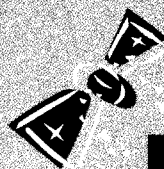


13th Annual Report : 2007-2008



MOBILE
TELECOMMUNICATIONS LTD.

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BOARD OF DIRECTORS : Anil B. Vedmehta (Chairman & Managing Director)
 Ajay Kapoor (Director)
 Ramakrishnan Guruswamy (Director)
 Deotamuni Mishra (Director)
 Abhishek Mishra (Director)

BANKERS : Oriental Bank of Commerce

AUDITORS : N. S. Bhatt & Co.
 Chartered Accountants

REGISTERED OFFICE : 46, Empire Tower, Near Associated Petrol Pump,
 C. G. Road, Ahmedabad - 380 009.
 GUJARAT.

CORPORATE OFFICE : 203-204, Sagarika Apt.,
 Opp. Palm Grove Hotel, Juhu Tara Road,
 Juhu, Mumbai - 400 049.
 MAHARASHTRA.

FACTORY : E-78, MIDC, Ambad,
 Nashik, MAHARASHTRA.

**REGISTRAR &
 TRANSFER AGENT :** Bigshare Services Pvt. Ltd.
 E-2, Ansa Ind. Estate,
 Saki Vihar Road, Sakinaka,
 Andheri (E), Mumbai - 400 072.

NOTICE

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the Members of MOBILE TELECOMMUNICATIONS LIMITED will be held on Tuesday, 30th September, 2008 at 11.00 a.m. at Hotel Inder Residency, Opp. Gujarat College, Ellisbridge, Ahmedabad-380006, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2008 and the Profit & Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in Place of Shri Deotamuni Mishra, 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:

SUB-DIVISION OF EQUITY SHARES

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 94 and other applicable provisions, if any of the approvals, consents, permissions and sanctions as may be necessary form the appropriate authorities or bodies, the equity shares of the Company having nominal face value of Rs. 10/- (Rupees Ten Only) per share be sub-divided into equity shares having nominal face value of Re.1/- (Rupee one) per share and the relevant Capital Clause in the Memorandum of Association of the Company be accordingly altered.

RESOLVED FUTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things including issue of fresh share certificates and execute all such documents, instruments and writings as may be required in the said connection and to delegate all or any of the powers herein vested in them or to any committee of directors and any director(s) to give effect to the aforesaid resolution."

ALTERATION IN THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

5. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby replaced by the following Clause V:

Clause V "The Authorised Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 30,00,00,000 (Thirty Crore) Equity Shares of Re. 1/- (Rupee One) each."

Registered Office:

46, Empire Tower,
Near Associated Petrol Pump,
C G. Road, Ahmedabad, Gujarat

For and Behalf of the Board

Anil B. Vedmehta
Chairman & Managing Director

Date: 4th September, 2008

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ANNEXED TO THE ANNUAL REPORT.
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 from 26th September, 2008 to 30th September, 2008 (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.
8. Re-appointment of Directors:
 At the ensuing Annual General Meeting Shri Deotamuni Mishra, Director, retires by rotation and being eligible offers himself for re-appointment. The information or details pertaining to the Director, to be provided in terms of clause 49 of the Listing Agreement are furnished in the statement on Corporate Governance published elsewhere in this Report.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 4 & 5 :**

The management of your Company has always believed that whether big or small, living in metros or villages, all of them should partake of the value process at MTL. High value denomination of the share may deter small shareholders from acquiring the piece of wealth – shares of your company. It is in this context that we feel splitting of face value of shares into smaller denomination, would enhance its access to small investors.

In view of this, your Board has proposed that face value of equity shares of the Company be fixed at Re.1/- per share. To give effect to change in nominal value of equity shares, the Capital Clause in Memorandum of the company is to be altered. Resolutions set out at Item No. 4 & 5 of this notice are to make requisite changes in the Memorandum of Association of the Company.

The Board of Directors recommends the resolutions for approval of the members.

None of the directors of the company is in any way concerned or interested in the said resolution, except to the extent of their share holding in the company.

Registered Office:

46, Empire Tower,
 Near Associated Petrol Pump,
 C G. Road, Ahmedabad, Gujarat

For and Behalf of the Board

Anil B. Vedmehta

Chairman & Managing Director

Date: 4th September, 2008

DIRECTORS' REPORT

To the members,

Your Directors are pleased to present the Thirteenth Annual Report and Audited Accounts for the year ended March 31, 2008.

