

# **ESSKAY TELECOM LIMITED**

## **9<sup>TH</sup> ANNUAL REPORT**

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**2001-2002**

## ESSKAY TELECOM LIMITED

### 9TH ANNUAL REPORT & ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2002

#### BOARD OF DIRECTORS

DILIP KUMAR AGRAWAL

Mg. Director

DEEPAK PATWARI

TRIBHUWAN SARAF

SUNIL KUMAR PODDAR

#### REGISTERED OFFICE

1-B, Black Burn Lane, 4th Floor,

Kolkata - 700 012

Phone : (033) 236 0339

Email : [destiny@Cal2.vsnl.net.in](mailto:destiny@Cal2.vsnl.net.in)

#### AUDITORS

**A. K. BASU & CO.**

*Chartered Accountants*

29, Narkeldanga Main Road,

Kolkata - 700 054

#### BANKERS

PUNJAB NATIONAL BANK

CANARA BANK

STANDARD CHARTERED GRINDLAYS BANK

#### COMPANY SECRETARY

DILEEP KUMAR SINGH

#### REGISTRAR & SHARE TRANSFER AGENT

M/S NICHE TECHNOLOGIES PVT. LTD.

C-444, BAGREE MARKET,

71, B.R.B.B. ROAD,

KOLKATA-700 001

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## ESSKAY TELECOM LIMITED

### Notice

Notice is hereby given that the Ninth Annual General Meeting of the M/S ESSKAY TELECOM LIMITED will be held at Eastern Zonal Cultural Centre, 1A-290, Sector-III, Salt Lake City, Kolkata - 700 091 on Monday, the 30th September, 2002 at 11.00 A.M. for transacting the following business.

#### ORDINARY BUSINESS :

1. To receive, consider and adopt audited accounts of the Company for the year ended 31st March, 2002 and the reports of the Directors and Auditors thereon.
2. To appoint a director in the place of Sri Tribhuwan Saraf , who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint auditors and fix their remuneration.
4. To appoint Mr. Sunil Kumar Poddar, who has been appointed as additional director at the meeting of the Board of Directors of the Company held on 30th March, 2002, in respect of whom the Company has received notice U/S 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the director and to move the following resolution as an Ordinary Resolution :

"Resolved that Mr. Sunil Kumar Poddar, who has Board of Director of the Company held on 30th March, 2002, and for the appointed of whom the Company has received notice U/S 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the director, be and is hereby appointed as a director of the Company whose period of office will be liable to retire by rotation."

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#### Regd. Office :

1-B Black Burn Lane  
4th Floor  
Kolkata 700 012.  
Date : 14.08.2002

By order of the board  
For ESSKAY TELECOM LTD.

SD/-  
(D.K.AGRAWAL)  
Managing Director

## ESSKAY TELECOM LIMITED

### Notes :

1. A member entitled to attend and vote is entitled a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting and also requested to bring their copy of Balance Sheet at the meeting place.
3. The Register of Members shall remain closed from Monday, 23rd September, 2002 to Monday, 30th September, 2002 (Both days inclusive).

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### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item No .4.

The Company has received notice under section 257 of the Companies Act, 1956 for member signifying his intention to propose the candidature of Mr. Sunil Kumar Poddar for the office of the office of the Director.

None of the Directors are interested in the said resolution except Mr. Sunil Kumar Poddar as a Director of the Company.

Regd. Office :  
1-B Black Burn Lane  
4th Floor  
Kolkata 700 012.  
Date: 14.08.2002

By order of the board  
For ESSKAY TELECOM LTD.

SD/-  
(D. K. AGRAWAL)  
Managing Director

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**ESSKAY TELECOM LIMITED****Director's Report**

TO,

Dear Shareholders,

Your directors take pleasure in presenting the Ninth Annual Report of the Company together with the Audited Statement of Accounts and the Auditor's Report thereon for the year ended 31st March, 2002. The summarised financial result are as under :

| <b>FINANCIAL HIGHLIGHTS</b>           | <b>As at 31.03.2002</b> | <b>As at 31.03.2001</b> |
|---------------------------------------|-------------------------|-------------------------|
|                                       | <b>(In Rs.)</b>         | <b>(In Rs.)</b>         |
| Profit Before Taxation                | 1,58,350.46             | 2,18,207.85             |
| Provision for Taxation                | 52,763.00               | 77,734.00               |
| Profit After Taxation                 | 1,05,587.46             | 1,40,473.85             |
| Balance brought forward               | 4,66,204.93             | 3,93,394.08             |
| Transfer to Special Statutory Reserve | 21,117.00               | 67,663.00               |
| Surplus Carried to Balance Sheet      | 5,50,675.39             | 4,66,204.93             |

**DIVIDEND**

In view of the marginal profit earned by the Company, your directors do not recommend any dividend for the year under review.

