Cash Flow Statement is prepared under the "Indirect Method" as set out in the

**As per our attached report of even date**  
For K.S.Aiyar & Co  
Chartered Accountants  
ICAI Firm's registration number:100186W  
Deepak Kamath  
Partner  
Membership Number : 218292

Place : Bengaluru  
Date : 26/05/2022

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

Aniruddha Bhanuprasad Mehta  
Chairman & Managing Director  
DIN No. 00720504

Gauri Mehta  
Director  
DIN No. 00720443

Srivathsa  
Chief Financial Officer

Barun Pandey  
Company Secretary and  
Compliance Officer

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

### Notes forming part of the financial statements

#### 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 is recognised under IND AS 115, upon transfer of control of promised goods to customer in an amount that reflect the consideration which the company expects to receive the exchange for those goods.

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/delivery

Revenue is based on transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives & returns, if any as specified in the contractual terms with the customer. Revenue excludes taxes collected from the customers on behalf of the govt.

###### 2.3.2 Rendering of services

Revenue from rendering services is recognised under IND AS 115, based on the performance obligations and the ascribed transaction price. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

the amount of revenue can be measured reliably based on the contract with customer;

it is probable that the performance obligation has been delivered to the company;

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31st March 2022

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

Revenue from sale of land and development rights is recognized upon transfer of control on the 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 control on the property 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 (INR).

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

Exchange differences arising on settlement or

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

**2.4 Employee benefits**

**2.4.1 Retirement benefit costs and termination benefits**

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

service cost (including current service cost, past service cost, as well as gains and losses on

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

curtailments and settlements); net interest expense or income; and

remeasurement The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefit expense'. Curtailment gains and losses are accounted for as past service costs.

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 2.4.2 Defined contribution plan

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

### 2.4.3 Compensated absences

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

### 2.4.4 Long term Incentive Plans

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

## 2.5 Share-based payment arrangements

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

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

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

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

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

However, when the acquiree awards expire as a consequence of a business combination and the Company replaces those awards when it does not

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31st March 2022

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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**

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



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

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 Investment Property

#### (a) Recognition and Measurement

Property held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for a currently undetermined future use is also recognised as Investment Property.

An investment property is measured initially at its cost. The cost of an investment property comprises its purchase price and any directly attributable expenditure. After initial recognition, the Company carries the investment property at the cost.

#### (b) Fair Value

Fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

#### (c) Gain or loss on Disposal

Any gain or loss on disposal of an Investment Property is recognised in the Standalone Statement of Profit and Loss.

### 2.9 Intangible assets

#### 2.9.1 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

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31st March 2022

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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.

2.9.2 Internally-generated intangible assets - research and development expenditure Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

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

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

Subsequent to initial recognition, internally-generated intangible assets are reported at cost

less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.9.3 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.

2.9.4 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.

## 2.10 Impairment of assets

2.10.1 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.

2.10.2 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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### 2.10.3 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.

### 2.11 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, 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 wherever applicable

Stock-in trade: First In First Out

### 2.12 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 are not allocable to segments on a

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31st March 2022

reasonable basis have been included under " Unallocated revenue/ expenses/assets/ liabilities.

**2.13 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.

**2.14 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.

**2.15 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.

**2.16 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.

**2.17 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.

**2.18 Financial instruments**

**2.18.1 Investment in subsidiaries, associates and joint ventures**

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

**2.18.2 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 2022

### 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.

### 2.18.3 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.

### 2.18.4 Derivative financial instruments and hedge accounting

The Company uses various derivative financial

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

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

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

#### a) Cash flow hedge

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

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31st March 2022

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.

### **2.19 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.

### **2.20 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.

### **2.21 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 less than 1 year for manufacturing of products .

The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

### **2.22 Key sources of estimation uncertainty**

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

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

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

#### **2.22.1 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

### 2.22.2 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.

### 2.22.3 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

### 2.22.4 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.

### 2.22.5 Litigations

As explained in note 36, 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.

### 2.23 Borrowing cost:

Borrowing cost attributable to the acquisition / construction of a qualifying asset is capitalized as part

of the cost of the asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

### 2.24 Earnings/(Loss) per share:

The earnings considered in ascertaining the company's EPS comprise the net profit /loss after tax (includes the effect of any extra ordinary items). The number of shares used in computing the basic EPS is the weighted average number of shares outstanding during the year.

## Annual Report 2021-22

### SCHEDULE - 3 (i)

Property, plant and equipment consist of the following:

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	Land - Factory	Buildings- Factory/Office	Plant & Machinery - R&D	Plant & Machinery - Others	Test Equipments - R&D	Test Equipments - Others	Electrical Installations	Office Equipments - Others	Computers, & Networking - R&D
<b>Cost as at 01.04.2020</b>	8.05	495.55	0.43	843.46	46.62	31.71	48.25	28.21	0.04
Additions	-	-	-	43.46	-	-	-	0.78	-
Disposals	-	-	-	55.18	-	-	-	-	-
<b>Cost as at 31.03.2021</b>	<b>8.05</b>	<b>495.55</b>	<b>0.43</b>	<b>831.74</b>	<b>46.62</b>	<b>31.71</b>	<b>48.25</b>	<b>28.99</b>	<b>0.04</b>
Additions	-	-	-	0.84	-	-	-	-	-
Disposals	-	-	-	8.07	-	-	-	-	-
<b>Cost as at 31.03.2022</b>	<b>8.05</b>	<b>495.55</b>	<b>0.43</b>	<b>824.51</b>	<b>46.62</b>	<b>31.71</b>	<b>48.25</b>	<b>28.99</b>	<b>0.04</b>
<b>Accumulated depreciation as at 01.04.2020</b>	-	92.11	0.20	97.81	18.04	20.29	14.69	17.76	0.04
Depreciation for the year	-	23.93	0.05	67.96	4.42	1.83	5.23	4.29	-
Disposals	-	-	-	28.17	-	-	-	-	-
<b>Accumulated depreciation as at 31.03.2021</b>	-	<b>116.04</b>	<b>0.25</b>	<b>137.60</b>	<b>22.46</b>	<b>22.12</b>	<b>19.92</b>	<b>22.05</b>	<b>0.04</b>
Depreciation for the year	-	-	0.05	70.26	4.42	1.74	5.21	3.21	-
Disposals	-	-	-	4.44	-	-	-	-	-
<b>Accumulated depreciation as at 31.03.2022</b>	-	<b>116.04</b>	<b>0.30</b>	<b>203.42</b>	<b>26.88</b>	<b>23.86</b>	<b>25.13</b>	<b>25.26</b>	<b>0.04</b>
<b>Net carrying amount as at 31.03.2021</b>	<b>8.05</b>	<b>379.51</b>	<b>0.18</b>	<b>694.14</b>	<b>24.16</b>	<b>9.59</b>	<b>28.33</b>	<b>6.94</b>	-
<b>Net carrying amount as at 31.03.2022</b>	<b>8.05</b>	<b>379.51</b>	<b>0.13</b>	<b>621.09</b>	<b>19.74</b>	<b>7.85</b>	<b>23.12</b>	<b>3.73</b>	-

