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MRO-TEK LIMITED
ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

S. Narayanan	Chairman & Managing Director
H. Nandi	Managing Director
R. Rajagopalan	Director
A. Mohan Rao	Director
N. Sivaram	Director
A. Murali	Director
R. Ramaswamy	CFO & Company Secretary

Registered office

Bellary Road
Hebbal
Bangalore - 560 024
Ph : (91) (80) 23332951

Manufacturing Unit

29-B, Electronic City
Hosur Road, Bangalore - 560 100
Ph : (91) (80) 28520544

Marketing Offices

1st Floor
Lavlesh Court
Varde Marg, Bandra (West)
Mumbai - 400 050
Ph : (91) (22) 26407311

No. 719 - 720

International Trade Tower
Nehruplace, New Delhi - 110 019
Ph : (91) (11) 26449164/65

Bankers

State Bank of India
Canara Bank

Statutory Auditors

Narayanan, Patil & Ramesh
Chartered Accountants
103, 1st Floor, Brigade Links
54/1, I Main Road
Seshadripuram
Bangalore - 560 020

Internal auditors

Tambakad and Goil
Chartered Accountants
3, Classique Mansion
6th Cross, HAL 2nd Stage
Off Airport Road
Bangalore - 560 008

Registrars &

Share transfer agents

Karvy Computershare Pvt Ltd
Plot No.17-24
Vittalrao Nagar, Madhapur
Hyderabad- 500 081
Ph : 040-23420815
Fax : 040-23420812
e-mail: mailmanager@karvy.com

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NOTICE

The Members
MRO-TEK LIMITED

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Company will be held at 11.00 hours on Wednesday, 24 June 2009, at Hotel Woodlands, Rajaram Mohan Roy Road, Bangalore - 560 025, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31 March 2009, and the Profit and Loss account for the year ended that date, along with the reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of R.Rajagopalan, who retires by rotation and who, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of A.Mohan Rao, who retires by rotation and who, being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Notes :

1. Details, as required under Clause 49(G) of listing agreement, in respect of the two Directors seeking re-appointment is appended.
2. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member.
3. The proxy-form, in order to be effective, should be received at the Registered Office of the Company, not less than forty-eight hours before the Annual General Meeting.

4. The Register of Members and Share transfer books of the Company will remain closed from 11 June 2009 to 24 June 2009 (both days inclusive) in connection with the final dividend being considered for approval in the Annual General Meeting.
5. Subject to the provisions of Sec 206 A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be disbursed on or after 24 June 2009, and before 23 July 2009.
6. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government and under Section 205-C, of the Companies Act, 1956, no claim shall lie against the Company or the said Fund, in respect of individual amount/s which remain unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.
7. Members who have not encashed the dividend warrant(s) so far, for any of the dividends declared for the year 2001-2002, or for any subsequent year/s, are requested to make their claims immediately to the Company.
8. Members are requested to address all their communications
 - relating to dividend or any other grievance/s, directly to the Shares Department to the company's Registered Office or send e-mail to the dedicated e-mail id - grd@mro-tek.com ;
 - relating to change of Bank account details, address etc, directly to their respective DP.

by Order of the Board of Directors

Place : Bangalore
Date : 14 May 2009

R. Ramaswamy
Company Secretary

Details (as required under Clause 49 (G) of the Listing Agreement) in respect of the Directors, who retire by rotation and being proposed for:

Name & Age	R Rajagopalan (71 Years)	A Mohan Rao (60 Years)
Date of Joining the Board	27 April 2001	10 May 2002
Qualification/s	Fellow & Senior member of the Institute of Chartered Accountants of India (ICAI) and the Institute of Company Secretaries of India (ICSI).	Graduate in Electrical Engineering
Brief resume	Worked in top management positions in large Public Limited Company/s. Also associated with various professional bodies, Institutes, Forums, Committees and Sub-Committees at National and State Level.	Presently a Management Consultant, has been associated with large MNCs for over 30 years during which, established a proven track-record of being instrumental in conceiving & successfully implementing management strategies.
Expertise	Finance, Company Law, Commercial, Administration and General Management	Engineering, Marketing, Administration and General Management
Directorship & Membership in other Companies /Committees.	Karnavati Engineering Ltd, Saksoft Limited, Patspin India Limited, GTN Textiles Limited	Accel Transmatic Limited, Spatik Consultants Private Limited, Optimum Air Solutions Private Limited, Carl Bechem Lubricants (India) Private Limited
Shareholding in the Company	NIL	NIL

MRO-TEK LIMITED

REPORT OF DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors have pleasure in presenting herewith their Twenty Fifth Annual Report on the activities of your Company during the year ended 31 March 2009.

