

***Familiarization Program  
for Directors on the  
Board of MRO-TEK  
Realty Limited***

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MRO-TEK

## **1. About the Company – Legal status, incorporation details, Registered Office**

The Company was incorporated as a Private Limited Company in the name of MRO-TEK Private Limited on 10<sup>th</sup> February, 1984.

### **Main object of the Company**

- a) To manufacture assemble, fabricate, produce, repair, use, buy, sell, hire, import, export, install, consult, deal in for consideration or otherwise in India or abroad all types of instruments such as Electronic, Electrical, Medical, Laboratory Test and Measuring, Scientific, Process Control, Computers & Computer Peripherals; Nautical, Aeronautical, Survey, Optical Photographic, Chemical, Engineering, Surgical, Agriculture, Defense & Educational, Instruments equipments, apparatus, appliances, devices, contrivances, components and their accessories individually and compete systems.
- b) To carry on the business of developing, maintaining and operating the construction and development of housing projects, road, highway project, bridge, express ways, fly- overs, bus and truck terminals, subways, port, inland waterways and inland ports, irrigation project, solid waste management system, and to develop, maintain, and operate Special Economic Zones (SEZ) or other Export Promotion Parks (EPP), Software parks (STP), Electronic Hardware Parks, Bio-Technology Parks and other industrial parks, rail system, mass rapid transit system, light rail transit system, either individually or as joint venture with any company/firm/individual/consultant whether local or foreign and to do concept planning, detailed master planning, detailed design and engineering and all such activities that together provide the basis for the implementation of the project and any other public facility of similar nature.
- c) To buy, purchase, lease, take on lease, exchange or otherwise, land, buildings and hereditaments of any tenure of any description situated at any place in India or elsewhere for residential or business or other purpose and any right over or connected with land so situated and to turn the same to account as may seem expedient and in particular in preparing buildings sites and by constructing, reconstructing, decorating, improving, altering, furnishing and maintaining offices, houses, resorts, residential schools, hospitals, cinema theatres, opera houses, auditorium, warehouses, shops, wharves, buildings, works and conveniences of all kinds and by consolidating or connecting or subdividing properties and by leasing and disposing of the same and to demolish old buildings and re-construction thereof.

The Present Authorized Capital of the Company is Rs. 15,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs. 5/- each.

Paid up Capital of the Company is Rs. 9,34,23,010/- divided into 1,86,84,602 Equity Shares of Rs. 5/- each.

The Registered Office of the Company is situated at #6, New BEL Road Chikkamaranahalli, Bangalore-560054 Karnataka

### Brief Profile of the Company:

- Founded: 1984
- Headquarters: Bangalore, India
- Employees:
  - Permanent- 13
  - Contractual - 48
- Sales presence: India – Direct & Strategic Partners
- ROW : Through Strategic Partners
- Resellers: Over 50+ world-wide
- Publicly traded: NSE, BSE
- Research Facility: Over 11 Skilled R&D professionals
- Positioning Leaders in Last/First Mile Access Technologies

### **2. Background of the Company – Business space, product details, customers**

Mr. S Narayan and Mr. H Nandi jointly founded the Company in the year 1984 and have been instrumental in identifying the activity of data communication and networking and the products currently manufactured and dealt-with. The Company is also diversified its Business towards realty sectors.

On 19th May, 2016, Mr. Aniruddha Mehta, Mrs. Gauri A. Mehta and Umiya Holding Private Limited collectively called as 'the Acquirers' entered into Share Purchase Agreement with the Promoters of the Company to acquire 74,10,056 Equity Shares of Rs. 5/- each at a price of Rs.40/- per Equity Share, which triggered the 'Open Offer' pursuant to Regulation 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Further from 8<sup>th</sup> August, 2016 Mr. Aniruddha Bhanuprasad Mehta had become Chairman and Managing Director of the Company.

## **Product**

### **TDM**

Standalone Modems and Converters Multi Service Access

Ethernet over PDH & SDH PDH Optical multiplexers TDM over Packet

### **Ethernet Products**

Media Converters Manager Media converters Ethernet Powered Switches Ethernet Switches  
Manager Ethernet Switches Long Reach Ethernet CWDM products 3G/4G Router

### **Wireless Products**

AP/CPE

Dual Radio

Base Station

E1 Radio

### **Railways**

RDSO approved Managed Media Converter CYNARA as per RDSO/SPN/TC/2013 Ver. 0.0

Signal & Telecom connectivity on Optical Fiber – IBH

DAC connectivity on SDH (Optical Fiber)

High through put LAN Extender 30 Mbps

SCADA connectivity on OFC

Sliding Stations connectivity on Optical Fiber

Decongestion of central location of various telecom products

Various Ethernet Bandwidth over E1 for way side stations connectivity

Analog phones over optical fiber

The company caters to various customers in the following segments

1. Telecom
2. Internet Service Provider
3. System Integrators
4. Banking, Finance, Service and Insurance
5. Utility
6. Channels

