



Mobile Telecommunications Ltd.

Empowering Technology Infrastructure

WIRELESS COMMUNICATION



14TH ANNUAL REPORT 2008-2009



CERTIFIED TRUE COPY

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For Mobile Telecommunications Ltd.

Authorised Sign./Director.

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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)
Suhas Jadhav (Additional 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 :** 3rd Floor, B Wing, Interface Bldg. No. 16,
Off Link Road, Malad (West),
Mumbai - 400 064.
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 FOURTEENTH ANNUAL GENERAL MEETING of the Members of MOBILE TELECOMMUNICATIONS LIMITED will be held on Wednesday, 30th September, 2009 at 11.00 a.m. at the Registered Office of the Company at 46, Empire Tower, Near Associated Petrol Pump, C G. Road, Ahmedabad, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2009 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 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(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Mr. Suhas Jadhav** be and is hereby elected and 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(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Mr. Amit Nandkishore Varma** be and is hereby elected and appointed as a Director of the Company liable to retire by rotation"

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

"RESOLVED THAT pursuant to the provisions of sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, and pursuant to the approval of the remuneration committee of the Board and the Board of Directors at their meeting held on 31st August, 2009, approval of the Company be accorded to the re-appointment of Mr. Anil Vedmehta as Chairman & Managing Director of the Company for a period of 3 (Three) years with effect from 01.09.2009 on a total monthly remuneration not exceeding Rs.2,50,000/- (Rupees Two Lac Fifty Thousand Only).

FURTHER RESOLVED that the Board of Directors be and is hereby authorized to vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.



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FURTHER RESOLVED that where in any Financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration as the minimum remuneration by way of salary subject to receipt of the requisite approvals, if any.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, any Director of the Company be authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

Registered Office:

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

Date: 31st August, 2009

For and Behalf of the Board

Anil B. Vedmehta

Chairman & Managing Director

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**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 28th September, 2009 to 30th September, 2009 (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 Ajay Kapoor, 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:**

Mr. Suhas Jadhav was appointed as an Additional Director of the Company on 31st October, 2008 by the Board of Directors pursuant to the Articles of Association and the provisions of Section 260 of the Companies Act, 1956. According to the provisions of the Articles and Section 260 of the Companies Act, 1956, he will hold office up to the date of this Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member alongwith a deposit of Rs.500/- signifying his intention to propose Mr. Suhas Jadhav as a candidate for the office of the Director.

Mr. Suhas Jadhav has good experience in the field of management and general administration. It is, therefore, in the interest of the Company to continue to avail of his services as a member of the Board.

Your directors recommend his appointment as a director. None of the directors of the company is in any way concerned or interested in the said resolution.



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Item No. 5:

Mr. Amit Nandkishore Varma was appointed as an Additional Director of the Company on 31st August, 2009 by the Board of Directors pursuant to the Articles of Association and the provisions of Section 260 of the Companies Act, 1956. According to the provisions of the Articles and Section 260 of the Companies Act, 1956, he will hold office up to the date of this Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member along with a deposit of Rs.500/- signifying his intention to propose Mr. Amit Nandkishore Varma as a candidate for the office of the Director

Mr. Varma has good experience in the field of telecommunications and software. It is, therefore, in the interest of the Company to continue to avail of his services as a member of the Board.

Your directors recommend his appointment as a director. None of the directors of the company is in any way concerned or interested in the said resolution.

Item No. 6:

The tenure of Mr. Anil Vedmehta as Chairman & Managing Director was upto 31st August, 2009. Subject to the approval of the Shareholders in the ensuing Annual General Meeting, the Board of Directors have at their Meeting held on 31st August, 2009, pursuant to the approval of the remuneration committee, approved the re-appointment of Mr. Vedmehta as Chairman & Managing Director of the Company for a period of 3 years w.e.f. 01.09.2009. He is a Commerce Graduate and completed Chartered Accountancy upto Intermediary Level. He has business experience of about 19 years in finance, telecommunications, software and animation industry. He is aged about 42 years. The proposed remuneration will be within overall limit of Schedule XIII of the Companies Act, 1956.

Briefly, the terms and conditions of the re-appointment and remuneration of Mr. Vedmehta are as follows:

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.
2. The re-appointment shall be for a period of 3 (three) years w.e.f. 01.09.2009.
3. Remuneration:
 - (i) Basic Salary: Rs. 23,97,500 p.a.
 - (ii) H.R.A: Rs. 6,00,000 p.a.
 - (iii) PT: Rs. 2,500 p.a.

The proposed resolution is required to be passed as a Special Resolution as required under the amended Schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the date of annual general meeting.

None of the directors are concerned or interested in this resolution.

