



MRO-TEK LTD.

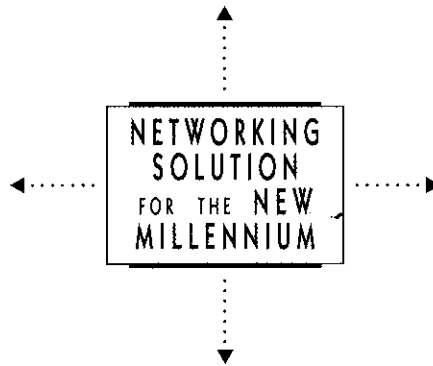
ANNUAL REPORT

1999-2000

MRO

Getting
You
Networked

www.mro-tek.com



MRO

Getting
You
Networked

MRO-TEK LIMITED

"MRO HOUSE"

14, 1st Main, Ganganagar,

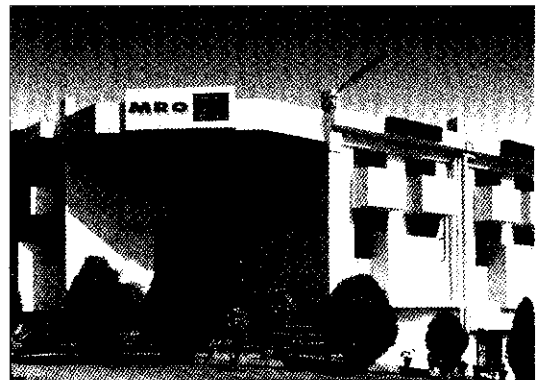
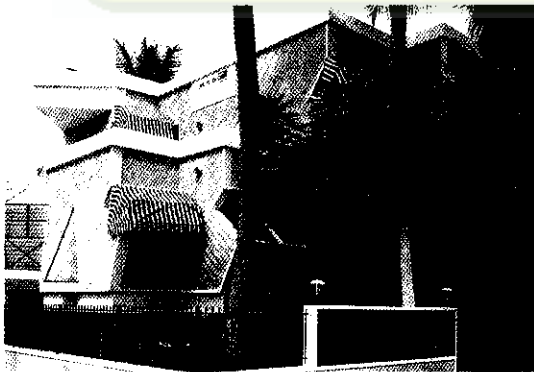
Bangalore 560 032 INDIA

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Report  junction.com



An ISO 9002 Company

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S. Narayanan

H. Nandi

“Optimism is a strategy. If you believe that the future can be better you will step in and take responsibility for making it so.”

- S. Narayanan

“All organizations change. Just that, the truly smart organizations change before they have to.”

- H. Nandi

Board of Directors

S NARAYANAN	<i>Chairman & Managing Director</i>
H NANDI	<i>Managing Director</i>
RAJ B. VATTIKUTI.	<i>Director</i>
DONALD M. PECK.	<i>Director</i>
GOPAKUMAR MENON	<i>Director</i>
RAHUL SHAH	<i>Director</i>
HARRY MINJ	<i>Alternate Director to Mr. Rahul Shah</i>
R RAMASWAMY.	<i>Company Secretary</i>

REGISTERED OFFICE

"MRO House"
14, 1st 'D' Main Road
Ganganagar
Bangalore - 560032
India

MANUFACTURING UNIT

29-B, Electronics City
Hosur Road
Bangalore - 561229
India

BANKERS

State Bank of India
Canbank Factors Ltd.

STATUTORY AUDITORS

Narayanan, Patil & Ramesh
Chartered Accountants
103, 1st Floor, Brigade Links
54/1, I Main Road
Seshadripuram
Bangalore - 560020
India

INTERNAL AUDITORS

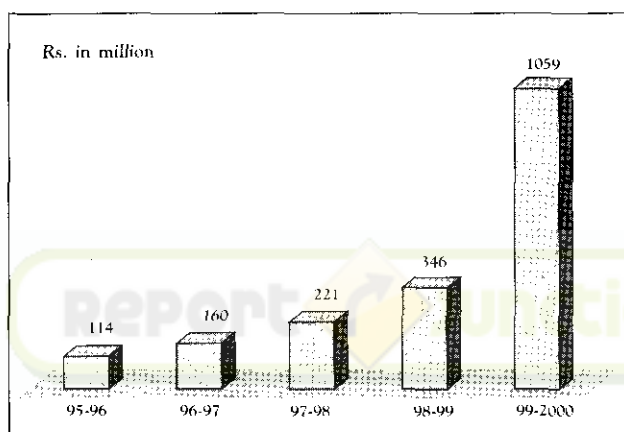
Tambakad and Goil
Chartered Accountants
3, Classique Mansion
6th Cross, HAL 2nd Stage
Off Airport Road
Bangalore - 560008