Particulars	Computers & Networking - Others	Furniture & Fixtures - R&D	Furniture & Fixtures - Others	Vehicles	Air Conditioners - Others	Lease Hold Asset - Building (Corp Office)	Sub Total	Computer Software	Total
<b>Cost as at 01.04.2020</b>	51.47	0.05	110.68	0.33	11.68	17.92	1,694.45	9.98	1,704.43
Additions	0.41	-	-	3.74	-	-	48.39	-	48.39
Disposals	-	-	-	0.33	-	-	55.51	-	55.51
<b>Cost as at 31.03.2021</b>	<b>51.88</b>	<b>0.05</b>	<b>110.68</b>	<b>3.74</b>	<b>11.68</b>	<b>17.92</b>	<b>1,687.33</b>	<b>9.98</b>	<b>1,697.31</b>
Additions	5.38	-	-	-	-	-	6.22	3.75	9.97
Disposals	-	-	7.67	-	-	-	15.74	-	15.74
<b>Cost as at 31.03.2022</b>	<b>57.26</b>	<b>0.05</b>	<b>103.01</b>	<b>3.74</b>	<b>11.68</b>	<b>17.92</b>	<b>1,677.81</b>	<b>13.73</b>	<b>1,691.54</b>
<b>Accumulated depreciation as at 01.04.2020</b>	31.36	0.05	82.74	0.33	5.16	17.92	398.50	2.56	401.06
Depreciation for the year	10.97	-	10.42	0.03	0.88	-	130.01	2.85	132.86
Disposals	-	-	-	0.33	-	-	28.50	-	28.50
<b>Accumulated depreciation as at 31.03.2021</b>	<b>42.33</b>	<b>0.05</b>	<b>93.16</b>	<b>0.03</b>	<b>6.04</b>	<b>17.92</b>	<b>500.01</b>	<b>5.41</b>	<b>505.42</b>
Depreciation for the year	7.07	-	8.19	0.40	0.88	-	101.43	3.45	104.88
Disposals	-	-	7.67	-	-	-	12.11	-	12.11
<b>Accumulated depreciation as at 31.03.2022</b>	<b>49.40</b>	<b>0.05</b>	<b>93.68</b>	<b>0.43</b>	<b>6.92</b>	<b>17.92</b>	<b>589.33</b>	<b>8.86</b>	<b>598.19</b>
<b>Net carrying amount as at 31.03.2021</b>	<b>9.55</b>	-	<b>17.52</b>	<b>3.71</b>	<b>5.64</b>	<b>0.00</b>	<b>1,187.32</b>	<b>4.57</b>	<b>1,191.89</b>
<b>Net carrying amount as at 31.03.2022</b>	<b>7.86</b>	-	<b>9.33</b>	<b>3.31</b>	<b>4.76</b>	<b>0.00</b>	<b>1,088.48</b>	<b>4.87</b>	<b>1,093.35</b>



## MRO-TEK REALTY LIMITED

(Formerly Known as MRO-TEK LIMITED )

### SCHEDULE - 3(ii)

#### INVESTMENT PROPERTY

All amounts are in Rupees in lakhs unless otherwise stated

Particular	Development Property	Building	Total
<b>Cost as at 31.03.2021</b>	-	-	-
Additions	129.09	10,423.96	<b>10,553.05</b>
Disposals	-	-	-
<b>Cost as at 31.03.2022</b>	<b>129.09</b>	<b>10,423.96</b>	<b>10,553.05</b>
<b>Accumulated depreciation as at 31.03.2021</b>	-	-	-
Depreciation for the year	-	149.22	<b>149.22</b>
Disposals	-	-	-
<b>Accumulated depreciation as at 31.03.2022</b>	-	<b>149.22</b>	<b>149.22</b>
<b>Net carrying amount as at 31.03.2022</b>	<b>129.09</b>	<b>10,274.74</b>	<b>10,403.83</b>

\* The Fair value of the Investment Property as on 31.03.2022 is Rs in Lakhs 12806.91/-

#### INVESTMENT PROPERTY UNDER CONSTRUCTION

Particulars	Development Property	Total
<b>Cost as at 31.03.2020</b>	-	-
Additions	129.09	<b>129.09</b>
Disposals	-	-
<b>Cost as at 31.03.2021</b>	<b>129.09</b>	<b>129.09</b>
Additions	-	-
Disposals	129.09	<b>129.09</b>
<b>Cost as at 31.03.2022</b>	-	-
<b>Accumulated depreciation as at 31.03.2020</b>	-	-
Depreciation for the year	-	-
Disposals	-	-
<b>Accumulated depreciation as at 31.03.2021</b>	-	-
Depreciation for the year	-	-
Disposals	-	-
<b>Accumulated depreciation as at 31.03.2022</b>	-	-
<b>Net carrying amount as at 31.03.2021</b>	<b>129.09</b>	<b>129.09</b>
<b>Net carrying amount as at 31.03.2022</b>	-	-

## Annual Report 2021-22

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Note 4</b>		
<b>Non-current Trade Receivables</b>		
4 (i) <b>Trade Receivables - Billed</b>		
Trade Receivables - credit impaired	66.36	66.36
Less: Allowances for credit impaired	(66.36)	(66.36)
<b>Total</b>	-	-
4 (ii) <b>Trade Receivables - Unbilled</b>		
Trade Receivables - unbilled	630.01	885.34
	630.01	885.34

### 4 (iii) (a) Trade Receivables ageing schedule FY 21-22

Particulars	Unbilled Receivable	Receivables not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Non Current:</b>								
(i) Undisputed Trade receivables – considered good	630.01	-	-	-	-	-	-	630.01
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	66.36	66.36
	630.01	-	-	-	-	-	66.36	696.37
Less: Allowance for Credit Impaired								66.36
<b>Total Trade Receivable</b>								<b>630.01</b>

### 4 (iii)( b) Trade Receivables ageing schedule FY 20-21

Particulars	Unbilled Receivable	Receivables not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Non Current:</b>								
(i) Undisputed Trade receivables – considered good	885.34	-	-	-	-	-	-	885.34
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	66.36	66.36
	885.34	-	-	-	-	-	66.36	951.70
Less: Allowance for Credit Impaired								66.36
<b>Total Trade Receivable</b>								<b>885.34</b>

### Note 5

#### Other non-current financial assets

Other Deposits	22.20	21.93
Earnest money deposit	1.40	3.12
Deposits with original maturity more than 12 months ( Balance with Bank - Margin Money)	294.21	277.03
<b>Total</b>	<b>317.81</b>	<b>302.08</b>

Note: Balance in Margin Money Deposit are held as security against borrowings, guarantees and other commitments.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Note 6</b>		
<b>Deferred tax Liability/Asset</b>		
On account of Fixed Assets	285.99	(3.89)
On account of Others	345.89	31.45
MAT Credit Entitlement	-	29.91
	<b>631.88</b>	<b>57.47</b>
<b>Note 7</b>		
<b>Other non-current assets</b>		
- Central Excise	135.09	135.09
- Customs Duty Refundable ( SAD )	35.16	35.16
- Sales Tax Deposit	4.18	4.89
- Prepaid Expense (Non Current)	123.38	132.37
	<b>297.81</b>	<b>307.51</b>
<b>Note 8</b>		
<b>Inventories</b>		
Land under Development	-	317.39
Raw Materials	245.84	563.79
Work-in-Process	177.84	117.27
Finished goods	396.10	270.98
Traded Goods	87.86	10.76
Goods-in-Transit		
- Raw Materials	-	10.23
<b>Total</b>	<b>907.64</b>	<b>1290.42</b>
<b>Note 9</b>		
<b>Trade and other receivables</b>		
<b>9 (i) Trade Receivables - Billed</b>		
- Trade Receivables considered good - Unsecured	1003.87	1,327.77
- Trade Receivables - credit impaired	23.71	5.94
Less: Allowances for credit impaired	(23.71)	(5.94)
<b>Total</b>	<b>1,003.87</b>	<b>1,327.77</b>
<b>9 (ii) Trade Receivables - Unbilled</b>		
Unbilled Revenue	562.16	490.31
	<b>562.16</b>	<b>490.31</b>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31st March 2022

