

Annual Report

2014 - 15



MRO-TEK LIMITED

BOARD OF DIRECTORS

S. Narayanan	Charman & Managing Director
H. Nandi	Managing Director
N. Sivaram	Director
N. K. Rajasekharan	Director
K.Rajamani	Director
Sunanda Nag	Director
Srivatsa	Chief Financial Officer
M. D. Rajan	Company Secretary

Registered Office

Bellary Road
Hebbal
Bangalore - 560 024
Ph : (91) (80) 2333 2951

Manufacturing Unit

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

Marketing Office

Flat No. 2313, Building No.48,
Gandhi nagar, Bandra (E)
Mumbai - 400 051
Ph : (91) (22) 2640 7311

Flat No. 210, Gadore House
51-52, Nehru Place,
New Delhi - 110 019

Bankers

State Bank of India
Canbank Factors Ltd.,

Statutory Auditors

Messrs. Singhvi, Dev & Unni
Chartered Accountants
6th Floor, 'Trade Centre', #29/4
Race Course Road
Bengaluru - 560001.

Secretarial Auditors

Messrs. S.Kedarnath & Associates
Company Secretaries
004, Ground Floor, #85,
Ojus Apartments, 4th Main,
Malleswaram, Bangalore-560003.

Internal Auditors

Messrs.Padiyar & Associates
Chartered Accountants
No. 327, 1st Floor, Shri Sai Vision
8th Cross, 8th Main, Shastrinagar
Bangalore-560028

Registrars &

Share transfer Agents

Karvy Selenium Tower B,
Plot number 31 & 32
Financial District
Gachibowli Hyderabad 500 032
Ph no: 040-67162222
Fax : 040-23001153
e-mail : einward.ris@karvy.com

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NOTICE

The Members
MRO-TEK LIMITED

NOTICE is hereby given that the Thirty First Annual General Meeting of the Company will be held at 11.30 A.M on Wednesday, the 23rd day of September, 2015, at Royal Orchids Hotels Limited, Royal Orchid Resorts and Convention Centre, Allalasandra, Bellary Road, Yelahanka, Near Jakkur Flying Club, Bangalore – 560 065 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2015 and the Statement of Profit and Loss for the year ended that date, along with the Boards' Report and Auditor's Report thereon.
2. To appoint Mr. S Narayanan, Chairman and Managing Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Mr. H. Nandi, Managing Director, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Articles of Association of the Company and the provisions of Section 160 of the Companies Act, 2013, Mrs. Sunanda Nag (DIN: 07099764), who was appointed as Additional Director of the Company by the Board of Directors as per Section 161 of the Companies Act, 2013 and who holds the office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. N. K Rajasekharan (holding DIN 00076441), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 27th January, 2020."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-

enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Sunanda Nag (DIN: 07099764), be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 27th January, 2020."

By Order of the Board of Directors

Place : Bangalore

Date : 3rd August 2015

H. Nandi

Managing Director

Notes :

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company. The instrument of proxy in order to be effective must be deposited/ lodged at the Registered / Corporate Office of the Company duly completed and signed not later than 48 hours before the time fixed for holding the Meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. Explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
3. The Register of Members and Share transfer books of the Company will remain closed from 17th September, 2015 to 23rd September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
4. 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. Interim unpaid Dividend Account Balance after settling the claim requests, were transferred to Investor Education and Protection Fund.
5. Members who have not encashed the dividend warrant(s) so far, for any of the dividends declared for the year 2008-2009, or for any subsequent year/s, are requested to make their claims immediately to the Company.
6. Members are requested to address all their communications:
 - relating to dividend or any other grievance/s, directly to the Shares Department to the company's Registered Office or send e-mail to the dedicated e-mail id - grd@mro-tek.com;

- relating to change of Bank account details, address etc, directly to their respective Depository Participant (DP), with whom Demat Account is held.
7. As regard to re-appointment of Mr. S Narayanan, referred to in item No. 2 of the notice, the necessary disclosures are made for the information of the Shareholders.

Mr. S Narayanan, aged around 63 years, is an Engineering Graduate in Electronics, from Engineering College, Guindy, Madras, having graduated in the year 1974. Thereafter in order to enrich his knowledge in electronic field and various facets of management, he underwent hands-on training by working in reputed companies in various capacities and departments, including R&D and Marketing, in which phase he acquired requisite skills in setting –up an industrial enterprise and successfully running the same.