**3. Board of Directors of the Company- Brief Profile of each Director of the Company.**

<b>Sl. No.</b>	<b>Name</b>	<b>DIN</b>	<b>Educational Qualification Experience</b>	<b>Nature of Directorship</b>
1.	Mr. Aniruddha Bhanuprasad Mehta	00720504	Commerce Graduate	Chairman and Managing Director
2.	Mrs. Gauri Aniruddha Mehta	00720443	Art Graduate	Non-Executive, Non-Independent Director
3.	Mr. Radhakrishnan Seetharaman	07492511	B.com, M.com, CA, CS.	Non-Executive, Non-Independent Director
4	Mr. Sudhir Kumar Hasija	00157168	Graduate	Non-Executive, Non-Independent Director
5	Mr. M V Sampath Kumar	07613043	Bachelor Of Engineering, Mechanical,  PG Diploma in Management , IIM Calcutta	Non-Executive, Non-Independent Director

#### **4. Facilities of the Company - manufacturing/operating facilities, locations, branch offices.**

##### Registered Office:

# 6, New BEL Road, Chikkamaranahalli,  
Bangalore 560 054  
080 -42499000

Also In-house

R&D (Networking Products)

##### Manufacturing Unit:

29-B, Electronic City

Hosur Road

Bangalore – 560 100

Ph: +91-8028520544

Housing:

- Manufacturing of Networking
- Real estate Business

##### Marketing Office:

Flat No. 2313, Bldg. No. 48

Gandhi Nagar

Bandra (East)

Mumbai – 400 051

Ph: +91-1126407311

210, Gedore House

51-52, Nehru Place

NEW DELHI - 110 019

Ph: 91-11-26449164

## **5. Role of Directors - Duties, Liabilities and expectations.**

The Board of Directors guides, directs and oversees the management and protects long term interests of shareholders, employees and the society, at large. The Board has complete access to all information with the Company, inter - alia, the following information is provided to the Board, with the Agenda papers for the Board meetings being circulated in advance of each meeting or is tabled in the course of such meeting.

- Annual Operating plans, Business Budgets and Capital Expenditure Budget.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Details of any Collaboration Agreement or Investment Agreement.

## **6. Duties of Directors as per Section 166 of the Companies Act, 2013.**

1. Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
2. A director of a company shall act in good faith in order to promote the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
5. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
6. A director of a company shall not assign his office and any assignment so made shall be void.

## **7. Code for Independent Directors as per Schedule IV to the Companies Act, 2013.**

### **I. Guidelines of professional conduct:**

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;



- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

## II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## III. Duties :

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**VII. Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

**8. Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I. The company agrees to comply with the different regulations of SEBI (LODR) Regulations, 2015 which shall be implemented in a manner so as to achieve the objectives of the principles as mentioned below. In case of any ambiguity, the said provisions shall be interpreted and applied in alignment with the principles.

Various elements (in brief) of Schedule II of SEBI (LODR) Regulations, 2015 are mentioned below:

**I. Minimum Information to Be placed before Board Of Directors**

- A. Annual operating plans and budgets and any updates.
  - B. Capital budgets and any updates.
  - C. Quarterly results for the listed entity and its operating divisions or business segments.
  - D. Minutes of meetings of audit committee and other committees of the board of directors.
  - E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
  - F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
  - G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
  - H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
  - I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
  - J. Details of any joint venture or collaboration agreement.
  - K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
  - L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
  - M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
  - N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
  - O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- II. Role of stakeholders in Corporate Governance

- III. Disclosure and transparency
- IV. Responsibilities of the Board
  - A. Board of Directors
  - B. Composition of Board
  - C. Independent Directors Limit on number of directorships Maximum tenure of Independent Directors Formal letter of appointment to Independent Directors Performance evaluation of Independent Directors Separate meetings of the Independent Directors Training of Independent Directors
  - C. Non-executive Directors' compensation and disclosures
  - D. Other provisions as to Board and Committees
  - E. Code of Conduct
  - F. Whistle Blower Policy
- IV. Audit Committee
  - A. Qualified and Independent Audit Committee
  - B. Meeting of Audit Committee
  - C. Powers of Audit Committee
  - D. Role of Audit Committee
  - E. Review of information by Audit Committee
- V. Nomination and Remuneration Committee
- VI. Subsidiary Companies
- VII. Risk Management
- VIII. Related Party Transactions
- IX. Disclosures
  - A. Related Party Transactions

- B. Disclosure of Accounting Treatment
  - C. Remuneration of Directors
  - D. Management
  - E. Shareholders
  - F. Disclosure of resignation of directors
  - G. Disclosure of formal letter of appointment
  - H. Disclosures in Annual report
  - I. Proceeds from public issues, rights issue, preferential issues, etc.
- XI. CEO/CFO certification
- XII. Report on Corporate Governance
- XIII. Compliance

#### **9. Code of Conduct for Directors and Senior Management**

Each Director and senior management personnel shall adhere to this code of conduct and affirm compliance with the code on an annual basis as per the requirements of regulation 26(3) of SEBI (LODR) Regulations, 2015 and the Listing Agreement with the Stock Exchanges.

*Note: The Directors will be updated on any changes and modifications on the business model of the Company from time to time through Meetings of the Board of Directors and of its various Committees.*