All amounts are in Rupees unless otherwise stated

**9 (iii) (a) Trade Receivables ageing schedule FY 21-22**

Particulars	Unbilled Receivable	Receivables not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Current: -</b>								
(i) Undisputed Trade receivables – considered good	562.16	308.12	364.36	12.89	0.22	-	-	685.59
(ii) Undisputed Trade Receivables – considered doubtful	-	-	0.31	0.68	19.52	0.81	-	21.32
(iii) Disputed Trade Receivables considered good	-	-	7.74	310.54	-	-	-	318.28
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	2.39	2.39
	562.16	308.12	372.41	324.11	19.74	0.81	2.39	1027.58
Less: Allowance for Credit Impaired								23.70
<b>Total Trade Receivable</b>	<b>562.16</b>							<b>1003.87</b>

**9 (iii) (b) Trade Receivables ageing schedule FY 20-21**

Particulars	Unbilled Receivable	Receivables not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Current: -</b>								
(i) Undisputed Trade receivables – considered good	490.31	488.33	794.46	22.35	22.63	-	-	1327.77
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	0.88	1.17	3.89	-	5.94
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-	-
	490.31	488.33	794.46	23.23	23.80	3.89	-	1333.71
Less: Allowance for Credit Impaired								5.94
<b>Total Trade Receivable</b>	<b>490.31</b>							<b>1327.77</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
<b>9 (iv) Movements in the provision for impairment of trade receivables are as follows:</b>		
Opening balance	72.30	142.49
Provision for receivables impairment	17.77	-
Receivables written off during the year as uncollectible	-	(46.39)
Provision released during the year	-	(23.80)
<b>Closing balance</b>	<b>90.07</b>	<b>72.30</b>
<b>Note 10</b>		
<b>Cash and cash equivalents</b>		
a) Balance with banks :		
i) In current account	0.59	60.94
ii) In exchange earners' foreign currency account	-	0.04
b) Cash on hand	0.01	0.02
<b>Total</b>	<b>0.60</b>	<b>61.00</b>
<b>Note 11</b>		
<b>Other bank balances</b>		
<b>Margin Money</b>		
In deposits with original maturity of less than 3 months	-	-
12 months	64.58	52.76
<b>Total</b>	<b>64.58</b>	<b>52.76</b>
<b>Note :</b> Balance in margin money deposit are held as security against borrowings, guarantees and other commitments.		
<b>Note 12</b>		
<b>Other current financial assets</b>		
Other Deposits	3.54	3.54
Other Receivables	-	43.94
Less: Allowances for credit impaired	-	-
Interest accrued but not due	12.34	13.54
<b>Total</b>	<b>15.88</b>	<b>61.02</b>
<b>Note 13</b>		
<b>Current tax Assets (Net)</b>		
Advance Tax and Tax deducted at source	19.84	36.72
<b>Total</b>	<b>19.84</b>	<b>36.72</b>

## Annual Report 2021-22

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Note 14</b>		
<b>Other current assets</b>		
Prepaid Expenses	79.77	31.51
Advance to supplier	137.84	170.56
Balances with Govt. Authorities	162.94	152.24
Gratuity Fund Balance	-	13.71
<b>Total</b>	<b>380.55</b>	<b>368.02</b>
<b>Note 17</b>		
<b>Long Term Borrowings</b>		
<b>Secured</b>		
Bajaj Housing Finance Ltd#	3,380.99	2,422.78
Bank of Baroda Loan***	183.40	150.05
<b>Total</b>	<b>3,564.39</b>	<b>2,572.83</b>
# Term Loan - loan against property/ Lease rental discounting sanctioned by Bajaj housing finance ltd is secured against the mortgage of land and building at Katha no. 140/17/338, formed in survey no 54/2, 54/1, 50/6 & 54/8 and part of survey no.54/3, 53/2 and 53/1, measuring 32,595 sq.ft of the salable super built up area constituting the portion of ground floor of the complex - umiya velocity.		
*** The company has availed a working capital term loan of Rs. 3 cr to meet out liquidity mismatch in lieu of Covid - 19 Crisis under " BOB Guaranteed Emergency credit line" Scheme(BGECLS) from Bank of Baroda at reduced rate of Interest - 7.5% p.a. against hypothication of land and building.		
<b>Note 18</b>		
<b>Long-term provisions</b>		
Provision for employee benefits		
Compensated Absences	17.99	16.87
<b>Total</b>	<b>17.99</b>	<b>16.87</b>
<b>Note 19</b>		
<b>Other non current liabilities</b>		
Un Earned Rent	225.01	193.72
Security Deposit	20.46	15.72
Advance toward security deposit	30.00	-
<b>Total</b>	<b>275.47</b>	<b>209.44</b>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Note 20</b>		
<b>Short term Borrowings</b>		
<b>Secured</b>		
Bank Of Baroda(Formerly known as Vijaya Bank) *	1,302.08	941.27
NSIC(National Small Scale Industry Corporation) **	160.63	177.00
Current maturities of long-term borrowings Bajaj Finance Ltd	84.43	136.37
Current maturities of long-term borrowings Bank of Baroda	66.60	49.95
<b>Unsecured</b>		
Borrowings from directors ****	1,981.46	2,342.36
<b>Total</b>	<b>3,595.20</b>	<b>3,646.95</b>

\* 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.

\*\*The company has availed assistance under raw material assistance scheme from NSIC against the security of Bank Guarantee.

\*\*\*\* The Company has availed Moratorium on payment of Monthly CC Interest from bank of baroda from March 2020 to August 2020 on account of Covid -19 liquidity issue And same is repayable in 6 Monthly installments from September 2020 to February 2021.

\*\*\*\*\*Short Term Loan from the Managing Director Mr. Aniruddha Bhanu prasad Mehta borrowed at a revised rate of 8.80% p.a. with effect from 23rd September, 2021 which is lower by 0.20% of the prevailing bank base rate i.e.9.00% p.a. as per the BOB letter.

**Note 21**

**Trade and other payables**

- Total outstanding dues of micro enterprises and small enterprises	3.67	8.71
- Total outstanding dues of creditors other than micro enterprises and small enterprises	163.93	364.85
<b>Total</b>	<b>167.60</b>	<b>373.56</b>

**21 (i) Trade Payables ageing schedule FY 21-22**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Dues to MSME -not disputed	3.67	-	-	-	3.67
(ii) Others - not disputed	134.81	1.17	17.69	10.26	163.93
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>138.48</b>	<b>1.17</b>	<b>17.69</b>	<b>10.26</b>	<b>167.60</b>

**21 (ii) Trade Payables ageing schedule FY 20-21**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Dues to MSME -not disputed	8.71	-	0.00	0.00	8.71
(ii) Others - not disputed	158.72	72.71	131.86	1.56	364.85
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>167.43</b>	<b>72.71</b>	<b>131.86</b>	<b>1.56</b>	<b>373.56</b>

