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To

1st July, 2016

Committee of Independent Directors
MRO-Tek Realty Limited
Bangalore

Dear Sirs,

**Re: 'OPEN OFFER' BY MR ANIRUDDHA MEHTA, MS. GAURI A. MEHTA AND
UMIYA HOLDING PRIVATE LIMITED:**

SUB: LEGAL COMPLAINCES & FAIRNESS OPINION

A. LEGAL COMPLIANCES:

1. Legal Related:

1.1. This is in connection with the above Transaction. As desired by MRO-Tek Realty Limited, (MRO-Tek) professional advice is being rendered through this report to assist you to provide your recommendations as required under Regulation 26(6) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Code**") in relation to the 'Open Offer' which has been made to the shareholders of MRO-Tek Realty Limited ("**Target Company**") by Mr. Aniruddha Mehta, Ms. Gauri A. Mehta and Umiya Holding Private Limited ("**Acquirers**") for the purchase of 48,57,997 (Forty Eight Lakhs Fifty Seven Thousand Nine hundred Ninety Seven only) fully paid-up Equity Shares of Rs.5/-(Rupees Five) each, constituting 26 per cent of the Issued and Subscribed capital of the Target ("**Offer**") pursuant to a Share Purchase Agreement dated 19th May, 2016 executed amongst the Target Company, Acquirers, Mr. S. Narayan and Mr. H Nandi and their respective members of the family ("**Sellers**").

1.2 In accordance with Regulation 3(1) and Regulation 4 of the Takeover Code, the Acquirers are required to make an open offer to the public shareholders of the Target for the purchase of an additional 26 per cent of the issued and subscribed Equity Share Capital and voting rights of the Target ("**Offer**").



- 1.3 In compliance with its obligations under the Takeover Code, the Acquirers issued a Public Announcement on 19th May 2016 ("**PA**") through Karvy Investor Services Limited ("**Manager to the Offer**") and subsequently, the Acquirers, through the Manager to the Offer, issued a Detailed Public Statement dated 25th May, 2016 which was published on 26th May, 2016 ("**DPS**"). Further, the Acquirers, through the Manager to the Offer, filed a draft Letter of Offer on 2nd June, 2016 ("**Letter of Offer**") with SEBI. Also a corrigendum to the Detailed Public Statement was published on 24th June, 2016.

2. DOCUMENTS EXAMINED

For the purpose of this opinion I have examined the following documents duly certified and received by me from the Target:

- Copy of the PA;
- Copy of the DPS;
- Copy of the Corrigendum to DPS;
- Copy of the Letter of Offer; and
- Certified true copies of the relevant resolutions passed at the meeting of the Board of Directors of the Target ("Board").

3. ASSUMPTIONS

For the purpose of this opinion, I have assumed that:

- a. The Acquirers have the authority, capacity and power to make and issue the Offer and to perform the obligations under the Takeover Code and have undertaken all necessary and required acts in connection with the Offer;
- b. The price of Rs 42/- (Rupees Forty Two) per Equity Share offered by the Acquirers to the public shareholders of the Target has been computed in accordance with Regulation 8 of the Takeover Code;
- c. No facts or information have been omitted from the above Documents and all information set out in the above Documents are true, accurate and complete and not misleading;
- d. All approvals, authorizations consents, exemptions, no-objections and/or waivers as are necessary and required to be obtained by the Acquirers and the Sellers have been so obtained.

4. OPINION

Based on the above Documents referred to, I am of the following opinion:



- 4.1. Regulation 13 of the Takeover Code specifies the timing of the public announcement and the detailed public announcement to be made by an acquirer.

Regulation 13 (1) states that the public announcement should be made on the date the acquirer has agreed to acquire share or voting rights or control.

In the present Instance the obligation of the Acquirers to make the Offer is triggered pursuant to the Transaction. Hence, the timing of the PA should be in accordance with Regulation 13.

On the basis of the facts made available to us we understand that the SPA was executed on 19th May, 2016 and the PA was issued by the Acquirers, through the Manager to the Offer, on 19th May, 2016. I am of the view that the Acquirers are in compliance with the requirement relating to timing of the Public Announcement under Regulation 13 of the Takeover Code.

As regards the DPS Regulation 13 (4) of the Takeover Code requires an acquirer to issue a detailed public statement no later than 5 (five) working days of the public announcement. The term "working day" has been defined under the Takeover Code as any working day of SEBI.

In relation Letter of Offer, it is understood that while the PA was issued on 19th May, 2016 the DPS was issued on 25th May, 2016. This in my view is compliance with the requirement relating to the issue of the DPS within the prescribed time limit as required under Regulation 13 (4) of the Takeover Code.