Financial Results

(Rs in lacs)

For the Year Ended	31-03-2008	31-03-2007
Total Income	3249.54	3026.50
Total expenditure	3204.80	2951.44
Operating profit (PBIDT)	44.74	75.06
Depreciation	37.12	56.72
Profit before Taxation/Prior period Adjustment	44.75	18.34
Provision for Tax	9.38	3.27
Deferred Tax	4.16	3.69
Profit after Taxation	31.21	11.38
Add Balance Brought forward from previous year	594.33	582.47
Amount available for appropriation	625.54	594.33
Balance carried to Balance Sheet	625.54	594.33

Results of Operations

During the year under review, total revenue was Rs.3026.50 lacs as compared to Rs.2712.64 lacs in the previous year thereby registered an increase of 11.57 % and operating profit at Rs.75.06 Lacs as compared to Rs.545.67 lacs in the previous year thus registered a decrease of 86.24%.

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.

Management Discussion & Analysis Report

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

Corporate Governance

Your Company has been fully compliant with the SEBI Guidelines on Corporate Governance, which have been incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges. A detailed report on the subject forms part of this Report.

The Statutory Auditors of the Company have examined the Company's compliance, and have certified the same, as required under SEBI Guidelines. Such certificate is reproduced as part of this Report.

A Management Discussion and Analysis Report covering a wide range of issues relating to performance, outlook etc., is given as part of this 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. Deotamuni Mishra and Mr. Ashok Lalwani retire by rotation at the forthcoming Annual General Meeting. Mr. Deotamuni Mishra has offered himself for re-appointment. The necessary resolution is being placed before the members for approval of re-appointment of Mr. Mishra.

Mr. Ashok Lalwani has not offered himself for re-appointment, and hence the term of his office of directorship will expire on the date of the ensuing AGM.

Auditors

Messrs N.S. Bhatt & Co., Chartered Accountants, Statutory auditors of the Company, retires at the conclusion of the forthcoming Annual General Meeting of the company and being eligible, offers themselves 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.

Secretarial Audit

As directed by Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by a Practicing Company Secretary. The results of Secretarial Audit were satisfactory.

Directors' Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956:

Responsibility in relation to financial statements

The financial statements have been prepared in conformity, in all material respects, with the generally accepted accounting principles in India and the accounting standards prescribed by ICAI in a consistent manner and supported by reasonable and prudent judgments and estimates. The Directors believe that the financial statements reflect true and fair view of the financial position as on 31.03.2008 and of the results of operations for the year ended 31.03.2008.

The financial statements have been audited by M/s N.S.Bhatt & Co. in accordance with generally accepted auditing standards which include an assessment of the systems of internal controls and tests of transactions to the extent considered necessary by them to support their opinion.

Going Concern

In the opinion of the Directors, the Company will be in a position to carry on its existing Mobile & Communication business and accordingly it is considered appropriate to prepare the financial statements on the basis of going concern.

Maintenance of accounting records & Internal controls

The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956.

Directors have overall responsibility for the Company's internal control system, which is designed to provide a reasonable assurance for safeguarding of assets, reliability of financial records and for preventing and detecting fraud and other irregularities.

The system of internal control is monitored by internal audit function, which comprises of the examination and evaluation of the adequacy and effectiveness of the system of internal control and quality of performance in carrying out assigned responsibilities. Internal Audit Department interacts with all levels of management and the Statutory Auditors, and reports significant issues to the audit committee of the Board.

Audit Committee supervises financial reporting process through review of accounting and reporting practices, financial and accounting controls and financial statements. Audit Committee also periodically interacts with internal and statutory auditors to ensure quality and veracity of Company's accounts. Internal Auditors, Audit Committee and Statutory Auditors have full and free access to all the information and records as considered necessary to carry out their responsibilities. All the issues raised by them have been suitably acted upon and followed up.

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 nothing has been mentioned in this regard.

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:

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. Nil

Appreciation

The Directors wish to express their appreciation of the continued co-operation of the Bankers, Customers, Dealers and Suppliers and also the valuable assistance and advice received from major shareholders, the employees for their contribution, support and continued co-operation through the year.

For and on behalf of the Board

Place : Mumbai
 Date : 4th September, 2008

Anil B. Vedmehta
 Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Mobile Telecommunications Limited (MTL) is a professionally managed company, which strongly believes in Corporate Culture, which is possible only by executing the Corporate Governance in true and efficient manner. MTL is maintaining good relations with all stakeholders.

MTL has a good personnel policy for its employees. Apart from good remuneration, salaries and other facilities, the Company provides pleasant work atmosphere to its employees. The role of each and every employee is well defined in the hierarchy.