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### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Note 22</b>		
<b>Other financial liabilities</b>		
Payable for expenses	179.36	169.07
Payable for Capital Goods	695.13	1.96
Payable to Employees	49.60	59.33
<b>Total</b>	<b>924.09</b>	<b>230.36</b>
<b>Note 23</b>		
<b>Other current liabilities</b>		
Advances from customers	19.63	358.04
Statutory Dues Payables* (includes VAT, Excise Duty, Provident Fund, Withholding Taxes, etc.)	16.65	13.38
Un Earned Rent	9.68	8.09
<b>Total</b>	<b>45.96</b>	<b>379.51</b>
<b>Note 24</b>		
<b>Short term provisions</b>		
<b>Provision for Income Tax net of Advance Tax</b>	743.50	-
<b>Provision for employee benefits</b>		
Provision for Gratuity	1.04	-
Compensated Absences	25.73	23.89
<b>Other provision :</b>		
For Warranty	10.89	12.74
<b>Total</b>	<b>781.16</b>	<b>36.63</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

**Note 15**

**Equity Share Capital**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Authorised</b>		
3,00,00,000 Equity shares of Rs. 5 each Issued, Subscribed & Paid Up	1,500.00	1,500.00
1,86,84,602 Equity Shares of Rs.5 each, fully paid-up	934.23	934.23
<b>Total</b>	<b>934.23</b>	<b>934.23</b>

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

Particulars (Shares in lakhs)	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Value Rs.	No of Shares	Value Rs.
At the beginning of the year	186.85	934.23	186.85	934.23
Movement during the period	-	-	-	-
Outstanding at the end of the year	186.85	934.23	186.85	934.23

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

Shareholders	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Holding %	No of Shares	Holding %
UMIYA HOLDING PRIVATE LIMITED	63.24	33.85	63.24	33.85
ANIRUDDHA BHANUPRASAD MEHTA	31.60	16.91	30.12	16.12
JITENDRA VIRWANI	37.05	19.83	37.05	19.83

**d) Disclosure of Shareholding of Promoters:**

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Name of the Promoters	As at 31-03-2022		As at 31-03-2021		% Change during the year
	No of Shares (in Lakhs)	% of Holding	No of Shares (in Lakhs)	% of Holding	
Equity shares of Rs 5/-each fully paid					
ANIRUDDHA MEHTA	32.06	17.16%	31.60	16.91%	0.25%
GAURIANIRUDDHA MEHTA	7.54	4.03%	7.54	4.03%	0.00%
UMIYA HOLDING PRIVATE LIMITED	63.23	33.85%	63.23	33.85%	0.00%

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Name of the Promoters	As at 31-03-2021		As at 31-03-2020		% Change during the year
	No of Shares (in Lakhs)	% of Holding	No of Shares (in Lakhs)	% of Holding	
Equity shares of Rs 5/-each fully paid					
ANIRUDDHA MEHTA	31.60	16.91%	30.12	16.12%	0.79%
GAURIANIRUDDHA MEHTA	7.54	4.03%	7.33	3.93%	0.10%
UMIYA HOLDING PRIVATE LIMITED	63.23	33.85%	63.23	33.85%	0.00%

## Annual Report 2021-22

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Note 16</b>		
<b>Other Equity</b>		
Capital Reserve :		
State Government subsidy on Capital Investment	A 1.10	1.10
Capital Redemption Reserve :		
Reduction in share capital (buy back of shares)	B 102.85	102.85
Securities Premium Account	C 1,769.07	1,769.07
General Reserve	D 4,830.00	4,830.00
Other Comprehensive Income	E 8.36	14.46
Surplus/(deficit) in the statement of Profit & Loss		
Opening Balance	(8,556.46)	(7,810.07)
Profit / (Loss) for the year	7,868.80	(746.39)
Less: Appropriations		
Net Surplus/(deficit) in the statement of Profit & Loss	F (687.66)	(8,556.46)
<b>Total</b>	<b>A+B+C+D+E+F 6,023.72</b>	<b>(1,838.98)</b>
<b>Note 25</b>		
<b>Revenue from Operations</b>		
<b>A. Sales of products and Services</b>		
Sale of products	2,604.45	2,719.87
Sale of Services ( Refer Note below i)	822.59	442.55
Sale of Land	8,833.86	-
	<b>12,260.90</b>	<b>3,162.42</b>
<b>Note : (i) Sale of services comprises of</b>		
Service Charges	364.84	286.77
Annual Maintenance Charges	109.23	155.78
Rental Income	348.52	-
<b>Total</b>	<b>822.59</b>	<b>442.55</b>
<b>Note 26</b>		
<b>Other Income</b>		
Net gain on Foreign Currency Transactions	6.58	23.87
Provision for Doubtful Trade Receivables / Deposits written back	-	23.80
Provision for warranty written back	1.85	11.70
Profit on Sale / Disposal of Property Plant and Equipment (net)	0.15	1.58
Other Non-Operating Income	7.01	2.65
Interest Income	86.80	33.83
<b>Total Other income</b>	<b>102.39</b>	<b>97.43</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Note 27</b>		
<b>Cost of materials consumed</b>		
Opening Stock	563.79	1,172.46
Add: Purchases	1,691.23	1,625.40
Less: Closing Stock	245.84	563.79
<b>Total Cost of Raw Material Consumed</b>	<b>2,009.18</b>	<b>2,234.07</b>
<b>Note 28</b>		
<b>Changes in inventories of finished goods and work in progress</b>		
<b>Opening Stock :</b>		
Finished Goods	270.98	223.99
Stock-in-Trade	10.76	10.73
Work-in-Process	117.27	216.08
Less:		
<b>Closing Stock:</b>		
Finished Goods	396.10	270.98
Stock-in-Trade	87.86	10.76
Work-in-Process	177.84	117.27
<b>Changes In Inventories:</b>		
Changes in inventories of finished goods	(125.12)	(46.99)
Stock-in-Trade	(77.10)	(0.03)
Work-in-Process	(60.57)	98.81
<b>Changes in inventories of finished goods and work in progress (262.79)</b>		<b>51.79</b>
The above is after excluding the amounts in respect of discontinued operations.		
<b>Note 29</b>		
<b>Employee benefit expense</b>		
Salaries and Wages	532.48	574.58
Manpower hire Charges	49.42	33.86
Contribution to Provident and Other Funds	42.87	37.90
Staff Welfare Expenses	23.15	14.30
<b>Total</b>	<b>647.92</b>	<b>660.64</b>
<b>Note 30</b>		
<b>Finance Costs</b>		
Interest on Borrowings	609.84	571.98
<b>Total</b>	<b>609.84</b>	<b>571.98</b>

## Annual Report 2021-22

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Note 31</b>		
<b>Other Expenses</b>		
<b>Repairs and Maintenance:</b>		
- Others	73.31	40.22
Rent	32.44	34.12
Rates and Taxes	68.15	14.25
Insurance	15.35	18.51
Power and Fuel	30.77	43.24
Selling and Promotion Expenses	0.93	1.07
Auditor's Remuneration (ii)	15.42	12.45
Books and Periodicals	0.41	0.79
Other Borrowing Costs (includes bank charges, etc.)	24.25	28.41
Commission, Brokerage and Discount	3.87	1.70
Freight and Forwarding	9.66	7.16
Liquidated Damages	7.49	-
Postage and Telephone Expenses	8.79	6.70
Travelling and Conveyance	36.60	22.36
AMC Charges and Software Licenses	18.41	18.31
Stationery & Printing Expenses	3.05	3.83
Loss from from foreign exchange fluctuation	-	-
Bad Trade Receivables / Advances / Deposits written off	4.05	16.85
Provision for Doubtful Trade Receivables / Advances / Deposits	17.77	-
Warranty Expenses	5.85	7.41
Directors Sitting Fees	5.24	3.70
Advertisement Expenses	1.98	0.99
Professional Charges	49.01	38.41
Other Admin expenses	1.62	3.66
	<b>434.42</b>	<b>324.14</b>
<b>(ii) Payments to the statutory auditors of the company comprises of :</b>		
<b>Particulars</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Statutory Audit Fee	8.50	6.50
Tax Audit Fee	2.00	1.00
Limited review fee	4.50	4.50
Others	0.42	0.45
<b>Total</b>	<b>15.42</b>	<b>12.45</b>
<b>Note 32</b>		
<b>Statement of other comprehensive income</b>		
(i) Items that will not be reclassified to profit or loss	(8.15)	(0.45)
Changes in revaluation surplus		
Remeasurements of the defined benefit plans		
	<b>(8.15)</b>	<b>(0.45)</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