**DIRECTORS**

Sri Tribhuwan Saraf retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Sri Taufik Hazi Gaffar and Sri Tarik Hazi Gaffar have vacated the office of Director during the year under review.

Sri Sunil Kumar Poddar, who has been appointed as an additional director by the Board of Directors w.e.f. 30.03.2002 and he is eligible for re-appointment, in respect of whom the Company has received a notice U/S 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the director, Sri Sunil Kumar Poddar shall be liable to retire by rotation.

**Directors Responsibility Statement :** As require under Section 217(2AA) of the Companies Act, 1956 your directors hereby confirm that during the year ended on 31st March, 2002:

- i) the Company had followed applicable accounting standards for the preparation of annual accounts :
- ii) that the directors had selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company and of the profit of the company ;
- iii) that proper and sufficient care had been taken 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

## ESSKAY TELECOM LIMITED

and detecting fraud and other irregularities;

iv) that the annual account have been prepared on a going concern basis.

### AUDITORS

M/s A.K.Basu & Co., Chartered Accountants, retire and being eligible offer themselves for re-appointment . Your Directors recommend their re-appointment.

### EMPLOYEES

None of the employees was in receipt of remuneration in excess of the limit prescribed under Section 217(2A) of the Companies Act, 1956.

### STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding disclosure of particulars of conservation of energy and technology absorption prescribed under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is not applicable.

### CORPORATE GOVERNANCE

A report on Corporate Governance alongwith a certificate from the auditors and Management Discussion & Analysis is enclosed as Annexure 'A' and forms a part of this report.

### FOREIGN EXCHANGE

The Company has had no foreign exchange outflow or inflow during the year under review.

### ACKNOWLEDGEMENTS

Your directors acknowledge the support and owe a debt of gratitude to the shareholders, Investors, Bankers and Employees. Your Directors are also thankful to its clients for their continued faith and support reposed in us.

For & on behalf of the Board  
Dilip Kumar Agrawal  
Managing Director

Place : Kolkata  
Dated : 30th August, 2002.

Deepak Patwari  
Director

## ESSKAY TELECOM LIMITED

### **REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's report on Corporate Governance

#### **1. CORPORATE GOVERNANCE**

The Company defines Corporate Governance as set of standards which aims to improve the working of the Company and establishes the integrity and accountability of the management. It is a system by which companies are directed and controlled. The main focus is to give more protection to investors by making management more responsible and to bring transparency to the activities of the Company. The principal characteristics of Corporate Governance are transparency, responsibility, trusteeship and fairness. It helps to improve the company's image, efficiency, and effectiveness.

The Company is committed to good Corporate Governance which aims to protect the interest of its stakeholders. The Company provides information on various issues concerning the Company's business and financial performance to its shareholders.

#### **2. BOARD OF DIRECTORS**

##### **(a) Composition of the Board**

The composition of the Board of Directors of the Company consists of qualified executive and non-executive directors. The Board is comprises of persons who have excelled in their respective areas having good business standing.

The composition of the Board of Directors as on 31<sup>st</sup> March 2002 is as follows :

| Sr. No. | Name of Directors                         | Executive / Non-executive | No. of other  |                      |
|---------|---|---------------------------|---------------|----------------------|
|         |   |                           | Directorships | Committee membership |
| 1.      | Sri Dilip Kr Agrawal<br>Managing Director | Executive                 | 2             | -                    |
| 2.      | Sri Deepak Patwari                        | Executive                 | 2             | -                    |
| 3.      | Sri Sunil Kr. Poddar                      | Non-Executive             | -             | -                    |
| 4.      | Sri Tribhuvan Saraf                       | Non-Executive             | -             | -                    |

##### **(b) Change in the composition of the Board of Directors since last Annual General Meeting**

Sri Taufik Hazi Gaffar & Tarik Hazi Gaffar have vacated the office of Directors w.e.f. 30.03.2002.

Sri Sunil Kumar Poddar has been appointed as an Additional Director w.e.f. 30.03.2002.

##### **(c) Details of sitting fees, remuneration etc paid to Directors.**

The details of remuneration paid to the Managing Director of the Company during 2001-2002 are as below:

| Name of the Director             | Salary & other Benefits |
|----------------------------------|-------------------------|
| Dilip Kumar Agrawal Mg. Director | Rs. 1,80,000/-          |

The Company did not pay sitting fee or commission to the directors.

##### **(d) Board Meeting held in the financial year 2001-2002 and attendance of Directors**

The board meets at least once in a quarter to consider amongst other business, the quarterly performance of the

**ESSKAY TELECOM LIMITED**

Company and financial result. During the year under review, 8 Board meetings were held on 30th April 2001, 31st July, 2001, 30th October, 2001, 14th December, 2001, 31st January, 2002, 20th February, 2002 and 30th March, 2002.

**3. DIRECTOR'S INTEREST IN THE COMPANY**

None of the Directors is related to any other director.

None of the directors received any loan and advances from the Company during the year.