FINANCIAL RESULTS

	2008-2009 (Rs. Lacs)	2007-2008 (Rs. Lacs)
Net Revenue	12,950.72	13,952.95
Profit before Depreciation	687.43	2,402.91
Depreciation	269.15	259.60
Profit before Taxation	418.28	2,143.31
Provision for Taxation	87.34	585.24
Profit after Taxation	330.94	1,558.07
Prior year income	6.75	8.29
Balance for appropriations	337.69	1,566.36

APPROPRIATIONS

To General Reserve	40.00	160.00
To Interim Dividend—NIL (previous year – 20%)	-	189.86
To Dividend Tax on above	-	32.27
To Final Dividend – 20% (previous year-40%)	188.48	379.72
To Dividend Tax on above	32.03	64.53
To carry-over to Balance Sheet	77.18	739.98

DIVIDEND

Despite reduction in revenue and consequent reduction in profits inevitably faced due to steep increase in cost of foreign currency, being a fall-out of unfortunate global economic melt-down, in order to uphold their commitment to the shareholders, with the available disburseable surplus, your Directors are pleased to recommend a dividend of 20% (Re.1 per share) for the year.

PERFORMANCE

During the year under review,

- steady boom in the telecom sector and unswerving trust by the customers, in products of your company continued, thereby mitigating the impact of global economic recession, and facilitating accomplishment of sales revenue, at almost the same level as of the previous year;
- strict adherence, by your company, to quality standards & promptness in service, paved way for combating the persisting competition & pressing market situations;
- in the teeth of stiff global competition, selling prices had to necessarily be reduced, which was compensated to a large extent, by higher sales volume:

- the steep increase in cost of foreign currency, drastically impacted the purchase cost and resulted in considerable erosion in margin;
- as such erosion could not be recovered, even partially, in selling prices due to stiff market competition, despite all-out efforts in containing overhead expenses to its minimum possible levels, PBT and PAT registered lower than the previous years, at Rs.418 lacs and Rs.331 lacs respectively.

PROSPECTS & OUTLOOK

- as has been repeatedly assured by the Central Government, impact of the global recession and economic meltdown is expected to be the least in our Country, and development of Infrastructure is expected to continue without any abatement. Riding on the scope and opportunities abundantly available in these areas, your Company looks forward to better results in coming years.
- demand from communication sector, mobile telephony infrastructure, 3G, Internet, IPTV, Broadband, Banking, Finance, Insurance and Corporate sectors, State Wide Area Network (SWAN) as well as other service industry such as Indian Railways is bound to continue and shall insure adequate market demand for the products of your company;
- constant efforts to add new products to the range presently offered, and your company's endeavor to also offer related services, in addition to products, would pave the way, in the coming years, not only to augment volume and value in sales, but also to tide-over adverse impact, if any, arising out of cost of Foreign Currency/s;
- in this setting, your directors are hopeful that your Company would sustain the impact of on-going economic crisis and accomplish satisfactory growth in Revenue as well as Profits, in the coming years.

FINANCE

During the year under review,

- for reasons detailed under 'Performance', additional liquidity was required, resulting in reduction of deposits with the Banks to the extent of Rs.850 lacs after which, the quantum deposits, including investment in Mutual Funds, as at 31 March 2009, stood at Rs.3,662 lacs;
- in order to take advantage of economic cost of funds available, despite holding above deposits, your Company availed certain Foreign Currency facilities totaling to Rs.845 lacs;
- considered in totality, your company continued to sustain DEBT-FREE status;
- your Directors approved yet another scheme for buy-back of equity shares, through Stock Exchange mechanism, details of which are contained elsewhere in this report;

- ☐ book value per share as at 31 March 2009 stood at Rs.49.49 as compared to Rs.49.20.

Your Directors place on record their sincere appreciation for the assistance, guidance, co-operation and whole-hearted support from your company's bankers.