His other directorships: NIL

8. As regard to re-appointment of Mr. H. Nandi, referred to in item No. 3 of the notice, the necessary disclosures are made for the information of the Shareholders:

Mr. H Nandi, aged around 61 years, is a Post Graduate in Science & Management from St. Joseph College, Bangalore, passed in the year 1975. In order to acquire technical exposure and excellence, he joined reputed organizations, and underwent rigorous training in various fields which gave him adequate knowledge and confidence, not only to specialize in the art of techno-commercial marketing, but also in widening his horizon into other arenas of management specializing, particularly, in administration and finance.

His other directorships: NIL

9. Voting through electronic means:

1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Pvt. Limited ('Karvy').

2. The instructions for e-Voting are as under:

Voting through electronic voting system(Remote E-Voting) :

Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 16th September, 2015 (Wednesday) i.e. the date prior to the commencement of Book

closure date are entitled to vote on the Resolution set forth in this Notice. The remote e-voting period will commence at 9.00 A.M. on 20th September, 2015 (Sunday) to 5.00 P.M. on 22nd September, 2015 (Tuesday). It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for the Annual General Meeting. The Members desiring to vote through remote e-voting mode may refer to the detailed procedure on e-voting given hereinafter.

INSTRUCTION FOR REMOTE E-VOTING:

To use the following URL for remote e-voting:

From Karvy website : <https://evoting.karvy.com>

- (a) Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.
- (b) Enter the login credentials [i.e., user id and password mentioned in the Notice of the AGM]. The Event No+ Folio No/DP ID-Client ID will be your user ID.
- (c) After entering the details appropriately, click on LOGIN.
- (d) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@, #, \$). The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the EVENT i.e., MRO-TEK LIMITED and click on SUBMIT.
- (g) Now you are ready for e-voting as "Cast Vote" page opens. On the voting page, the number of shares as held by the Shareholder as on 16th September, 2015 (record date) will appear. If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click FOR / AGAINST as

- the case may be. You are not required to cast all your votes in the same manner. You may also choose the option ABSTAIN in case you wish to abstain from voting.
- (h) Shareholders holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
- (i) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- (j) Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (k) The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of the AGM. Accordingly, the Portal will be open for voting from: 9.00 A.M. on September 20, 2015(Sunday) to 5.00 P.M. on September 22, 2015 (Tuesday). The e-voting module shall be disabled by Karvy at 5.00 p.m on the same day. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2015(record date.), may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. P. Srikrishna of Karvy Computershare Pvt. Ltd at 040-67162222 OR at Tel No. 1800 345 4001 (toll free).
- (m) The Company has appointed Mr. Parameshwar G. Bhat, Practising Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner: provided that the scrutinizer so appointed may take assistance of a person who is not in employment of the Company and who is well-versed with the electronic voting system.
- (n) The voting rights of the Shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 16th September, 2015.
- (o) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 16th September, 2015 are entitled to vote on the Resolutions set forth in this Notice.
- (p) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Annual Report and holding shares as of the cut-off date i.e. 16th September, 2015 may obtain the login ID and password by sending an email to evoting@karvy.com by mentioning their Folio No./DP ID and Client ID No. Else, if your Mobile number is registered against Folio No./DP ID-Client ID, the member may send SMS:MYEPWD <space> Event Number + Folio or DP ID Client ID to +91 9212993399.
- Example for NSDL :MYEPWD <SPACE> IN12345612345678
- Example for CDSL :MYEPWD <SPACE> 1402345612345678
- Example for PHYSICAL :MYEPWD <SPACE> XXX1234567
- However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If e-mail or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate as password.
- (q) A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- (r) Voting at AGM: The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM. The Company will make arrangements of ballot papers in this regards at the AGM Venue.
- (s) The scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two(2) witnesses not in the employment of the Company and make not later than three(3) days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. .
- (t) The results declared along with the report of the scrutinizer shall be placed on the website of the Company www.mro-tek.com and on <https://evoting.karvy.com>

immediately after the result is declared by the Chairman. The Company shall, simultaneously, forward the results to the stock exchanges where the shares are listed.