\* Attendance of each director at the BOD meeting and the last AGM.

| Director                                | No. of Meetings |          | Attendance at last AGM -Held on 28th Sept., 2001 |
|---|-----------------|----------|--|
|   | Held            | Attended |  |
| Sri Dilip Kumar Agrawal-M.D.            | 8               | 8        | Yes  |
| Sri Deepak Patwari                      | 8               | 8        | Yes  |
| Sri Tribhuwan Saraf                     | 8               | 4        | No   |
| Sri Taufok Hazi Gaffar (Since Resigned) | 8               | 2        | No   |
| Sri Tarik Hazi Gaffar (Since Resigned)  | 8               | 2        | No   |
| Sri Sunil Kumar Poddar                  | 8               | 1        | N. A.  |

**4. COMMITTEES OF DIRECTORS**

In accordance with requirements of the Listing Agreement with the Stock Exchange on Corporate Governance following 2 committees were operational during the year.

- (a) Audit Committee
- (b) Investors Grievance Committee

**a. Audit Committee**

The Company set up its Audit Committee in 2001. The Present Audit Committee of the Board of Directors fulfills the requirements of Section 292 (A) of the Companies Act, 1956 as well as the Listing Agreement. The Audit Committee of the Company consists of 3 directors. During the financial Year 2001-2002 the Audit Committee met 4 times on 30th April, 2001, 31st July, 2001, 31st October, 2001 and 31st January, 2002.

The composition of the Audit Committee and the attendance of each director at these meeting was as follows :

| Sr. No. | Members of Audit Committee              | No. of meetings held | No. of meetings attended |
|---------|---|----------------------|--------------------------|
| 1       | Sri Taufik Hazi Gaffar (Since Resigned) | 4                    | 2                        |
| 2       | Sri Deepak Patwari                      | 4                    | 4                        |
| 3       | Sri Tribhuwan Saraf                     | 4                    | 4                        |
| 4       | Sri Sunil Kumar Poddar                  | -                    | -                        |

Audit Committee is interalia responsible for reviewing with the management the annual financial Statement before submission to the Board. The main function of audit committee is to supervise the company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct.

**b. Investors Grivance Committee**

The Company set up its Investors Grivance Committee in the year 2002. The Company has inhouse transfer cell for physical shares. The committee deals with the various matters relating to :



**ESSKAY TELECOM LIMITED**

- transfer/transmission of shares/debentures,
- issue of duplicate share certificate,
- review of shares dematerialised and all other related matters,
- monitors expeditious redressal of investors' grievances,
- all other matters related to shares/debentures

12 meetings were held during the financial Year 2001-2002 on 30th April, 2001, 31st May, 2001, 30th June 2001, 31st July, 2001, 31st August, 2001, 28th September, 2001, 31st October, 2001, 30th November, 2001, 31st December 2001, 31st January, 2002, 28th February, 2002 and 30th March 2002.

The composition of the committee as on 31st March, 2002 and the no. of meetings attended by each of the members are as under:

| Sr. No. | Member of Investors Grievances Committee | No. of meeting attended |
|---------|--|-------------------------|
| 1.      | Sri Dilip Kumar Agrawal                  | 12                      |
| 2.      | Sri Deepak Patwari                       | 12                      |
| 3.      | Sri Tribhuwan Saraf                      | 8                       |

As required by the Listing Agreement with the stock Exchanges, Mr. Dileep Kumar Singh has been appointed as "Compliance Officer" to monitor the share transfer process.

The status of investors queries/complaints received during the year is as under :

| No. of investors queries/complaints received during the year ended 31st March 2002 | Pending at the end of the year | No. of Pending Share transfer |
|--|--------------------------------|-------------------------------|
| Nil  | Nil                            | Nil                           |

**REMUNERATION COMMITTEE**

The Company has only one Managing Director on the Board, whose appointment and remuneration has been fixed by the Board and in terms of the resolution passed by the members. In view of this, no Remuneration Committee was constituted.

**5. ANNUAL GENERAL MEETING**

- Location and time, where last three AGMs held

| Year | Date       | Place  | Time       |
|------|------------|--|------------|
| 2001 | 28-09-2001 | Eastern Zonal Cultural Centre, IA-290, Sector III, Salt Lake City, Kolkata-700 091 | 11.00 A.M. |
| 2000 | 30-09-2000 | Eastern Zonal Cultural Centre, IA-290, Sector III, Salt Lake City, Kolkata-700 091 | 11.00 A.M. |
| 1999 | 30-09-1999 | 10, Princep Street, 2nd Floor Calcutta 700 072                                     | 10.30 A.M. |

- Whether special resolution were put through postal ballot last year, details of voting pattern.

No special resolutions were put through postal ballot last year as the situation did not arise.

**6. DISCLOSURES****(a) Disclosures on materially significant related party transactions**

There were no materially significant related party transactions during the year having conflict with the interests of the Company.