- 4.2 Regulation 15 stipulates the content to be provided in the public announcement and the detailed public statement. Upon the review of the copies of the PA and DPS, I confirm that the PA and DPS do contain general information required to be presented to be in compliance with Regulation 15.
- 4.3 Under Regulation 16 (1) of the Takeover Code an acquirer is required to file a draft letter of offer with SEBI within 5 (five) working days from the date of the detailed public statement.
- 4.4 2nd June, 2016 is the date of filing of the Letter of Offer with SEBI and the Acquirers have complied with Regulation 16 (1) of the Takeover Code. This Letter of Offer has been reviewed and is in compliance with the laws.

4.5 Regulation 17 (1) of the Takeover Code stipulates that an acquirer must create an escrow account in which the acquirer is required to deposit, towards security for performance of its obligations, such amount as specified in Regulation 17 (1). As per Regulation 17 (1) the Acquirer is required to create an escrow account and deposit in such account an amount equal to 25 per cent of the total consideration to be paid under the Open Offer.

Further, Regulation 21 (1) of the Takeover Code states that where the consideration for the offer is to be paid in cash the acquirer must deposit the entire amount of the consideration payable to the public shareholders.

The DPS and the Letter of Offer state that the Acquirers have deposited the required consideration amount for the Offer in the escrow account with Kotak Mahindra Bank Limited. Therefore, in my view, the Acquirers have complied with Regulations 17 (1) and 21 of the Takeover Code.

4.6 On the basis of the above, my view is that the Acquirers are in compliance with its obligations under the Takeover Code which are applicable to the Acquirers up to the date of the Letter of Offer.

This opinion is given for the sole benefit of the Committee of Independent Directors of the Target and is not to be relied upon by or communicated to any person or for any other purpose, nor is it to be quoted or made public in any way without my prior written consent (save that the Committee may state publically that it has relied on this opinion to arrive at its decision).

The opinion may be disclosed by the Committee to such persons or agencies as may be warranted under the applicable laws.

B. FAIRNESS OPINION

1. Price related:

1.1 Following may be noted in relation to 'Offer Price', the SEBI (SAST) Regulations stipulate as under:

In the case of direct acquisition of shares or voting rights in, or control over the target company, the offer price shall be the highest of---

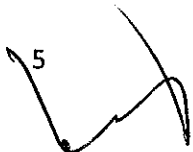


- a) the highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer.
- b) the volume-weighted average price paid or payable for acquisitions, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the public announcement;
- c) the highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty six weeks immediately preceding the date of the public announcement;
- d) the volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded;
- e) where the shares are not frequently traded, the price determined by the acquirer and the Manager to the open offer taking into account valuation Parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies; and the per share value computed under sub-regulation (5), if applicable.'

1.2 Considering the various facts, the Offer Price per equity share in the Open Offer to be determined based on the various criteria specified in Regulation 8(2) of the SEBI (SAST) Regulations is tabulated below:

Sr.No	Criterion	Price per Equity Share
a)	The highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make them a	Rs.40/-per Equity Share being the negotiated price per Equity Share of MRO as agreed in SPA.

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	public announcement of an open offer.	
b)	The volume weighted average price paid or payable for acquisitions whether by the acquirer or by any person acting in concert with him, during the fifty two weeks, immediately preceding the date of the public announcements	Not applicable. As per detailed Public Statement there are no such acquisition made of the shares of MRO-Tek Realty Limited by the Acquirers or any person acting in concert with the Acquirers.
c)	The highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty six weeks immediately preceding the date of the public announcement;	Not Applicable; as per Detailed Public Statement there are no such acquisition made of the shares of MRO-Tek Realty Limited by the Acquirers or any person acting in concert with the Acquirers.
d)	The volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded	Rs 41.85 per Equity Share being the volume-weighted average market price of the Equity Shares of MRO-Tek Realty Limited for the period of sixty trading days immediately preceding the date of 19 th May, 2016 being the date of Public Announcement as traded on BSE being one of the Stock Exchanges where Equity Shares of MRO-Tek Realty Limited are frequently traded and having the maximum

		volume of trading recorded during such period.
e)	Where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of	Not Applicable, since the Equity Shares of MRO-Tek Realty Limited are frequently traded on both NSE and BSE
f)	The per share value computed under sub-regulation (5), if applicable	Not Applicable since it is not an indirect acquisition and acquisition under Regulation 5 (2) of the SEBI (SAST) Regulations

1.3 Having regard to the above, I hereby report that the in terms of Regulation 8(2) of the SEBI (SAST) Regulations, the Offer Price per Equity Share of MRO-Tek Realty Limited should at least be Rs 41.85per Equity Share being highest of the price as shown in (d) above.

Accordingly, I conclude that in our opinion the Offer Price of Rs 42 per Equity Share of MRO-Tek Realty Limited made in the Open Offer is in accordance with Regulation 8(2) of the SEBI (SAST) Regulations and thus is fair and reasonable.

Yours Faithfully

Vijayakrishna KT
Company Secretary