JOINT VENTURE

As reported in the previous year, the operations of the JV Company viz., RAD-MRO Manufacturing Pvt Limited, Bangalore, were suspended in November 2007, and adequate arrangements had also been made by your company, for availing supply of the components, directly from RAD Data communications Limited, Israel, the overseas partner in the Joint Venture Company, without affecting the activities and the business or commercial interests of your Company.

Further actions for (voluntary) winding-up of the company are awaiting completion of Income Tax and other Statutory proceedings;

HUMAN RESOURCES & INDUSTRIAL RELATIONS

Your company endeavors to attract the best available talents in the industry, recognize, register and retain the most-valuable human power.

Information relating to the implementation of the Employee Stock Option Scheme has been detailed elsewhere in this report.

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the members, excluding the statement containing the particulars of employees to be provided under Section 217(2A) of the Companies Act, 1956. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

EMPLOYEE STOCK OPTION SCHEME (2005)

As per terms enunciated in "MRO-TEK Employee Stock Option Scheme 2005", duly approved by the shareholders of the Company, the Compensation Committee of the Board had granted, Stock Options equivalent to 5,50,000 equity shares (of Rs.5 each), to the eligible employees during the previous year ended 31 March 2008, at an exercise price of Rs.20 per share (inclusive of premium of Rs.15 per share) to be vested during the year 2008 – 2009.

Against the same, as none of Employees opted for any portion, of options so granted until the lapse of 'exercise period' which ended on 23 January 2009, ostensibly due to the unpredictable and unsatisfactory (stock) market conditions then prevailing, the whole of the options totalling 5,50,000 became 'unexercised portion' and are held, and kept available, for future grant/s under the Scheme, as per provisions contained in Cl 4(b) of the ESOP Scheme of the Company.

No employee has been granted 5% or more of the options during the year and / or options equal to exceeding 1% of issued capital of the company at the time of grant.

BUY BACK

The earlier buyback scheme completed in October 2007 having accomplished the intended benefits to the remainder shareholders, your Company implemented yet another Buy Back Scheme during the year under review, for the purchase and consequent extinguishment upto a maximum of 22,00,000 shares through the Stock Exchange mechanism, at price not exceeding Rs.25 per share, allotting a total amount of Rs.500 lacs for this purpose.

Under this scheme, duly approved by Stock Exchange/s and SEBI, a total of 72,000 equity shares were bought-back till 31 March 2009, at a total outlay of Rs.13,58,390.

Subsequent to the year under review, i.e., from 1 April 2009 till 14 May 2009, further quantity of 2,01,116 equity shares at an outlay of Rs.45,97,547 have been bought-back under the scheme, out of which, 1,91,902 equity shares have been extinguished and action being initiated for extinguishment of the balance of 81,214 equity shares.

When once this on-going Buy Back scheme is fully completed during the current year, further benefits, as envisaged, would accrue to the remainder shareholders, in the coming years.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your company remains committed 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.

CONSERVATION OF ENERGY

During the year under review, efforts continued to conserve and avoid wastage of energy in every possible way.

RESEARCH & DEVELOPMENT

The products developed in this division and commercialized by your company registered a higher contribution to the Net Sale Revenue during the year.

Your Company continues its intensified thrust on the R&D activities, duly taking cognizance of the need for increasing product-spread in the ever-increasing demand scenario. Efforts are maintained in developing niche products for niche markets, to meet the demand envisage to arise from the onset of IPTV and Broad Band activities.

MRO-TEK LIMITED

During the year under review, an amount of Rs.2.64 lacs (Previous year- Rs.63.94 lacs) has been invested in equipment and an amount of Rs.404.88 lacs (Previous year- Rs.505.13 lacs) has been defrayed towards Revenue Expenses, which has been absorbed in these accounts, in accordance with the attending accounting standards.

TECHNOLOGY ABSORPTION

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Development of overseas market for the products of your Company, as also development of products required for the overseas market, is progressing satisfactorily. Efforts also continue to minimize foreign exchange outflow by the process of indigenization.

Full details of foreign exchange earnings and expenditure are furnished under note no. 20 and 21 of Notes on Accounts.

CORPORATE GOVERNANCE

A detailed compliance note on Corporate Governance, as required under the provisions in the listing agreement with the Stock Exchanges, together with the certificate of Statutory Auditors thereon, is attached to this report.