For investors' grievances, the Company has established one investor grievances cell which efficiently resolves the problems and queries of the investors of the Company.

Hence, it can be observed that the company has been functioning in a most transparent and fair manner with all its stakeholders i.e. investors, customers, employees, government and MTL has a unique distinction of servicing to its stakeholders.

BOARD OF DIRECTORS

During the year under review, 6 Board Meeting were held on 26th April, 2007, 16th July, 2007, 31st July, 2007, 29th August, 2007, 31st October, 2007, and 31st January, 2008. The composition of the Board, attendance at Board Meetings held during the financial year under review and at the last Annual General Meeting, number of Directorships and memberships / chairmanships in public companies (including the Company) are given below:-

Name of the Director	Category	FY 2007 - 08 Attendance at		No. of Directorships	Committee positions	
		Board Meetings	Last AGM		Chairman	Member
Mr. Anil B Vedmehta	Executive Chairman and Managing Director	6	Yes	7	1	2
Mr. Ajay Kapoor	Non-Executive, Independent	4	No	3	1	4
Mr. Ramakrishnan Guruswamy	Non-Executive, Independent	5	No	1	2	4
Mr. Deotamuni Mishra	Non-Executive	4	Yes	2	2	1
Mr. Abhishek Mishra	Non-Executive	4	Yes	2	–	2

As may be seen from the above details, the Board of the Company comprises of more than 50% Non-Executive Directors of the total number of Directors. The Company has an Executive Chairman cum Managing Director who also looks after the day-to-day operations of the company with Mr. Abhishek Mishra and Mr. Deotamuni Mishra, the directors of the Company.

In addition to the matters which statutorily required Board's approval, as required by Corporate Laws and other statutory laws, the following matters are regularly placed before the Board:-

- ▲ Minutes of Audit Committee Meetings, Remuneration committee Meetings and other committee meetings.
- ▲ Recruitment and Remuneration of senior executives below the Board level.
- ▲ Disclosure of material regarding related party transactions, if any, with potential for conflict of interest.

- ▲ Quarterly details of finance and risk management strategies.
- ▲ Compliance with Regulatory and Statutory requirements including listing requirement and shareholders services.
- ▲ Details of show cause, demand, prosecution and penalty notices which are materially important.

Information on Directors Re-appointment / Appointment

A brief details of Director being re-appointed / appointed at the ensuing Annual General Meeting, the nature of their expertise in specific functional areas are furnished hereunder:

Mr. Deotamuni Mishra and Mr. Ashok Lalwani retire by rotation at the forthcoming Annual General Meeting.

Mr. Ashok Lalwani has not offered himself for re-appointment, and hence the term of his office of directorship will expire on the date of the ensuing AGM.

Mr. Deotamuni Mishra is a member of the Audit Committee and Remuneration Committee constituted by the Company as per the requirements of Corporate Governance.

AUDIT COMMITTEE

The Audit Committee of Directors constituted by the Board of Directors of the Company comprises of Independent Directors. The broad terms of reference of the Audit Committee include review of the Company's financial reporting process, the financial statements and financial/risk management policies, review of the adequacy of the internal control systems and functioning of the Internal Audit team, discussions with the management and the external auditors, the audit plan for the financial year and any Changes in accounting policies and practices.

During the year under review, 4 Audit Committee Meetings were held on 16th July, 2007, 31st July, 2007, 31st October, 2007 and 31st January, 2008. The composition of the Audit Committee and attendance at its meetings is given hereunder:-

Composition of the Audit Committee	Mr. Ajay Kapoor Chairman	Mr. Deotamuni Mishra Member	Mr. Ramakrishnan Guruswamy
No. Meeting Attended	4	2	4

The Chairman of the Audit Committee was also present at the last Annual General Meeting of the Company.

MANAGERIAL REMUNERATION

a. Remuneration committee

The Remuneration Committee of the Company reviews the remuneration of Managing / whole-time directors, retirement benefits to be paid to them. It comprises of 3 Independent Directors Mr Ajay Kapoor, Mr Abhishek Mishra and Mr. Deotamuni Mishra, Chairman of the Remuneration Committee. During the year under review, two Remuneration Committee Meetings were held on 31st July, 2007 and 31st January, 2008 wherein all the members of the Remuneration Committee were present.

Chairman & Managing Director:

Name	Salary	Perquisites & Allowances	Commission	Incentive Remuneration	Stock Options
Anil B. Vedmehta	13,40,000	Nil	Nil	Nil	Nil