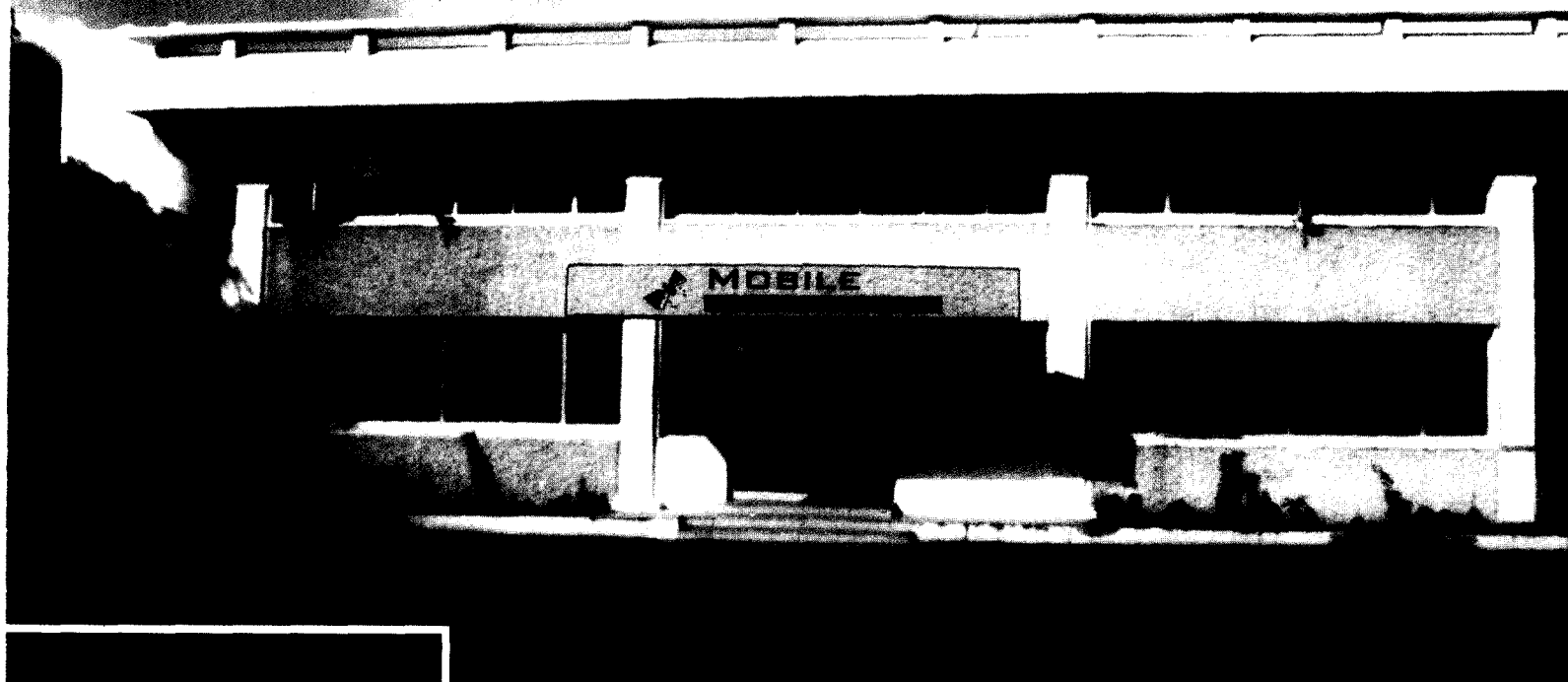




8<sup>th</sup> Annual Report  
2002-2003

## Mobile Communication, Factory



LCD MONITOR



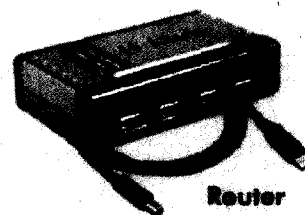
Multimedia



SMT LINE



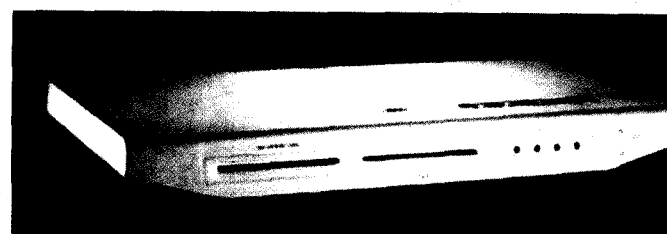
Set Top Box



Router



DTH BOX



CONVERGENCE BOX



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**BOARD OF DIRECTORS**

- : Anil B. Vedmehta (Chairman & Managing Director)  
 Rajkumar Jain (Director)  
 Ajay Kapoor (Director)  
 Shailesh Nayak (Director)  
 Atul Kochar (Director)

**BANKERS**

- : Indusind Bank  
 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**

- : 1056, Adarsh Nagar, New Link Road,  
 Opp. Hyundai Showroom, Andheri (W),  
 Mumbai 400 102.