**Note 33**

**Related Party Relationships, transactions and balances**

**33.1 Related Parties**

**i) Whole Time Directors:**

Mr.Aniruddha Mehta, Chairman & Managing Director

**ii) Directors:**

Mrs.Gauri A Mehta, Director

**iii) Key Managerial Personnel:**

Mr.Srivathsa, Chief Financial Officer

Mr.Barun Pandey, Company Secretary and Compliance Officer

**iv) Proprietorship Concern of director**

Umiya Services

Umiya Builders & Developers

**33.2 Transactions for the year**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>With Whole Time Directors</b>		
<b>- Mr.Aniruddha Mehta</b>		
Salary & other allowances	-	-
Reimbursement of Expenses	-	-
Interest on unsecured loan	213.79	241.34
Unsecured Loan Received	226.00	688.00
Unsecured Loan Repaid	586.90	1,312.64
<b>Directors</b>		
<b>- Mrs.Gauri A Mehta, Director</b>		
Sitting Fees	1.14	0.40
<b>Key Managerial Personnel</b>		
<b>- Mr.Srivathsa</b>		
Salary & other allowances	43.17	38.16
Reimbursement of expenses	0.04	0.16
<b>- Mr.Barun Pandey</b>		
Salary & other allowances	9.87	8.16
Reimbursement of expenses	0.49	0.08
<b>Proprietorship Concern of director</b>		
<b>- Umiya Services</b>		
Building Maintenance Charges Paid	41.09	-

## Annual Report 2021-22

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

#### 33.3 Balance at the Balance Sheet Date

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>With Whole Time Directors</b>		
Short term Borrowings		
- Mr.Aniruddha Mehta	1,981.46	2,342.36
Payable for expenses		
- Mr.Aniruddha Mehta	-	71.65
<b>Key Managerial Personnel</b>		
- Mr.Srivathsa	2.19	2.11
- Mr.Barun Pandey	0.70	0.59
<b>Proprietorship Concern of director</b>		
<b>Trade payables</b>		
- Umiya Services	-	123.08

#### Note 34

##### Employee Benefit Plans

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>34.1 Expense recognised in the statement of P&amp;L</b>		
Current service Cost	7.18	4.54
Net Interest Expenses	(0.58)	(0.48)
Past service Cost - -		
<b>Component of defined Benefit costs recognised in the statement of P&amp;L</b>	<b>6.60</b>	<b>4.06</b>
Return on Plan assets (excluding amounts included in net interest expense)	-	0.08
Actuarial Gains/Losses arising from changes in financial assumptions	(0.46)	0.65
Actuarial Gains/Losses arising from experience assumptions	8.61	(0.28)
Actuarial Gains/Losses arising from demographic assumptions	-	-
<b>Component of defined Benefit costs recognised in other comprehensive Income</b>	<b>8.15</b>	<b>0.45</b>
<b>Total</b>	<b>14.75</b>	<b>4.51</b>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021		
<b>34.2</b>	<b>Movements in the present value of the defined benefit obligation are as follows</b>				
	Opening defined benefit obligation	38.98	32.45		
	Current Service Cost	7.18	4.54		
	Past service Cost	-	-		
	Interest Cost	1.66	1.62		
	Benefits Paid	-	-		
	<b>Remeasurement Loss (gain)</b>	-	-		
	<b>Actuarial Loss/gain arising from</b>	-	-		
	Financial assumptions	(0.46)	0.65		
	Demographic assumptions	-	-		
	Experience assumptions	8.61	(0.28)		
	<b>Obligations at the end of the year</b>	<b>55.97</b>	<b>38.98</b>		
<b>34.3</b>	<b>Movement in the fair value of the plan assets are as follows</b>				
	Opening Fair Value of the planned assets	52.68	42.09		
	Expected return on Planned assets	2.24	2.10		
	Actuarial Contribution from the company	-	8.57		
	Benefits Paid	-	-		
	Remeasurement loss/gain	-	-		
	Actuarial Gain/Loss	-	(0.08)		
	Closing Fair value of Planned assets	54.92	52.68		
<b>34.4</b>	<b>Assumptions</b>				
	Interest Rate	4.65%	4.25%		
	Discount Factor	4.65%	4.25%		
	Expected rate of return on Plan Assets	4.65%	5.00%		
	Expected Rate of salary Increase	7.00%	7.00%		
	Attrition Rate	48%-48%-48%	48%-48%-48%		
	Retirement Age	60 Years	60 Years		
<b>34.5</b>	<b>Sensitivity Analysis</b>				
	<b>Particulars</b>	<b>Year Ended March 31, 2022</b>		<b>Year Ended March 31, 2021</b>	
	Defined Benefit obligation (Base)	Decrease	Increase	Decrease	Increase
	Discount Rate (-/+1%)	57.13	54.85	39.88	38.12
	(% change compared to base due to sensitivity)	2.10%	-2.00%	2.30%	-2.20%
	Salary Growth Rate (-/+1%)	54.98	56.94	38.20	39.74
	(% change compared to base due to sensitivity)	-1.80%	1.70%	-2.00%	2.00%
	Attrition Rate (-/+50% of attrition rates)	61.50	52.16	46.04	34.65
	(% change compared to base due to sensitivity)	9.90%	-6.80%	18.10%	-11.10%
	Mortality Rate (-/+10% of mortality rates)	55.96	55.97	38.97	38.99
	(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

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### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

#### Note 35

##### Contingent Liabilities and Commitments

Particulars	Year Ended March 31, Year Ended March 31,	
	2022	2021
<b>Contingent Liabilities and Commitments</b>		
Counter Guarantees to Bank (to the extent of live guarantees issued by bank)	630.53	515.02
Sales Tax Liability in lieu of Form C yet to be received	-	-
Capital Commitments	-	0.17
Letters of Credit	-	-
Disputed Central Excise duty*	466.91	466.91

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

\*\* Amount excludes Interest of Rs. 9,10,46,573 up to March 31, 2022 (Rs. 8,40,42,990 up to March 31, 2021) Duty that may become payable in the event of adverse judicial pronouncement.

##### Pending Legal Case

Sl. No.	Name of the plaintiff	Court Jurisdiction	Cause of legal case
1.	Mr. Jitendra Virwan	National Company Law Appellate Tribunal (NCLAT), New Delhi.	Appeal against the order of NCLT as on 27th November 2019, regarding restraining to proceed joint development and change in the name of the company.
2.	Delta Electronics India Private Limited	Karnataka, State consumer Disputes Redressal Commission	Against the warranty given on discontinued business- Solar

#### Note 36

##### 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 segment has been merged with Solutions segment during the previous financial year).

