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ANNUAL REPORT
2002 - 2003



BOARD OF DIRECTORS	:	Anil B. Vedmehta (Chairman & Managing Director) Ajay Kapoor (Director) Rajkumar Jain (Director) Shailesh Nayak (Director) Atul Kochar (Director) Abdul Gaffoor (Director)
BANKERS	:	Standard Chartered Grindlays Global Trust Bank
AUDITORS	:	N. S. Bhatt & CO. Chartered Accountants
REGISTERED OFFICE	:	47- 48, Shree Krishna Centre, Near Mithankali, Six Road, Navrangpura, Ahmedabad - 380 009.
CORPORATE OFFICE CUM SOFTWARE DEVELOPMENT CENTRE	:	1056, Adarsh Naqar, New Link Road, Opp. Hyundai Showroom, Andheri (W), Mumbai - 400 102.
FACTORY	:	E - 78, MIDC, Nashik, Maharashtra
REGISTRAR & TRANSFER AGENT	:	Sharex (India) Pvt. Ltd. Unit - 1, Luthra Industrial Estate, Andheri Kurla Road, Andheri (East), Mumbai - 400 072. Bigshare Services Pvt. Ltd. E - 2 Ansa Ind. Estate, Saki Vihar Rd., Sakinaka, Andheri (E), Mumbai - 400 072.



NOTICE

NOTICE is hereby given that the Seventh ANNUAL GENERAL MEETING of the Members of MOBILE TELECOMMUNICATIONS LIMITED will be held on Monday, the 30th September, 2002 at 2.00 p.m. at the Registered Office of the Company at 47-48, Shree Krishna Center, Near Mithakhali Six Road, Ahmedabad-380 009 to transact following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet at 31st March 2002 and the Profit & Loss Account for the period ended on that date and reports of the Directors and Auditors thereon.
2. To appoint Director in Place of Shri Ajay Kapoor, who retires by rotation and being eligible, offers himself for re - appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification the following resolution As Ordinary Resolution:

" RESOLVED THAT Mr. Atul Kochar, who was appointed as an Additional Director of the company w.e.f. 31st July, 2002 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation "

5. To consider and if thought fit, to pass with or without modification the following resolution As Ordinary Resolution:

" RESOLVED THAT Mr. Shailesh Nayak, who was appointed as an Additional Director of the company w.e.f. 31st July , 2002 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation "

6. Voluntary Delisting of the Company's Equity Shares from Stock Exchange at Ahmedabad.

To consider and if thought fit, to pass with or without modification the following resolution As Special Resolution:

" RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted

hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Equity Shares from The Stock Exchanges, Ahmedabad, at Ahmedabad."

7. To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution :

"RESOLVED that pursuant to Section 17 and other applicable provisions of the Companies Act, 1956 and subject to approval of the Company Law Board and other concerned authorities the Registered Office of the Company be and is shifted from the State of Gujarat to the State of Maharashtra.

"FURTHER RESOLVED that the Clause II of the Memorandum of Association of the Company be altered by substituting the word "Gujarat" by the word "Maharashtra".

"FURTHER RESOLVED that the Board be and are hereby authorized, in their discretion, to shift the Registered Office and to accept such other conditions, amendments, modifications as may be prescribed by the Company Law Board and /or other concerned authorities while according their sanctions or the consents to the proposed shift of the Registered Office and to take such consequential action thereon or any portion thereof in variation being considered expedient as a result of any modification effected by Company Law Board and /or other concerned authorities."

"FURTHER RESOLVED that for the purpose of giving effect to the above, the Board be and are hereby authorized to make necessary applications from time to time to the various authorities as may be necessary to be prescribed by the Company Law Board and/or other concerned authorities and to take such other actions and give such directions or instructions as they may from time to time think proper to execute all such documents in writing as may be necessary and to do all such acts, deeds, matters or things whatsoever including setting any questions or difficulties that may arise with regard to or in to the shift of Registered Office, as they in their absolute discretion may be considered necessary, expedient, usual or proper in or about premised and in the best interest of the Company."

Registered Office:
47-48, Shree Krishna Centre,
Near Mithkhali Six Road
Navrangpura
Ahmedabad - 380009
Date: 31.07.2002

FOR AND BEHALF OF THE BOARD

ANIL B. VEDMEHTA
CHAIRMAN

**NOTE :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER.
2. The explanatory statement as required under section 173(2) of the Companies Act, 1956 in respect of special business mentioned in the above notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed for Four days i.e. from Monday the 16th day of September, 2002 to Thursday the 19th September, 2002 (inclusive both days).
4. Members are requested to intimate to the Company, quoting Registered Folio number, change in their address, if any, with the Pin code number.
5. In all correspondence with the Company or it's Share Transfer Agents, members are requested to quote their account / folio number and in case the shares are held in the dematerialized form, they must quote their client ID number and their DP ID number.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting so that the information required by the members may be made available at the meeting.
7. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956 the following explanatory statement sets out all material facts relating to Special Business mentioned in the accompanying notice should be taken as forming part of the Notice.