MANAGEMENT DISCUSSION AND ANALYSIS

As requisite and appropriate Management Discussion & Analysis is covered under this Report itself, a separate note on the same is not being furnished.

DIRECTORS

R. Rajagopalan and A.Mohan Rao, Directors, retire by rotation at this meeting, and being eligible, offers themselves for re-appointment.

AUDITORS

M/s. Narayanan, Patil & Ramesh, Chartered Accountants, Bangalore, retire as Statutory Auditors at the conclusion of this Annual General Meeting. Being eligible for re-appointment, your Directors recommend the same for your consideration.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere gratitude to the steadfast patronage of the valued Customers. Your Directors also place on record, their sincere appreciation of the dedication and commitment of the employees at all levels, who have together been responsible for the growth of the Company.

Your Directors wish to register their acknowledgement and appreciation for the timely support and co-operation being extended by the Banks and all their officials.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of Companies Act, 1956, your Directors hereby confirm that

- ☐ in the preparation of these annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ☐ they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits for that period;
- ☐ they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and, for preventing and detecting fraud and other irregularities;
- ☐ they have prepared annual accounts on a 'going concern' basis.

for & on behalf of the Board of Directors

Place : Bangalore

Date : 14 May 2009

S. Narayanan

Chairman & Managing Director

CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

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.

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 endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

BOARD OF DIRECTORS

Composition

The present strength of the Board is six Directors, comprising of two Executive and four Non-Executive, Independent Directors.

S. Narayanan, Chairman & Managing Director and H. Nandi, Managing Director are the two Executive Directors.

R. Rajagopalan, N. Sivaram, A. Mohan Rao, and A. Murali are the four Independent, Non-Executive Directors on the Board of your Company.

Number of Board Meetings

A total of seven meetings of the Board of Directors were held during the year under review, on 14 May, 25 June, 30 July, 20 October 2008, 19 January, 4 February and 25 February 2009.

Directors' attendance record and directorships held

Name of Director	Position	Category of Directorship	No. of Board Meetings Attended	Attendance at Prev. AGM on 25 June 2008	No. of outside Directorships held*	No. of membership/ chairmanship in other Board Committees
S. Narayanan	Chairman & Managing Director	Executive	7	Present	–	–
H. Nandi	Managing Director	Executive	7	Present	–	–
R. Rajagopalan	Director	Non-Executive, Independent	7	Present	4	5
N. Sivaram	Director	Non-Executive, Independent	7	Present	1	–
A. Mohan Rao	Director	Non-Executive, Independent	7	Present	4	2
A. Murali	Director	Non-Executive, Independent	7	Present	18	1

* including private company which is neither a subsidiary nor a holding company of a public company.

AUDIT COMMITTEE

The Audit Committee comprises of R. Rajagopalan as the Chairman, with N. Sivaram, A. Mohan Rao and A. Murali as the other members of the Committee - all of them being independent and non-executive Directors.

R. Ramaswamy, the Secretary of the Company, is also the Secretary of the Audit Committee.

The role and terms of reference to the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292 A of the Companies Act, 1956, besides other terms as may be referred, from time to time, by the Board of Directors.

During the year, the broad terms of reference of the Audit committee, were to review with the Management, the Internal Auditors and the Statutory Auditors :

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

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The Committee met five times during the year, on 14 May, 25 June, 30 July, 20 October 2008 and 19 January 2009.

Name of Director	No. of Meetings Attended
R. Rajagopalan	5
N. Sivaram	5
A. Mohan Rao	5
A. Murali	5

REMUNERATION & COMPENSATION COMMITTEE

The Remuneration & Compensation Committee comprises of R. Rajagopalan as the Chairman and N. Sivaram, A. Mohan Rao and A. Murali are the other members of the Committee - all of them being independent and non-executive directors.

R. Ramaswamy, the Secretary of the Company, is also the Secretary of this Committee.

The terms of reference to this Committee include:

- ☐ formulation of policy relating to, and fixation of, remuneration payable, and other service terms and conditions applicable to the Executive Directors, and other senior executives of the Company;
- ☐ remuneration payable to the non-executive Directors for meetings of the Board and/or various committees attended and
- ☐ administering of Company's Employees Stock Option Scheme.

Remunerations to the whole-time Directors and other Directors of the Company are derived from, in accordance with the relevant regulations of the Companies Act, 1956, and as approved by the shareholders of the Company.