##### 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.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Particulars	Year Ended	
	March 2022	March 2021
<b>1 Segment Revenue (Net Sale)</b>		
(a) Product	1,049.22	996.44
(b) Real Estate Development	9,182.38	-
(c) EMS (Electronic Contract Manufacturing)	1,315.38	1,815.01
(d) Solutions	713.92	350.97
<b>Total</b>	<b>12,260.90</b>	<b>3,162.42</b>
Less :- Inter segment revenue	-	-
<b>Net Sales From Operations</b>	<b>12,260.91</b>	<b>3,162.42</b>
<b>2 Segment Results - Profit / (loss) before tax and interest</b>		
(a) Product	(28.54)	207.41
(b) Real Estate Development	8,761.30	(1.68)
(c) EMS (Electronic Contract Manufacturing)	53.32	246.27
(d) Solutions	207.88	21.82
<b>Total</b>	<b>8,993.96</b>	<b>473.82</b>
Less:-		
Interest	609.84	571.98
Other Un-allocable Expenditure net off	393.51	652.10
Un-allocable Income	(93.82)	(34.44)
<b>Total Profit/(loss) before tax</b>	<b>8,084.43</b>	<b>(715.82)</b>
<b>3 Segment Assets</b>		
(a) Product	519.12	1,056.78
(b) Real Estate Development	11,302.99	676.53
(c) EMS (Electronic Contract Manufacturing)	1,677.88	2,083.57
(d) Solutions	481.69	2,020.59
(e) Un-allocable assets	2,348.15	723.93
<b>Total Assets</b>	<b>16,329.81</b>	<b>6,561.40</b>
<b>4 Segment Liabilities</b>		
(a) Product	142.91	155.56
(b) Real Estate Development	1,740.33	1,651.84
(c) EMS (Electronic Contract Manufacturing)	71.30	595.88
(d) Solutions	151.88	170.42
(e) Un-allocable Liabilities	7,265.45	4,892.44
<b>Total Liabilities</b>	<b>9,371.86</b>	<b>7,466.14</b>

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# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

### Note 37

#### 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.

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-22	31-Mar-21
Outstanding for more than 6 months	413.41	117.28
	<b>413.41</b>	<b>117.28</b>

The company continuously monitors defaults of customers and other counterparties, identified either individually or by the group and incorporates this information into its credit risk controls. 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, 2022.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

### B. Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company has an appropriate liquidity Risk management framework for the management of short, medium and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate cash reserves, banking facilities, and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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

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

### Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March, 2022 & 31 March, 2021.

As at 31 March 2022	Less than 1 year	1-5 years	Total
Borrowings	3,595.20	3,564.39	7,159.59
Trade Payables	167.60	-	167.60
Other financial liabilities	924.09	-	924.09
<b>Total</b>	<b>4,686.89</b>	<b>3,564.39</b>	<b>8,251.28</b>

As at 31 March 2021	Less than 1 year	1-5 years	Total
Borrowings	3,646.95	2,572.83	6,219.78
Trade Payables	373.56	-	373.56
Other financial liabilities	230.36	-	230.36
<b>Total</b>	<b>4,250.87</b>	<b>2,572.83</b>	<b>6,823.70</b>

### 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.

## Annual Report 2021-22

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

#### i) Foreign currency risk exposure

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

Foreign Currency	As at 31 march, 2022		As at 31 march, 2021	
	INR	FC	INR	FC
<b>Trade Receivables</b>				
USD	-	-	-	-
<b>Other Receivables</b>				
USD	-	-	43.95	59768.20
<b>Other current assets - Advance to supplier</b>				
USD	106.97	140522.90	77.71	105217.50
EUR	0.61	712.69	65.63	75527.10
<b>Trade Payables</b>				
USD	47.46	62354.85	160.84	217799.49
CNY	0.01	99.83	-	-
GBP	0.21	-	0.21	210.00

#### 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	31-Mar-22	31-Mar-21
	Currency of USA (\$)	5.95
Currency of CNY (	0.00)	-
Currency of GBP	(0.02)	(0.02)
Currency of EUR	0.06	6.56

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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

### Financial Instrument - Risk Exposure and Fair Value

#### Interest Rate Risk

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

Particulars	31-Mar-22	31-Mar-21
<b>Fixed rate Instruments</b>		
Financial Liabilities	Nil	Nil
<b>Variable rate Instruments</b>		
Financial Liabilities		
-Bank Overdraft	1,302.08	941.27
-Term Loan	250.00	200.00
-Financial Institutions	3,626.05	2,736.15
-Loan from Director	1,981.46	2,342.36
<b>Total</b>	<b>7,159.59</b>	<b>6,219.78</b>

Cash flow sensitivity analysis for variable rate instruments

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

Effect	Profit /(Loss)	
	100 bps increase	100 bps decrease
31st March 22	(72)	72
31st March 21	(62)	62

#### Note 38

#### 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 17 & Note 20) offset by cash and bank balances and total equity of the company.

The company is not exposed to any externally imposed capital requirements

The company's Capital Gearing ratio is as follows:

Particulars	31-Mar-22	31-Mar-21
Debt	7,159.59	6,219.78
Less: Cash and cash Balances	0.60	61.00
<b>Net Debt</b>	<b>7,158.99</b>	<b>6,158.78</b>
<b>Total Equity</b>	<b>6,957.95</b>	<b>(904.75)</b>
<b>Gearing Ratio</b>	<b>1.03</b>	<b>(6.81)</b>

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

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### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

#### Note 39

##### a) Value of Imports

Particulars	March 31, 2022	March 31, 2021
<b>Value of Imports calculated on C.I.F basis</b>		
Raw Materials, Components and Finished Goods	1,082.68	1,292.63
Capital Goods	-	41.00
<b>Expenditure in foreign currency</b>		
Travelling	-	-
<b>Earnings in foreign exchange</b>		
Export of goods and services on F.O.B	-	0.67

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

Particulars	March 31, 2022	March 31, 2021
Material Cost	0.56	0.31
Employee benefit expenses	22.59	21.87
Repairs & Maintenance charges	0.03	-
Business Promotion Expenses	-	0.09
Training & Seminar/ Professional Charges	-	0.10
Travelling Expenses	-	0.06
<b>Total</b>	<b>23.18</b>	<b>22.43</b>

#### Note 40

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

Particulars	March 31, 2022	March 31, 2021
<b>Profit before income taxes -</b>		
From continuing operations	8,076.28	(716.27)
From discontinued operations		-
Indian statutory income tax rate	25.17%	27.82%
Expected income tax expense	2,033.00	(199.00)
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses</b>		
Income exempt from tax	0	-
Effect of expenses that are not deductible in determining taxable profit	0	-
Effect of Income exempt from LTCG	788.00	-
Effect of previously unrecognised and unused tax losses used to reduce tax expense	805.38	-
Set-off of carried forward tax losses for which no deferred tax assets was recognised.	-	(199.00)
Effect on deferred tax balances due to the change in income tax rate	4.80	-
Changes in recognised deductible temporary differences	249.10	(30.57)
<b>Total effect of tax adjustments</b>	<b>1847.28</b>	<b>(229.57)</b>
<b>Total Income tax expense</b>	<b>(185.72)</b>	<b>30.57</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

b) Tax expense on remeasurement of defined benefit plan amounting to Rs 2.05 Lakhs ( PY Nil) has been recognised in OCI.

c)

Deferred tax (liability) / Asset	March 31, 2022	March 31, 2021
Deferred tax (liability)/ Assets on account of :		
Fixed Assets	210.19	(3.89)
Deferred tax asset on account of :		
Others	842.07	31.45
MAT Credit	-	29.91
<b>Total</b>	<b>631.88</b>	<b>57.47</b>