**FACTORY**

- : E 78, MIDC, Nashik, Maharashtra

**REGISTRAR & TRANSFER  
AGENT**

- : 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 Eighth ANNUAL GENERAL MEETING of the Members of MOBILE TELECOMMUNICATIONS LIMITED will be held on Tuesday, the 30<sup>th</sup> September, 2003 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 31<sup>st</sup> March 2003 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 Atul Kochar, 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 Special Resolution:

"Resolved that subject to the availability of the name with registrar of Companies, Gujrat, Ahmedabad and subject to the approval of the Central Government pursuant to the provisions of section 21 of the Companies Act, 1956, the name of the company be and is hereby changed from "**Mobile Telecommunication Limited**" to "**Digitechtronics Limited.**"

"RESOLVED FURTHER that the Board of Directors of the Company be and is/are hereby authorized to do all such acts and deed as may be deemed necessary in this regard and sign such papers/documents on behalf of the Company, as may be necessary to give effect to the above resolution."

"RESOLVED FURTHER THAT the name Mobile Telecommunication Limited. Wherever it occurs in the Memorandum and Article of Association of the Company be substituted by the new name **Digitechtronics Limited.**"

Registered Office:  
47-48, Shree Krishna Centre,  
Near Mithkhali Six Road  
Navrangpura  
Ahmedabad 380009  
Date: 30.06.2003

FOR AND ON BEHALF OF THE BOARD

A. B. VEDMEHTA  
Managing Director



**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 Tuesday the 9<sup>th</sup> September, 2003 to Friday the 12<sup>th</sup> September, 2003 (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.

*Information Under Clause 49 of the Listing Agreement regarding re-appointment of directors Shri Atul Kochar:*

**Item No.2:**

Shri Atul Kochar, a engineer in electronic has got good experience in production of electronics product and control and management of factory at all level. He is also on the board of M/s Avik Capital Services Private Limited.

He is also a member of the Audit Committee and Chairman of Remuneration Committee constituted by the Company as per the requirements of Corporate Governance.



## **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.

### **Item No. 4:**

The Company is upgrading its existing production facilities with addition of new Plant and Machineres to carry out the activity of convergence equipment Cable Modem, Settop Boxes, Static Electronic Energy Meters, Digital Projectors, and other high end electronics at its factory located at Nasik, Maharashtra.

Company is in the business of evolution of technology since 2000-2001 and was waiting for the right time to commercialize the products it has developed, now convergence bill is tabled and is all slated to be passed , Company is looking forward with a solid business plan in the Rs. 20000 crore worth of market opened up by the convergence requirement of the country.

Company has made sound business plan to make foray into manufacturing of precision electronics products such as Set Top Boxes, DTH boxes, IP boxes, Digital Projectors and other electronic gadgets as stated above. Electronics is the world's largest manufacturing industry. All of us have come to expect small, fast, lightweight electronic products full of sophisticated features for every facet of our daily lives. Not only will this trend continue, it will accelerate. Company has a full fledged research and development outfit backed by qualified and experienced professionals to envisage futuristic products and design the consumer friendly gadgets to make life simpler and convenient

In order to reflect the new business activities the Company need to change its name from "Mobile Telecommunication Limited" to "Digitechtronics Limited."

Pursuant to the provision of section 21 of the Companies Act, 1956 change of name requires approval of the members by special resolution and approval of the Central Government.

The members are therefore requested to accord their approval to the special resolution set out at serial no. 4 of the notice.

None of the Directors of the Company is, in anyway, concerned or interested in above Resolution.