- (u) In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (v) Institutional members (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc., to the Scrutinizer through e-mail at parameshwar@vjkt.in, with a copy marked to evoting@karvy.com. File naming convention should be 'Corporate Name EVENT NO.' The documents should reach the Scrutinizer on or before the close of working hours on 22nd September, 2015 (Tuesday).
- (w) In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy) in the permitted mode:
 - (i) Initial password as below is given in the attendance slip for the AGM:

EVEN (E-Voting Event Number)	USER ID	PASSWORD
xxxxxxxx	xxxxxx	xxxxxxx

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

By Order of the Board of Directors

Place : Bangalore
Date : 3rd August 2015

H. Nandi
Managing Director

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

Item No. 5

At the meeting of the Board held on 28th January, 2015, Mrs. Sunanda Nag was inducted as Additional Director of the Company. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") she will hold office up to the date of the ensuing Annual General Meeting. Notice has been received from a Member signifying his intention to propose her as a Director at the ensuing Annual General Meeting along with a deposit of Rs. 1,00,000/- (Rupees One Lakh only).

Except Mrs. Sunanda Nag, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

This Explanatory Statement may also be regarded as a

disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6:

Mr. N K Rajasekharan, aged 66 years, was inducted in to the Board of MRO-TEK Limited, as an Independent, Non-whole time Director on 29th January, 2014. He is a Post Graduate in M.E. (Electronics). He was associated with well renowned companies like Philips India, BPL India, Verifone Inc, India, VXL Instruments Ltd., ESQUBE Communications, WiMAX Technologies, Seasolve Software Inc, USA for over 40 years. His rich experience and expertise in the field of Electronics has greatly benefitted the Company in all its endeavors. Mr. N K Rajasekharan does not hold any equity shares of the Company.

The Board considers that the continuation of the appointment of Mr. N. K Rajasekharan as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends his appointment as Independent Director of the Company.

Except Mr. N. K Rajasekharan, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7:

Mrs. Sunanda Nag, aged 75 years, is a Graduate in MA in Philosophy, University of Minnesota, USA and MA in Philosophy, University of Calcutta and Post Graduate Diploma in Marketing & Advertising Bharatiya Vidya Bhavan, Bangalore.

She has 51 years of experience in teaching, counseling and psychotherapy. She was associated with well renowned institutions like Christ University Fatima Girls' High School, Coles Road, and Banjara Academy, RT Nagar. She does not hold any equity shares of the Company.

The Board considers that the appointment of Mrs. Sunanda Nag as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends her appointment as an Independent Director of the Company.

Except Mrs. Sunanda Nag, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

By Order of the Board of Directors

Place : Bangalore
Date : 3rd August 2015

H. Nandi
Managing Director

MRO-TEK LIMITED

CIN: L28112KA1984PLC005873

Registered Office: Bellary Road, Hebbal, Bangalore – 560 024

Telephone: 080-23332951 Email: grd@mro-tek.com

Web: www.mro-tek.com

Dear Shareholder,

The Ministry of Corporate Affairs, Government of India ("MCA") has, by its circular dated 21st April, 2011 announced a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies. In terms of the said circular, service of notice/documents by a Company to its shareholders required to be made under the provisions of the Companies Act, 2013 can be made through the electronic mode.

In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, Audited financial statements, Directors' Report, Independent Auditors' Report, Poll Papers etc., henceforth to all its esteemed shareholders, including your good self, in electronic form, through e-mail. To facilitate the same, we request you to furnish your e-mail id, quoting your folio number/DPID/Client ID to our Registrar and share Transfer Agent at the following address:

Karvy Computershare Private Limited

Karvy Selenium Tower B,

Plot No. 31 & 32,

Financial District, Gachibowli,

Hyderabad - 500032.

Phone: 040-67162222, Fax: 040-23001153

E-mail: einward.ris@karvy.com

Sure you would appreciate this welcome initiative taken by the MCA to reduce consumption of paper and thereby, protect the environment. We expect to receive your support and co-operation in helping the Company to contribute its share to the said initiative.

Thanking you

Yours faithfully

For **MRO-TEK Limited**

H. Nandi

Managing Director

BOARD'S REPORT

TO THE MEMBERS OF MRO-TEK LIMITED

The Board of Directors have pleasure in presenting the 31st Annual Report and Audited financial results for the year ended 31st March, 2015 together with the Independent Auditors' Report.

1. FINANCIAL RESULTS

	2014-2015 (Rs. Lacs)	2013-2014 (Rs. Lacs)
Net Revenue from operations	5,616.42	6,776.12
Other Income	67.67	29.07
Loss before Depreciation	972.21	909.69
Depreciation	136.90	240.44
Loss before Taxation	1,109.11	1,150.13
Provision for Taxation (Deferred Tax Adjustments)	8.27	(8.29)
Loss after Taxation	1,117.38	1,141.84
Exceptional Items – Income from Capital Gains	-	-
Adjustments towards extra ordinary items	-	(6.19)
Loss for the period	1,117.38	1,135.65

The Company has incurred losses during the year and hence, there is no proposal of transfer of profits to reserves during the year.