FOR ITEM NO. 4

Mr. Atul Kochar was appointed as an Additional Director of the Company on 31st July, 2002 as per provision of the Company's Articles of Association. Under section 260 of the Companies Act, 1956. Mr. Atul Kochar holds office only upto the date of the forthcoming Annual General Meeting. The Company has received notice as required under section 257 of the Companies Act, 1956 , proposing Mr. Atul Kochar as a candidate for the office of Director.

The Board of Directors considers it desirable that the Company should continue to avail itself of Mr. Atul Kochar services as a Director and accordingly recommends the Resolution for acceptance by the members.

None of the Directors of the Company is, except for the one to be appointed upon passing of resolution set out in item no. 4 are in any way concerned or interested in the said resolution.

FOR ITEM NO. 5

Mr. Shailesh Nayak was appointed as an Additional Director of the Company on 31st July, 2002 as per provision of the Company's Articles of Association. Under section 260 of the Companies Act, 1956. Mr. Shailesh Nayak holds office only upto the date of the forthcoming Annual General Meeting. The Company has received notice as required under section 257 of the Companies Act, 1956, proposing Mr. Shailesh Nayak as a candidate for the office of Director.

The Board of Directors considers it desirable that the Company should continue to avail itself of Mr. Shailesh Nayak services as a Director and accordingly recommends the Resolution for acceptance by the members.

None of the Directors of the Company is, except for the one to be appointed upon passing of resolution set out in item no. 5 are in any way concerned or interested in the said resolution.

FOR ITEM NO. 6

With the wide and extensive networking of centers of the BSE, the investors have access to online dealings in the Company's securities across the country. Moreover, the Company's Equity Shares are one of the scrips which Securities and Exchange Board of India (hereinafter referred to as "SEBI") has specified for settlement only in demat form by all investors, effective 2nd January, 2002.

The Stock Exchanges in India with the permission of SEBI are now free to fix the listing fees unilaterally and the listing fees charged by some of the stock exchanges are high. The trading volumes of the Company's securities on the stock exchanges at Ahmedabad, (hereinafter referred to as "the said Stock Exchanges") are on the decline. From the information received from the Stock Exchanges on trading volumes, it is observed that out of the total trading volumes on the said Stock Exchanges, is almost nil for the financial years 2000-01 and 2001-02 respectively. In sharp contrast, the listing fees paid to the said Stock Exchanges constitute about same with BSE for the financial years 2000-01 and 2001-02 respectively. The said Stock Exchanges, do not now offer any corresponding benefits to the Company / its investors in the changes scenario of the said available network of the BSE and the continues listing on the said Stock Exchanges is not justified. On the recommendations of the Investors' Grievance Committee, the Board of Directors, at their meeting held on 31st July, 2002 have, therefore, decided to apply for the voluntary delisting of the Company's Equity Shares from the said Stock Exchanges.

The proposed voluntary delisting of the Company's Equity Shares from the said Stock Exchanges will not adversely affect any investors including the Members located in the regions where the said Stock Exchanges are situated. Pursuant to the guidelines issued by SEBI on voluntary delisting by companies of their securities from the stock exchanges, it is now proposed to seek the Members' approval by way of Special Resolution for voluntary delisting the Company's Equity Shares from the said Stock Exchanges as set out in the Resolution at Item No. 6.

The proposed delisting is in the interest of the Company and the Board recommends the Resolution for acceptance by the Members. None of the Directors of the Company is concerned or interest in the Resolution at Item No. 6.



FOR ITEM NO. 7

As the members are aware that the Company has already diversified into the information Technology Sector. The Company is carrying out all the activities including administrative and marketing from its Corporate Office situated at Mumbai in the State of Maharashtra. The Company is implementing major expansion programme in this sector and would be exporting software and allied products. In order to have access to international customers, business development and to have greater convenience of operations and cost effectiveness, it would be advantageous to Company to shift its Registered Office from Ahmedabad to Mumbai. Hence, it is proposed to shift the Registered Office from the State of Gujarat to the State of Maharashtra. The Board recommends the approval of the resolution. None of Directors of the Company is interested or concerned in the above resolution

Registered Office:
47-48, Shree Krishna Centre,
Near Mithkhali Six Road
Navrangpura
Ahmedabad - 380009
Date: 31.07.2002