1999-2000

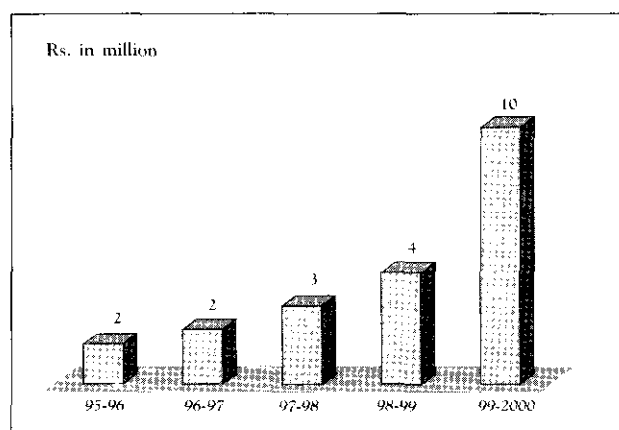
Financials

- Total Income up from Rs.346 million to Rs.1059 million-an increase of 206%
- PAT increases to Rs.159 million-a leap of 8 times over previous year
- Earnings per share increases from Rs.4.68 to Rs.17.77
- Net worth increases by 200% from Rs.89 million to Rs.269 million
- Dividend per share increases from 12 to 15 percent
- Capital Employed up from Rs.225 million to Rs.406 million

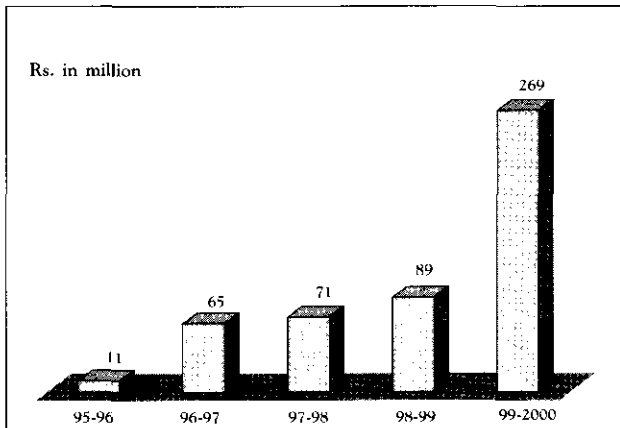
TOTAL INCOME



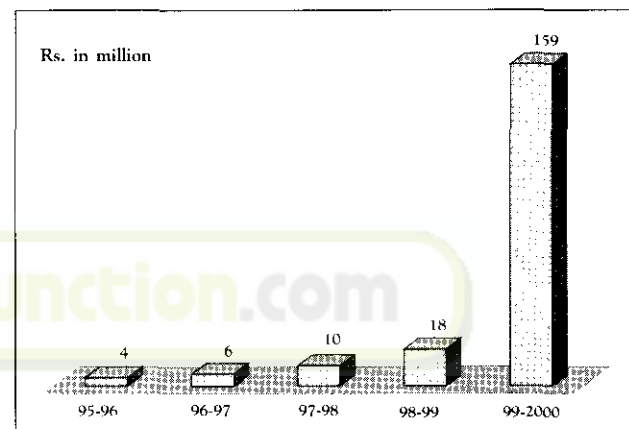
REVENUE PER EMPLOYEE



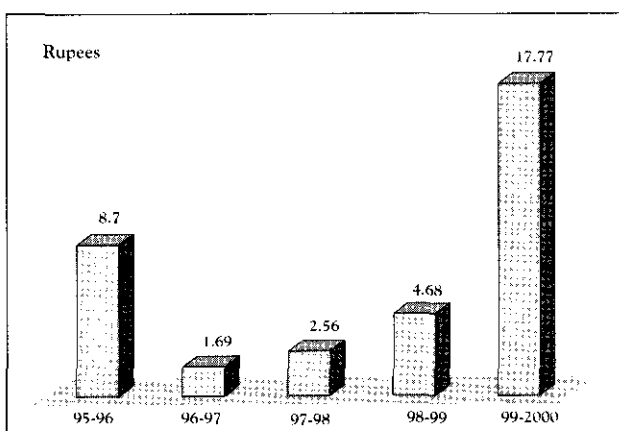
NET WORTH



PAT



EPS



1. EPS of 1996-97 & 1999-2000 are after Bonus issue 1:1
2. EPS for 1999-00 is calculated on equity with face value of Rs.10 for the purpose of comparison with prior years.