PERFORMANCE:

During the year under review,

- ☐ the recessionary trend in overall business continued to prevail in the market created complex environment to capture the business.
- ☐ the turnover of the Company reduced to Rs 56.16 Crores from Rs 67.76 Crores due to reduction in turnover from Solar Projects.
- ☐ lack of clarity on the part of Central government in grant / subsidy sanction created the disturbance in Renewable Energy Industry resulted in lower revenue.
- ☐ lack of subsidy from Government coupled with competition affected the margin of Solar power projects during the year.
- ☐ the Solar Based Equipment and Project Business recorded turnover of Rs 15.21 Crores as compared to Rs 24.87 Crores in the previous year.
- ☐ the Networking Products Space, recorded turnover of Rs. 40.95 Crores as compared to Rs. 42.89 Crores in the previous year. Details on segmental revenue and performance are furnished in Para 'g' of Note 26 II of 'Notes on Accounts and other explanatory information'.
- ☐ stiff competition and increased cost due to high inflation resulted in operating loss of Rs 11.02 Crores as against

the loss of Rs 8.85 Crores in the previous year.

- ☐ Accumulated losses stood at Rs 49.80 Crores for the year ended 31st March 2015 as against Rs 38.50 Crores in the last year.
- ☐ provision has been made for an estimated amount of Rs 0.10 Crores (previous year- Rs 2.65 Crores) in respect of certain items of non/slow-moving inventory, based on Generally Accepted Accounting Practices and estimates by the company;
- ☐ Continuous efforts are being made to use slow / non moving stocks to manufacture other products or dispose off in a conducive manner.
- ☐ after considering the above, the Net Operating Results show a loss of Rs 11.12 Crores as against Rs.11.50 Crores of the previous year;

Your Company has taken steps to restructure the business by reduction of manpower and cost control methods.

Efforts are being taken to optimize available resources to reduce the overall costs of the company.

The Company proposed to the Board of its Joint Venture Company, RAD-MRO Manufacturing Private Limited to initiate the liquidation proceedings.

2. SHARE CAPITAL:

The Company has increased its Authorised Share Capital from Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 2,40,00,000 (Two Crores Forty Lakhs) Equity Shares of Rs. 5/- (Rupees Five only) each to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 30,00,00,000 (Three Crores) Equity Shares of Rs. 5/- (Rupees Five only) each by passing Special Resolution by the Members of the Company during the year under report.

During the year under review the Company has not issued shares with/without differential voting rights nor granted stock options nor sweaty equity shares.

3. CHANGE IN NATURE OF BUSINESS:

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

4. MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There are no material changes and commitments between the end of the Financial Year and the Date of the Report, which affect the financial position of the Company.

5. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

As reported elsewhere, subsequent to 31st March 2015, steps were initiated to winding up of Joint Venture Company.

Perhaps the Shareholders will recall that the Company

had notified the Stock Exchange on the proposal of disposal of its landed properties. Actions are being initiated towards this objective.

Mr. M. D. Rajan, Company Secretary, who was appointed during the year, expired in the month of July, 2015.

6. DIVIDEND:

Whilst your Directors understand the sentiments of the Investors, the financials of the year that has passed, constrained the Board to state that the dividend is not recommended.

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.

7. BOARD MEETINGS:

The Meetings of the Board are 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 are held when necessary.

The Board of Directors duly met 6 (Six) times from 01.04.2014 to 31.03.2015 on the following dates: 29.05.2014, 06.08.2014, 16.10.2014, 12.11.2014, 28.01.2015 and 19.02.2015.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Ms. Sunanda Nag, who was appointed as an Additional Director, holds office up to the date of this Meeting; is proposed to be appointed as an Independent Director of your Company.

Notice has been received from a member of the Company under Section 160 of the Companies Act, 2013 along with deposit of Rs. 1,00,000/-.

Mr. N K Rajasekharan, Director of the Company, is proposed to be appointed as Independent Director for consecutive 5 years and he fulfills the requirements as per the new Companies Act, 2013 His appointment is proposed under Special Business.

Due to personnel commitments, Mr. A. Mohan Rao offered to step down from the office of Director during the year.