### Note 41

#### Notes on accounts and other explanatory information

#### a) 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, 2022	March 31, 2021
Principal amount (including overdue amount) outstanding at the beginning of the year	8.71	0.04
Interest amount outstanding at the beginning of the year	-	-
Interest (out of the above) paid during the year	-	-
Amount paid after due date during the year	-	-
Interest paid on the amount unpaid after due date during the year	-	-
Overdue amount outstanding at the end of the year <sup>1</sup>	-	-
Principal amount (other than overdue amount) outstanding at the end of the year	3.67	8.71
Interest accrued and remaining unpaid at the end of the year	-	-

#### b) Discontinuing operation

Particulars	March 31, 2022	March 31, 2021
Revenue from Operations	-	-
Cost of materials consumed	-	-
Gross Profit/(Loss)	-	-
Employee benefits expenses	-	-
Finance Cost	-	-
Depreciation and amortization expenses	-	-
Reduction in UPS/Solar Stock	-	-
Other Expenses	-	-
<b>Net loss from Discontinuing operation</b>	<b>-</b>	<b>-</b>

## Annual Report 2021-22

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

#### c) Other Information required under companies Act, 2013

##### i. Consumption of raw materials

Particulars	March 31, 2022	March 31, 2021
Capacitors	26.33	7.30
Connectors	15.15	6.60
Integrated Circuits	75.07	15.68
Populated PCBs	411.87	47.32
P-BOX	-	2.85
Printed Circuit Boards	18.48	269.08
Transceiver	68.01	40.03
Resistors	5.20	0.85
Transformers	7.70	-
Others	267.13	173.81
EMS	1,056.18	1,489.94
Solutions & IT & Drones	58.06	180.61
<b>Total</b>	<b>2,009.18</b>	<b>2,234.07</b>
<b>Discontinuing operation</b>	<b>-</b>	<b>-</b>
<b>Continuing Operation</b>	<b>2,009.18</b>	<b>2,234.07</b>

##### ii. Composition of raw materials

Particulars	March 31, 2022		March 31, 2021	
	Value Rs.	%	Value Rs.	%
Indigenous	421.93	21	469.15	21
Imported	1,587.25	79	1,764.92	79
<b>Total</b>	<b>2,009.18</b>	<b>100</b>	<b>2,234.07</b>	<b>100</b>

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

Particulars	March 31, 2022	March 31, 2021
Connector	0.95	0.20
Capacitor	5.52	0.98
IC	15.83	2.19
Mechanical	1.28	0.72
PCB	6.82	2.65
Others	60.30	5.40
Solutions	34.09	67.09
EMS	53.05	38.04
<b>Total</b>	<b>177.84</b>	<b>117.27</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

iv. Finished Goods under broad head

Particulars	March 31, 2022	March 31, 2021
Modem	6.54	20.25
Converters	57.99	116.32
Ethernet Switch	33.13	1.10
Multiplexers	183.98	51.31
Others	55.09	23.16
EMS	0.59	43.34
Solutions	58.78	15.50
<b>Total</b>	<b>396.10</b>	<b>270.98</b>

v. Gross Income

Particulars	March 31, 2022	March 31, 2021
Manufactured		
Modems	59.24	32.79
Convertors	251.98	256.65
Multiplexers	356.34	478.88
Ethernet Switch	16.96	15.69
Racks	3.90	6.05
Others	37.28	7.15
Wireless Convertor	0.98	0.81
GPON	94.06	-
EMS	1,257.27	1,815.05
IT & Drones	-	1.61
Solutions	526.44	105.19
<b>Sub total</b>	<b>2,604.45</b>	<b>2,719.87</b>
<b>* Gross Income – Net Working, EMS, Product &amp; Solutions.</b>	<b>2,604.45</b>	<b>2,719.87</b>

## Annual Report 2021-22

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

#### Note 42

#### 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, 2022	March 31, 2021
<b>Measured at Cost</b>		
<b>Non Current</b>		
Investments	-	-
<b>Measured at Amortised cost</b>		
<b>Non Current</b>		
Trade Receivables - Unbilled	630.01	885.34
Loans	-	-
Others	317.81	302.08
<b>Current</b>		
Trade Receivables - Billed	1,003.87	1,327.77
Trade Receivables - Un Billed	562.16	490.31
Cash and Cash Equivalents	0.60	61.00
Other Bank balances	64.58	52.76
Others	15.88	61.02
<b>Total</b>	<b>2,594.91</b>	<b>3,180.28</b>
<b>Financial Liabilities</b>		
<b>Measured at Amortised cost</b>		
<b>Non Current</b>		
Borrowings	3,564.39	2,572.83
<b>Current</b>		
Borrowings	3,595.20	3,646.95
Trade Payables	167.60	373.56
Other financial liabilities	924.09	230.36
<b>Total</b>	<b>8,251.28</b>	<b>6,823.70</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31st March 2022

All amounts are in Rupees unless otherwise stated

**Note 43**

**Ratios**

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance **
(a) Current Ratio	Total Current assets	Total current liabilities	0.54	0.79	-32%	Alpha Project execution & realisation. LTCG on transfer on Land.
(b) Debt-Equity Ratio,	Total debt	Shareholders equity	1.03	-6.87	-115%	BHFL additional loan grant and Increase in profit as compared to the previous year
(c) Debt Service Coverage Ratio,	Earnings available for debt service	Debt service	14.31	-0.07	-19588%	Increase in profit as compared to the previous year
(d) Return on Equity Ratio,	Profit after tax less dividend on preference shares	Average shareholders equity	8.42	-0.80	-1153%	Increase in profit as compared to the previous year
(e) Inventory turnover ratio,	Cost of goods sold ( alternatively can be sales can be considered)	Average inventory	2.14	1.67	28%	Alpha, Skanray project execution in the current year.
(f) Trade Receivables turnover ratio,	Net credit sales	Average account receivable	10.52	3.43	207%	Increase in Sales due to Real estate operations.
(g) Trade payables turnover ratio,	Net credit purchases	Average trade payable	6.25	2.50	150%	Decrease in Payables in the current year
(h) Net capital turnover ratio,	Net sales	Average working capital	-4.79	-3.23	48%	Increase in Sales due to Real estate operations.
(i) Net profit ratio,	Net profit after tax	Net sales	0.64	-0.24	-372%	Increase in profit as compared to the previous year
(j) Return on Capital employed,	Earnings before tax and interest	Capital employed	0.62	-0.03	-2376%	Increase in profit as compared to the previous year
(k) Return on investment.	Income generated from invested funds	Average invested funds in treasury investments	N/A	N/A	N/A	N/A

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31st March 2022

All amounts are in Rupees unless otherwise stated

**Note 44****Additional regulatory informations:**

a) Company has working capital from Banks sanctioned on the basis of Security of current assets. The quarterly details filed by the company to the bank are as under :

(i) FY - 21-22

Quarter	Particulars of Securities Provided	Name of the bank	Aggregate working capital limits sanctioned	Amount as per Books of accounts	Amount reported in Quarterly return submitted to Bank	Difference	Reason
Jun-21	Stock	Bank of Baroda	1,000.00	1,300.42	1,831.20	(530.78)	Provision made for Non/Slow moving stock not considered
	Value of Stock - Adjusted on account of IND AS 116			649.49	-	649.49	Not Disclosed
	Debtors			1,035.60	1,194.56	(158.96)	Provision made for Doubtful Debts and unapplied credits
Sep-21	Stock	Bank of Baroda	1,400.00	1,170.22	1,965.58	(795.36)	Provision made for Non/Slow moving stock not considered & Entry towards Unbilled Revenue.
	Value of Stock - Adjusted on account of IND AS 116			905.56	-	905.56	Not Disclosed
	Debtors			873.66	1,379.42	(505.76)	Provision made for Doubtful Debts and unapplied credits