Statement containing the information as required in accordance with the Clause B (iv) of Section II, Part II of the Schedule XIII of the Companies Act, 1956, as an Annexure to the Notice convening the Annual General Meeting to be held on 30th September, 2009:



GENERAL INFORMATION																
Nature of industry	Manufacturing of Digital Electronics Circuit Design, Analog Electronics Circuit Design, Power Electronics system and control design, SMT Line and Telephone Instruments etc.															
Date or expected date of commencement of commercial production	The date of commencement of business is 8 th March, 1995															
In case if new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable															
Financial performance based on given indicators	<div>(Rs. in Lacs)</div> <table><thead><tr><th></th><th>March, 2007</th><th>March, 2008</th><th>March, 2009</th></tr></thead><tbody><tr><td>Sales</td><td>3024.38</td><td>3171.81</td><td>3458.72</td></tr><tr><td>Net Profit(loss)</td><td>11.38</td><td>31.21</td><td>40.68</td></tr></tbody></table>					March, 2007	March, 2008	March, 2009	Sales	3024.38	3171.81	3458.72	Net Profit(loss)	11.38	31.21	40.68
	March, 2007	March, 2008	March, 2009													
Sales	3024.38	3171.81	3458.72													
Net Profit(loss)	11.38	31.21	40.68													
Export performance and net foreign exchange collaborations.	Not applicable as the Company manufactures and distributes its products in India.															
Foreign investments or collaborators, if any	Nil															

INFORMATION ABOUT THE APPOINTEE	
Background details.	Mr. Anil Vedmehta is a Commerce Graduate and completed Chartered Accountancy upto Intermediary Level. He is aged about 42 years
Past remuneration	<i>Rs. 1,20,000 per month</i>
Recognition or Awards	<i>NIL</i>
Job profile and his suitability	<p>He has business experience of about 19 years in finance, telecommunications, software and animation industry.</p> <p><i>He is responsible for the management of overall business and financial operations of the Company including financial decision making. Considering the above, he is well suited for the job of Chairman & Managing Director of the Company to control and manage the affairs of the Company subject to the superintendence and control of the Board of Directors of the Company.</i></p>
Remuneration proposed	<p>Remuneration:</p> <p>(i) Basic Salary : Rs. 23,97,500 p.a.</p> <p>(ii) H.R.A : Rs. 6,00,000 p.a.</p> <p>(iii) PT : Rs. 2,500 p.a.</p> <p>Total, not exceeding Rs. 2,50,000 per month.</p>



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Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)	<i>Considering the size of the Company, its nature of business and the job profile and position of Mr. Anil Vedmehta, comparative figures are not available. Hence the comparisons could not be established.</i>
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	<i>Mr. Anil Vedmehta is the promoter director and is in control of the affairs of the Company.</i>

OTHER INFORMATION	
Reasons of loss or inadequate profits	<i>The Company has been making profits. However, its profits at present are inadequate as per the provisions of the Companies Act, 1956.</i>
Steps taken or proposed to be taken for improvement.	<i>The investments made by the company in the infrastructure has started yielding higher volumes and in the coming years the Company should be able to make sufficient profits. Efforts are being made in increasing the reach of the company in terms on new territories and new tie-ups to leverage the available resources.</i>
Expected increase in productivity and profits in measurable terms.	<i>The Company has implemented the plans, which will reap the fruits in the next few years and if properly and successfully implemented it will give a substantial increase in the sales and profits of the company in the coming years.</i>

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

Date: 31st August, 2009

For and on Behalf of the Board of Directors

ANIL B. VEDMEHTA
Chairman & Managing Director



DIRECTORS' REPORT

To the members,

Your Directors are pleased to present the Fourteenth Annual Report and Audited Accounts for the year ended March 31, 2009.

Financial Results

(Rs in lacs)

For the Year Ended	31-03-2009	31-03-2008
Total Income	3,540.88	3,249.54
Total expenditure	3,455.06	3,167.67
Operating profit (PBIDT)	85.82	81.87
Depreciation	25.89	37.12
Profit before Taxation/Prior period Adjustment	59.93	44.75
Prior period Adjustment	-	-
Provision for Tax	14.16	9.37
Deferred Tax	5.09	4.16
Profit after Taxation	40.68	31.21
Add Balance Brought forward from previous year	625.54	594.33
Amount available for appropriation	666.22	625.54
Balance carried to Balance Sheet	666.22	625.54

Results of Operations

During the year under review, total revenue was Rs.3540.88 lacs as compared to Rs.3249.54 lacs in the previous year thereby registered an increase of 8.97 % and operating profit at Rs.85.82 lacs as compared to Rs.81.87 lacs in the previous year thus registered an increase of 4.82%.

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 recommend 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.