Individual agreements listing out such terms and conditions, are duly executed with the whole-time Directors, for the specific period/s of appointment/s, so approved. No agreements are made with the non-executive Directors relating to their tenure and/or remuneration.

Details of the remuneration to the Directors are detailed in the relevant schedules forming a part of the Annual Accounts for the year ended 31 March 2009. No stock options were granted/allotted under ESOS, to any of the directors.

This committee met on 4 February 2009 and was attended by all the members - R. Rajagopalan, N. Sivaram, A. Mohan Rao and A. Murali.

SHAREHOLDERS' COMMITTEE

The Shareholders Committee comprises of A. Mohan Rao as the Chairman, and N. Sivaram, R. Rajagopalan and A. Murali, as the other members – all of them being Non-Executive, Independent Directors.

The Committee met five times during the year, on 14 May, 25 June, 30 July, 20 October 2008 and 19 January 2009.

Name of Director	No. of Meetings Attended
A. Mohan Rao	5
N. Sivaram	5
R. Rajagopalan	5
A. Murali	5

The Shareholders committee has constituted a sub-committee comprising of S. Narayanan, H. Nandi, and R. Ramaswamy, (also as Compliance Officer), with any two of them forming a quorum.

The terms of reference to this Committee/sub-committee include:

- ☐ to approve all transfer (including transmission, trans-position, re-mat) requests received,
- ☐ to note the transfers which have taken place till the immediately preceding date on which Beneficiary Position (Benpos) report is received,
- ☐ to scrutinise and note the highlights of the Benpos report and
- ☐ to review action taken on shareholders' grievance/s.

This sub-committee normally meets on the 4th and 19th day of every month, and if any of those days fall on a Sunday or a holiday, on the immediately preceding working day, provided there are any subjects referred to the committee to be resolved during this respective fortnight/s.

The Shareholders committee which meets once every calendar quarter, reviews the report and takes note of the highlights furnished by the sub-committee on transactions in the equity shares of the Company, as also directs the sub-committee in all its actions.

The Shareholders Committee met five times during the Financial Year ended 31 March 2009, and a total of 1,700 Shares (which accounts all 6 transfer requests received during the year), in the physical form, were transferred during the Financial year under review.

All complaints received from shareholders and investors have been solved to the satisfaction of the complainants. All valid requests for share transfers received during the year have been acted upon by your Company and no request for transfer has either been refused or is pending.

INFORMATION ON INVESTOR COMPLAINTS FOR THE YEAR :

Brought Forward	Received Afresh	Disposed	Carried-over
0	26	26	0

REMUNERATION OF DIRECTORS FOR 2008-09

In Rupees

Name of the Director	Sitting Fee	Salaries	Provident Fund & Superannuation	Leave encashment	Commission	Total
S. Narayanan	Nil	42,00,000	11,34,000	12,00,000	Nil	65,34,000
H. Nandi	Nil	42,00,000	11,34,000	11,83,333	Nil	65,17,333
R. Rajagopalan	1,08,000	Nil	Nil	Nil	64,556	1,72,556
N. Sivaram	1,08,000	Nil	Nil	Nil	64,556	1,72,556
A. Mohan Rao	1,08,000	Nil	Nil	Nil	64,556	1,72,556
A. Murali	1,08,000	Nil	Nil	Nil	64,556	1,72,556

GENERAL BODY MEETINGS

Location and time for previous three Annual General Meetings for the financial years ended on March 31:

Year	Location	Date	Time
2006	Hotel Ajantha, Bangalore	28 June 2006	11.00 Hours
2007	Hotel Ajantha, Bangalore	27 June 2007	11.00 Hours
2008	Hotel Woodlands, Bangalore	25 June 2008	11.00 Hours

SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE ANNUAL GENERAL MEETINGS :