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Quarter	Particulars of Securities Provided	Name of the bank	Aggregate working capital limits sanctioned	Amount as per Books of accounts	Amount reported in Quarterly return submitted to Bank	Difference	Reason
Dec-21	Stock	Bank of Baroda	1,400.00	811.31	1,378.67	(567.36)	Provision made for Non/Slow moving stock not considered
	Value of Stock - Adjusted on account of IND AS 116			598.19	-	598.19	Not Disclosed
	Debtors			1,614.55	2,128.89	(514.34)	Provision made for Doubtful Debts and unapplied credits
Mar-22	Stock	Bank of Baroda	1,400.00	907.64	1,964.07	(1,056.43)	Provision made for Non/Slow moving stock not considered
	Value of Stock - Adjusted on account of IND AS 116			550.13	550.13	-	
	Debtors			1,003.87	1,077.97	(74.10)	Provision made for Doubtful Debts and unapplied credits

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31st March 2022

All amounts are in Rupees unless otherwise stated

(i) FY - 20-21

Quarter	Particulars of Securities Provided	Name of the bank	Aggregate working capital limits sanctioned	Amount as per Books of accounts	Amount reported in Quarterly return submitted to Bank	Difference	Reason
Jun-20	Stock	Bank of Baroda	1,000.00	2,086.10	2,070.76	15.34	Land under development and Provision made for Non/Slow moving stock not considered.
	Value of Stock - Adjusted on account of IND AS 116			746.80	-	746.80	Not Disclosed
	Debtors			451.80	448.35	3.45	Unapplied credits
Sep-20	Stock	Bank of Baroda	1,400.00	2,084.88	2,167.89	(83.01)	Land under development and Provision made for Non/Slow moving stock not considered.
	Value of Stock - Adjusted on account of IND AS 116			762.60	-	762.60	Not Disclosed
	Debtors			516.21	344.35	171.86	Provision made for Doubtful Debts and unapplied credits

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

Quarter	Particulars of Securities Provided	Name of the bank	Aggregate working capital limits sanctioned	Amount as per Books of accounts	Amount reported in Quarterly return submitted to Bank	Difference	Reason
Dec-20	Stock	Bank of Baroda	1,400.00	1,632.64	1,636.20	(3.56)	Land under development and Provision made for Non/Slow moving stock not considered.
	Value of Stock - Adjusted on account of IND AS 116			718.77	-	718.77	Not Disclosed
	Debtors			736.27	853.88	(117.61)	Provision made for Doubtful Debts and unapplied credits
Mar-21	Stock	Bank of Baroda	1,000.00	2,213.77	1,489.07	724.70	Land under development and Provision made for Non/Slow moving stock not considered.
	Value of Stock - Adjusted on account of IND AS 116			760.99	-	760.99	Not Disclosed
	Debtors			517.39	1,410.24	(892.85)	Provision made for Doubtful Debts and unapplied credits

- b) The company has not declared wilful defaulter by any bank, financial institution or any other lender.
- c) The company has no transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
- d) The company has not holding any Benami property under The Benami Transaction (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- e) No loans or advances in the nature of loan granted to the promoters, directors, key managerial persons and related party either severally or jointly with any other person.

## Annual Report 2021-22

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2022

All amounts are in Rupees in lakhs unless otherwise stated

### Note 45

#### Covid - 19 Effect on company

The Company has considered the impact of COVID-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions and expects that the carrying amount of the assets will be recovered. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration. Accordingly, the company will continue to monitor any material changes to future economic conditions.

### Note 46

#### Code on Social Security, 2020

The Code on Social Security, 2020 which received the President's assent on September, 2020 subsumes nine law relating to Social Security, retirement and employee benefits, including the Provident Fund and Gratuity. The effective date of the Code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions

### Note 47

Previous year's figures have been regrouped / reclassified / restated wherever necessary to correspond with the current year's classification/disclosure

As per our attached report of even date

For K.S.Aiyar & Co  
Chartered Accountants  
ICAI Firm's registration number:100186W

Deepak Kamath  
Partner  
Membership Number : 218292

Place : Bengaluru  
Date: 26/05/2022

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

Aniruddha Bhanuprasad Mehta  
Chairman & Managing Director  
DIN No. 00720504

Srivathsa  
Chief Financial Officer

Gauri Mehta  
Director  
DIN No. 00720443

Barun Pandey  
Company Secretary and  
Compliance Officer



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.

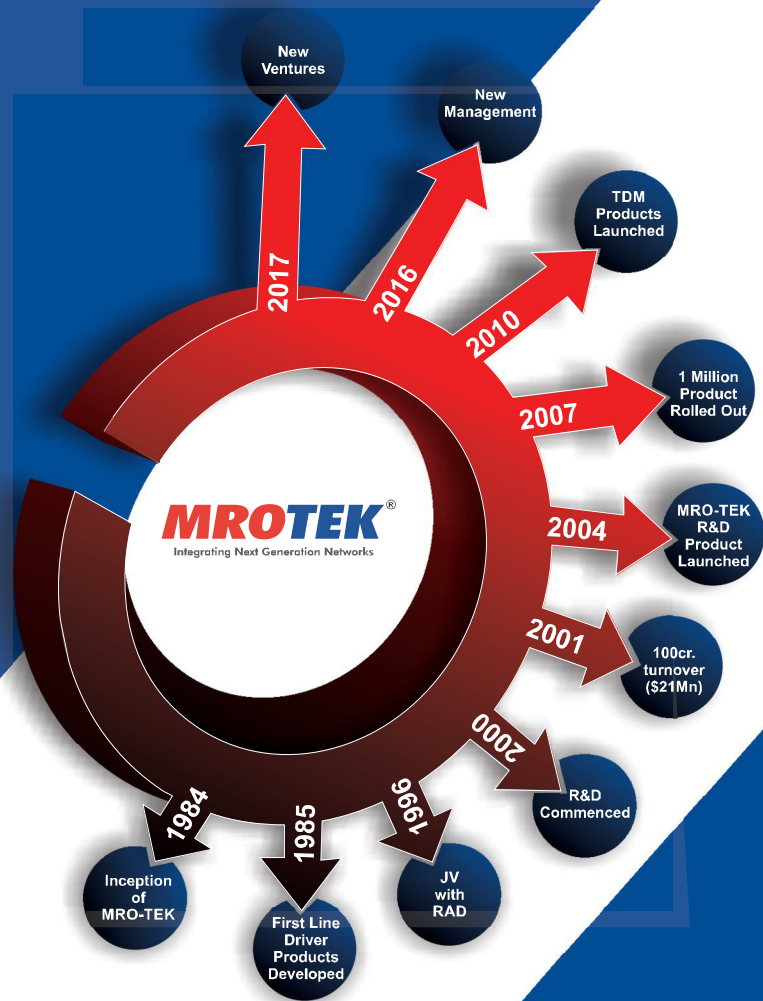
### WHY MROTEK?

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.

[www.mrotek.com](http://www.mrotek.com)

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Chikkamaranahalli,  
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### **Factory**

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