A few words from our

"With all the Internet revolution that is happening in India, I think the datacom product market is growing by 250 - 300 %. In India when the datacom product market is growing at this rate, traditionally the companies in India used to be trading companies. But what I have seen with MRO-TEK is that the focus is on service to the customer. I've been dealing with this company for more than probably ten years and I have seen this company focussing not just the trading aspect of but more on customer's service point of view. We are one of the very satisfied customers of MRO-TEK and we will like to continue and deal with MRO-TEK in the future too."

Mr. B. V. Naidu
Director
STPI, Bangalore

"There is a virtual explosion of Networking and Internet in this country and companies that have products that help in building the networks and also get into the Internet have a tremendous future. MRO-TEK is one such company which not only is in this networking and Internet arena but unlike many other companies that import items that are actually required to build a network, they have actually gone into manufacturing. When you manufacture things you have a better knowledge of the internals of the product that you market which enable company to give a much higher level of service. I think MRO-TEK is in that sense, quite unique in this country."

Mr. Shashi Ullal
President & MD
Hughes Escorts Communication Ltd.

Net access : the new paradigm in computing

Net access and Networking are among the fastest growing areas of business worldwide. With the integration of voice, data and video, there is an explosion of new technologies, capabilities and applications that are significantly changing our lives. The growth of the Internet is driving the Networking and Net access business as never before, resulting in demand escalation for more bandwidth and telephone lines for improved access.

Changing market dynamics have also resulted in network vendor consolidation. Customers today expect to source most of their products and solutions from a single company. This is leading to networking companies acquiring, merging or forming strategic alliances at an incredible rate. More important, the proliferation of new technologies is occurring faster than existing large vendors can handle and time-to-market is becoming critical.

It is estimated that the amount of traffic carried over the Internet is estimated to double every 100 days, and the total volume of data carried over the world's telecom infrastructure is likely to exceed that of voice in the next two years.

As a result, telecom providers would be required to transform their infrastructure, fundamentally from a circuit-switched network designed to carry analog voice traffic and modified to carry data, to a packet-switched network, designed and optimized for data that carries voice as just another data type.

Also, intensive competition and the high cost of laying fiber-optic and copper cables is forcing telecom companies in countries such as India to migrate to new technologies and enhance the capabilities of existing copper networks.

With deregulation taking effect the world over, service providers are achieving global-scale and entering new markets through mergers and acquisitions. Smaller, local operators such as cable, electric and wireless firms are expected to emerge as providers of niche services and even emerge as competitors to super-carriers through strategic partnerships.

These developments have presented tremendous opportunities for us in MRO-TEK, because of our consistent focus on the technology segment, alliances with the global leaders and nimbleness in responding to market needs.

Opening up of

new ISPs

The National Telecom Policy (NTP)-1999 has led to the liberalization of the telecom sector in India and new markets have opened up for networking companies. While the DoT is expected to be the dominant player for some time to come, other PSUs such as GAIL, Indian Railways, PGC and private organizations such as Reliance and Tatas, are expected to expand and consolidate in the coming years.

The growth in usage of Internet is bound to increase with the increased penetration of PCs and cable networks. ISPs are expected to grow faster with the reduction in last mile access rates, and the expected government approval for Internet gateways. The Internet subscriber community is likely to grow to 6,40,000 in 2000 - an increase of 164% over 1999.

The coming year is expected to see an increase in corporate WAN deployment, primarily due to sharp cuts in leased line rates and opening up of the telecom sector. This is going to spur the demand for products like WAN switches, routers, leased-line modems and voice/data multiplexers. Usage of VPNs and Wireless Networks are also expected to increase steadily.

MRO-TEK, through its strategic alliances with RAD, ZyXEL, BreezeCom, Radguard, Radware, Radcom, Cobalt, GlobaLoop and Extreme, and product line comprising line drivers, digital modems, multiplexers, converters, dial-up modems, wireless LAN and modems, protocol analyzers and security systems, is well positioned to capitalize on the opportunities in the Backbone Service Provider/Telecom Service Provider and the ISP markets.