FOR AND BEHALF OF THE BOARD

ANIL B. VEDMEHTA
CHAIRMAN

Directors' Report

To the members,

Your Directors are pleased to present their report on the business and operations of your company for the year ended March 31, 2002

Financial results

	(Rs in lacs)	
	2002	2001
Total Income	3091.03	3489.00
Total expenditure	3037.13	2994.38
Operating profit (PBIDT)	53.91	494.62
Interest	-	-
Profit before Depreciation/Taxation	53.91	494.62
Depreciation	45.17	270.78
Profit before Taxation/Prior period Adjustment	8.73	223.84
Prior period Adjustment	19.61	1.69
Provision for Tax	0.67	20.00
Deffered Tax	21.63	202.15
Profit after Taxation	6.04	-
Balance carried to Balance Sheet	212.32	206.29

Results of operations

The total revenues during the year declined by 11.4% to Rs. 3091.03 lacs from Rs.3489 lacs last year. The overall fall in the revenue was a result of slowdown of domestic business as well as international market, and the effect of post September 11,2001 event and consequent reduction in IT spend by customers. You will be pleased to know the enormous growth in the fourth quarter during the year due to timely execution of certain orders resulted in impressive growth in turnover and profit. Though the substantial decline of business in the second and third quarter during the year .

New Project and Business Development

The year under review was a difficult years for the business, both domestically and internationally. The international business suffered on account of US slow down, after effect of September 11, 2001 event and Afgan War. On domestic front, also the political uncertainty and economic slowdown has adversely impacted the business prospects.

But your Company is optimistically looking forward to strengthening of global economy after the shake out, melt down gets over. Most of the weaknesses would be eliminated and only robust, improvised, futuristic business processes, products would make hey in the rejuvenated economy. Your Company is seriously consolidating and gearing itself to meet the challenges and reward in future. Therefore your directors decided to take a cautious approach and concentrated on consolidation of the existing business of the Company.



New Projects on business development are undertaken only on existing lines of business. As committed, your Company has already implemented the project of manufacturing "Push Button Telephone Instrument and WLL Hand Set at Nasik during the current fiscal year. Commercial production has also started from 1st June, 2002.

Your company is expecting significant growth during the year though the overall market is very competitive. The company is closely monitoring the market situation and is adopting a very cautious approach to upkeep it's current market share.

Your company is thus well poised to reduce dependence on IT industry, and achieve balanced growth by judiciously entering high growth different area of Telecom and Power industry.

Company is on the verge of finalising of a deal to acquire a running 240 set call centre at Nirlon Complex, Goregaon and planning to invest Rs. 10 Crores in the Project.

Corporate Governance

Your company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improve investors' protection and maximise long term shareholder value. Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, a compliance report on Corporate Governance is annexed as a part of Annual Report.

Fixed Deposits

Your company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

Directors

Mr. Pankaj N Shah who was on the Board resigned in 2001-2002 due to personal reason. The Board placed on record its deep appreciation for the valuable contribution made by Mr. Pankaj N Shah during his tenure as director of the Company.

Mr. Atul Kochar and Mr. Shailesh Nayak had been appointed as Additional Directors in the Board of Directors meeting held on 31st July, 2002. Their experience shall help company to achieve growth and therefore, in the interest of the company, you are requested to consider and approve the resolution appointing them as regular Directors. In terms of listing agreement both of them are Independent Non-Executive Director.

Mr. Ajay Kapoor, retire by rotation at the forthcoming Annual General Meeting ,and being eligible, offer himself for reappointment

Auditors

Messrs N.S. Bhatt & Co., Chartered Accountants, Statutory auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting of the company and being eligible for re-appointment.

The comments by the Auditors in their Report are self explanatory and in the opinion of the Board, do not require any further clarifications.

Particulars of Employees :

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended March 31, 2002 is stated below:

Sr. No.	NAME	Age	Designation	Gross Remuneration	Qualification	Total Experience	Date of Commencement of Employment	Last Employment held
1.	Anil B. VedMehta	34	Managing Director	700000	B-Com	13	1 st September, 2001	----

Directors' Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the company hereby state and confirm that:

- in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 of the company for the period;
- the Directors had 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;
- the Directors had prepared the annual accounts on a going concern basis.

Statutory Disclosure

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is as under:

Part A and Part B relating to Conservation of Energy and Technology Absorption are not applicable to the company as your company is not a manufacturing company.

Foreign Exchange Earning and Outgo: There was no foreign exchange earnings and outgo during the year.

Appreciation

Your directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

For and on behalf of the Board

Place : Mumbai

Date : 31.07.2002

Anil B. Vedmehta

Managing Director