Year	Special Resolutions
2006	<ol style="list-style-type: none"> Revision in managerial remuneration of S Narayanan – Chairman and Managing Director, wherein, within the overall remuneration payable per annum limiting to five percent of Net Profit as per the provisions laid under Schedule XIII of the Companies Act, 1956, the monthly minimum remuneration increased to Rs.5,00,000, with minimum remuneration, where the Company, in any year, has no profits or its profits being inadequate, being fixed at Rs.3,50,000 as per the provisions laid under Schedule XIII of the Companies Act, 1956. Revision in managerial remuneration of H.Nandi – Managing Director, wherein, within the overall remuneration payable per annum limiting to five percent of Net Profit as per the provisions laid under Schedule XIII of the Companies Act, 1956, the monthly minimum remuneration increased to Rs.5,00,000, with minimum remuneration, where the Company, in any year, has no profits or its profits being inadequate, being fixed at Rs.3,50,000 as per the provisions laid under Schedule XIII of the Companies Act, 1956. Inclusion of definition of 'Market Price' and 'Exercise Price' as per SEBI (ESOS & ESPS) Guidelines, 1999 to the salient features of Employee Stock Option Scheme of the Company. Rewording of Art 40 of the Articles of Association, incorporating a provision for payment of Commission on Net Profit, also to the non whole-time Directors, as well as an enabling resolution approving payment of such commission to the non whole-time directors.
2007	No Special Resolution was considered.
2008	<ol style="list-style-type: none"> To amend the ESOS scheme of the Company, to provide, among others, for recovery of FBT and any other tax, cess and similar levies from the employees of the Company, in respect of any grant, vesting or exercise of stock options on or after 1 April 2007. Re-appointment of S Narayanan as Chairman & Managing Director, of the Company, for a period of five years with effect from 1 April 2008 and approval of remuneration payable for the first two years commencing from 1 April 2008. Re-appointment of H Nandi as Managing Director, of the Company, for a period of five years with effect from 1 April 2008 and approval of remuneration payable for the first two years commencing from 1 April 2008.

DISCLOSURE

Transactions with related parties are disclosed in note 30 in Schedule 18 to the Accounts in the Annual Report.

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

During the previous three years, or in any of the earlier years, there were no strictures or penalties imposed by

either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

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

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Details of compliance with mandatory requirements

Particulars	Clause of listing agreement	Compliance status (yes/no/n.a.)
I Board of Directors	49 I	
(A) Composition of Board	49 (IA)	Yes
(B) Non-Executive Directors' Compensation & Disclosure	49 (IB)	Yes
(C) Others provisions as to Board and Committees	49 (IC)	Yes
(D) Code of Conduct	49 (ID)	Yes
II Audit Committee	49 (II)	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes
(B) Meeting of Audit Committee	49 (IIB)	Yes
(C) Powers of Audit Committee	49 (IIC)	Yes
(D) Role of Audit Committee	49 II (D)	Yes
(E) Review of Information by Audit Committee	49 (IIE)	Yes
III Subsidiary Companies	49 (III)	N/A
IV Disclosures	49 (IV)	
(A) Basis of related party transactions	49 (IV A)	Yes
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes
(C) Board Disclosures	49 (IV C)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N/A
(E) Remuneration of Directors	49 (IV E)	Yes
(F) Management	49 (IV F)	Yes
(G) Shareholders	49 (IV G)	Yes
V CEO/CFO Certification	49 (V)	Yes
VI Report on Corporate Governance	49 (VI)	Yes
VII Compliance	49 (VII)	Yes

Compliance with non-mandatory requirements

- Remuneration Committee has duly been constituted.
- The Company is in the regime of unqualified financial statements.
- 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.

- The Company has a procedure of bringing to the notice of management, any matter/s regarding concerns about unethical behaviour, 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) & Samyukta Karnataka (Kannada) and in official websites of National Stock Exchange (www.nseindia.com) and Bombay Stock Exchange (www.bseindia.com)
ii	Publications in Newspapers	Published in National and local dailies such as Financial Express (English) & Samyukta Karnataka (Kannada)
iii	Publications in Websites	www.mro-tek.com ; www.sebi.gov.in
iv	Displaying of official news releases	www.mro-tek.com ; www.sebi.gov.in and official websites of NSE and BSE
v	Presentations to Institutional Investors or analysts	www.mro-tek.com

Industry Structure & Developments, Opportunities & Threats, Segment-wise performance, outlook, Risks and Concerns of your Company and discussion on financial performance with respect to the Operational Performance:

To the extent applicable, have duly been covered in the Directors' report.

SHAREHOLDER INFORMATION

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

Date	Time	Venue
Wednesday, 24 June 2009	11.00 Hours	Hotel Woodlands, No. 5, Rajaram Mohan Roy Road, Bangalore - 560 025