Registered Office:  
47-48, Shree Krishna Centre,  
Near Mithkhali Six Road  
Navrangpura  
Ahmedabad 380009  
Date: 30.06.2003

FOR AND ON BEHALF OF THE BOARD

A. B. VEDMEHTA  
Managing Director



## Directors' Report

To the members,

Your Directors have pleasure in presenting the Annual Report and Audited Accounts for the financial year ended 31<sup>st</sup> March, 2003

### Financial results

(Rs in lacs)

	2003	2002
Total Income	3178.57	3091.03
Total expenditure	3101.18	3037.13
Operating profit (PBIDT)	77.39	53.90
Depreciation	51.86	45.17
Profit before Taxation/Prior period Adjustment	25.53	8.73
Prior period Adjustment	-	19.61
Provision for Tax	2.00	0.67
Deferred Tax	19.10	21.63
Profit after Taxation	42.63	6.04
Add Balance brought forward from previous year	212.32	206.28
Amount available for appropriation	<u>254.95</u>	<u>212.32</u>
Appropriation :		
- To General Reserve	175.00	-
Balance carried to Balance Sheet	<u>079.95</u>	<u>212.32</u>
	<u>254.95</u>	<u>212.32</u>

### Results of operations

The total revenues during the year increased by 2.83 % to Rs. 3178.57 lacs from Rs. 3091.03 lacs last year and Net Profit at Rs. 42.63 lacs as compared to Rs. 6.04 lacs in the previous year thereby registered an increase of 605.79%. The revenue growth and increase of net profit margin was a result of concentrating towards providing various other services to the IT industries by utilizing our expert knowledge and experience.

The Indian IT sector has proved to be the country's fastest growing segment, even in troubled times in the globally challenging economic environment of 2002-2003. The software and services industry, a major component of India's IT sector, showed significant momentum, higher than that of other industries in the country. India continued to be a compelling investment destination, as leading companies either set up shop here or beefed up their existing infrastructure. Outsourcing of IT requirements by leading global companies to Indian majors also picked up pace during 2002-03, in line with worldwide trends.

The Board of Directors has decided to plough back the surplus earned in the business in order to consolidate the financial position of the Company for bolstering growth through expansions and strategic mergers and acquisition. Your Board, therefore decided not to declare any dividend for the period under review.

### New Project and Business Development

The Indian hardware industry is set to improve its competitiveness in the global market. The improving trend is primarily attributable to the conducive duty structure and enhanced incentives & support by the government to facilitate global competitiveness of Indian Hardware Industry and emergence of indigenous VLSI design house centers which could support delivery of value added services to the global clients.





The immediate upside for the domestic hardware industry, in addition to the above feel good factors, has been due to the government's decision to implement Conditional Access System (CAS) for delivery of pay channels. The CAS will be implemented initially metro cities and gradually it will be extended to other cities.

In the last year, as conveyed to the shareholders about the manufacture of Set Top Boxes at our Nasik factory, your company has already installed all necessary plant and machineries and accordingly made huge construction work in the factory. In view of the Government's decision to implement Conditional Access System ( CAS ) all over India in phased manner, Company is anticipating huge demand in the coming period. The CAS will be implemented initially in metro cities and gradually it will be extended to other cities.

In view of all above, it is anticipating new product will drive us to a new milestone to present a more success business proposition compare to existing state of affairs.

### **Management Discussion & Analysis Report**

In term of Clause 49 of the Listing Agreement with the Stock Exchanges, management Discussion & Analysis Report is appended to this Report.

### **Corporate Governance**

A separate section on Corporate Governance and certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance pursuant to clause 49 of the Listing Agreement with the Stock Exchange, form part of the Annual Report.

### **Change of Name**

During the year under review , Board of Directors decided to change the name of the Company from present name to "DIGITECHTRONICS Limited". In this regards necessary application and other papers has been filed with concern authorities and required resolution with explanatory statement placed before the members for approval.

### **Fixed Deposits**

Your company has not accepted any fixed deposits during the year under review and as such, no amount of principle or interest was outstanding as on the balance sheet date.

### **Directors**

Mr. Atul Kochar, retire by rotation at the forthcoming Annual General Meeting ,and being eligible, offer himself for reappointment. The necessary resolution is being placed before the members for approval.

### **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 nobody of the Company is drawing salary or commission which exceeds the limit set out in the above section. Therefore above section and rules are not applicable to the Company

### 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:

- i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) 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;
- iii) 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;
- iv) 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.

### Foreign Exchange Earning and Outgo:

Total foreign exchange earnings and outgo during the year.

FOB Value of Exports	: Rs. Nil
CIF Value of Imports	: Rs. Nil
Expenditure in foreign currency	: Rs. 96761/-

### Appreciation

Your directors would like to express their grateful appreciation for the assistance and co-operation received from the Banks, Government Authorities and Shareholders during the year under review. Your Directors wish to place on record their deep appreciation for the services rendered by the Executives, Staff and Workers of the Company at all levels and for their dedication and loyalty.

For and on behalf of the Board

Place: Mumbai  
Date: 30.06.2003

A. B. Vedmehta  
Managing Director