Your Board places on record its deep appreciation for the significant contribution and support extended by the outgoing Director.

Mr. S Narayanan, Chairman and Managing Director and Mr. H Nandi, Managing Director, retire by rotation, as per the new Companies Act, 2013 and being eligible, offers themselves for re-appointment.

During the year, Mr. M. D. Rajan was appointed as Company Secretary and a Key Managerial Personnel.

9. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from

each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6). (Annexure I)

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

Following are the composition of various Committees:

i) Audit Committee:

1. Mr. K. Rajamani - Chairman
2. Mr. N. Sivaram - Member
3. Mr. N K. Rajasekharan - Member

ii) Nomination and Remuneration Committee:

- a) Mr. K Rajamani - Chairman
- b) Mr. N. Sivaram - Member
- c) Mr. N K. Rajasekharan - Member

iii) Stakeholders Relationship Committee:

- a) Mr. K Rajamani - Chairman
- b) Mr. N. Sivaram - Member
- c) Mr. N K. Rajasekharan - Member

11. VIGIL MECHANISM:

Report details of establishment of Vigil Mechanism (for Directors and Employees to report genuine concerns) pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement and also posted on the website of the Company <http://mro-tek.com/pdf/Whistle%20Blower%20Policy.pdf>

12. DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

13. EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual return in MGT-9 attached as a part of this Annual Report. (Annexure II)

14. AUDITORS:

At the Annual General Meeting of the Company held on 17th September, 2014, Messrs NSVM & Associates, Chartered Accountants, Bangalore were appointed as Statutory Auditors of the Company who subsequently expressed their inability to undertake the Audit due to inadequacy of trained resources.

Further, Extra Ordinary general Meeting was convened on 10th November, 2014 and Messrs Singhvi, Dev & Unni, Chartered Accountants, were appointed as Statutory Auditors of the Company for the year 2014-15 in place of Messrs NSVM & Associates, Chartered Accountants, Bangalore.

Now, the Auditors, Messrs Singhvi, Dev & Unni, Chartered Accountants, retire at the ensuing Annual General Meeting. The Company has received a certificate under Section 141 of the Companies Act, 2013 from Messrs Singhvi, Dev & Unni, Chartered Accountants, that their appointment would be within the limits specified therein.

15. SECRETARIAL AUDIT:

Secretarial Audit report as provided by Mr. S Kedarnath, Practising Company Secretary in the form of MR-3 is annexed to this Report. (Annexure III)

16. DISCLOSURE ABOUT COST AUDIT:

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, dated December 31, 2014 issued by Ministry of Corporate Affairs (MCA), the cost audit records maintained by the such Companies, as may be prescribed, in respect of the products covered as per the above dated notification issued by MCA is required to be audited by an Cost Accountant.

However, the Company not being a prescribed company as per the rules, the Cost Audit is not applicable for the year under report.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(a) Conservation of Energy:

Your Company is duly certified under ISO 14001:2004 (Environment Management System). Every possible effort is made / introduced to conserve and avoid wastage of energy.

Adequate facilities have been installed for rain

water harvesting, recycling of used water, solar-powered energy and maximum usage of natural lighting and ventilation, and thus implementing Go Green Policy in its total spirit.

(b) Research & Development:

The ever changing technology in the space of Networking Products casts a continuing responsibility on the role of R&D division in your Company. Efforts continue to introduce and promote Company's own patentable products.

Efforts also continue to maximize utilization of the R&D unit's expertise and technological skills, in finding state-of-the-art solutions, to provide more effective and revolutionary solutions, for all segments of Networking Products Industry.

During the year no amount was incurred towards Capital Expenditure in this division. On revenue account, an amount of Rs 1.70 Crores (Prev. year- Rs. 1.98 Crores) has been expended and absorbed in these accounts, in accordance with the applicable Accounting Standards.

(c) 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.

(d) Foreign Exchange Earnings and Outgo:

Full details of foreign exchange earnings and expenditure are furnished under para 12 and 13 of Note 26 II on 'additional notes to accounts'. However, following are exhibited:

Earning – Rs. 6,95,658/-

Outgo – Rs. 22,99,97,133/-

18. DEPOSITS:

Your Company has not invited/accepted/renewed any deposits from the public as defined under the provisions of Companies Act, 2013 and accordingly, there were no deposits which were due for repayment on or before 31st March 2015.

19. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization.

The Audit Committee, which meets at-least four times a year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.