

# ESSKAY TELECOM LIMITED



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2002-2003

**ESSKAY TELECOM LIMITED**

**ESSKAY TELECOM LIMITED**

**10TH ANNUAL REPORT & ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2003**

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**BOARD OF DIRECTORS**

DILIP KUMAR AGRAWAL

Mg. Director

DEEPAK PATWARI

SUNIL KUMAR PODDAR

TRIBHUWAN SARAF

**REGISTERED OFFICE**

1-B, BLACK BURN LANE,

4TH FLOOR, KOLKATA 700 012.

PHONE : (033) 2236 -0339

TELEFAX : (033) 2235 7083

e-mail : [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.

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**BANKERS**

PUNJAB NATIONAL BANK

CANARA BANK

STANDARD CHARTERED BANK

IDBI BANK

**COMPANY SECRETARY**

DILEEP KUMAR SINGH

**REGISTRAR & SHARE TRANSFER AGENT**

M/S. NICHE TECHNOLOGIES PVT. LTD.

D-511, BAGREE MARKET,

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

KOLKATA - 700 001.

## ESSKAY TELECOM LIMITED

### NOTICE

Notice is hereby given that the Tenth Annual General Meeting of **Esskay Telecom Limited** will be held at Eastern Zonal Cultural Centre, IA-290, Sector-III, Salt Lake City, Kolkata -700 091 on Monday, the 29th September, 2003 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, 2003 and the reports of the Board of Directors and Auditors thereon.
- 2) To appoint a director in place of Mr. Sunil Kumar Poddar, Who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint auditors and fix their remuneration.

#### Special Business

- 4) To consider and thought fit, to pass with or without modification(s) following resolution as a special resolution :

"Resolved That" pursuant to Securities and Exchange Board of India (Delisting of Securities ) Guidelines 2003, the provisions of the Listing Agreement, the provisions of the Companies Act, 1956, Securities contracts (Regulation) Act and the SEBI Act, 1992, the Company be and is hereby empowered and authorised to seek delisting of its equity shares, from Delhi, Jaipur and Ahmedabad Stock Exchanges, with immediate effect."

"Further Resolved That" the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matter and things as may be necessary for the purpose of giving effect to the above resolution."

Regd. Office :  
1-B, Black Burn Lane,  
4th Floor  
Kolkata -700 012  
Dated : 14.08.2003

By order of the Board  
For Esskay Telecom Ltd.  
SD/-  
(Dileep Kumar Singh)  
Secretary

## 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, 22nd September, 2003 to Monday, 29th September, 2003 (Both days inclusive).

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

#### DELISTING OF COMPANY 'S EQUITY SHARES FROM THE DELHI, JAIPUR AND AHMEDABAD STOCK EXCHANGE.

The Equity Shares of the Company are at present listed on the Calcutta, Mumbai, Delhi, Jaipur, and Ahmedabad Stock Exchange.

In View of the infrequent/non trading of the Company's Shares on the Delhi, Jaipur and Ahmedabad Stock Exchange, it is proposed to delist the equity shares of the Company from the Delhi, Jaipur and Ahmedabad Stock Exchange.

As per the new SEBI (Delisting of Securities) Guidelines, 2003 (Guidelines), which have been notified recently, the Company can delist its Securities from any of the Stock Exchange voluntarily, including the Regional Stock Exchange, without providing an exit opportunity to the shareholders of the Company residing in the area, provided that the securities will continue to be listed on a Stock Exchange having nation wide trading terminals i.e. The Stock Exchange, Mumbai (BSE) or National Stock Exchange. The Company's Equity Shares are listed on Bse,, Which has nation wide trading terminals and it will continue to be listed on Mumbai and Calcutta Stock Exchanges.

Your Directors recommend the said Special Resolution for your approval.

None of the Directors of the Company are concerned or interested in the said Special Resolution.

Regd. Office :

1-B, Black Burn Lane,

4th Floor

Kolkata - 700 012

Dated : 14.08.2003

**ESSKAY TELECOM LIMITED****Directors Report**

Dear Shareholders,

Your directors take pleasure in presenting the Tenth Annual Report of your company together with the Audited Statement of Accounts and the Auditors Report thereon for the year ended 31st March, 2003. The summarised financial results are as under :

<b>FINANCIAL HIGHLIGHTS</b>	<b>31.03.2003</b> (In Rs.)	<b>31.03.2002</b> (In Rs.)
<b>PROFIT BEFORE TAXATION</b>	<b>202,676.30</b>	<b>158,350.46</b>
Provision for Taxation	84,753.00	52,763.00
<b>PROFIT AFTER TAXATION</b>	<b>117,923.30</b>	<b>105,587.46</b>
Income Tax Earlier Year	(4,045.00)	—
Special Statutory Reserve	(23,585.00)	(21,117.00)
Deferred Tax	(21,008.00)	—
Balance brought forward	550,675.39	466,204.93
<b>Surplus carried to Balance Sheet</b>	<b><u>619,960.69</u></b>	<b><u>550,675.39</u></b>

**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 Sunil Kumar Poddar retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**DIRECTORS RESPONSIBILITY STATEMENT :**

As required under Section 217 (2AA) of the Companies Act, 1956 your directors hereby confirm that during the year ended on 31st March, 2003.

- 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 judgements 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

## ESSKAY TELECOM LIMITED

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) That the annual accounts 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 :

As stipulated under clause 49 of the listing agreement, Corporate Governance report alongwith auditors certificate and Management Discussion & Analysis thereon is enclosed as Annexure 'A' and form part of this report.

### FOREIGN EXCHANGE

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

### ACKNOWLEDGEMENTS :

The Board expresses its sincere gratitude to the shareholders, Bankers, Employees and its clients for their continued faith and support reposed in us.

For & on behalf of the Board

Place : Kolkata  
Dated : 14th August, 2003

(Deepak Patwari)  
Director

(Dilip Kumar Agrawal)  
Managing Director

**ESSKAY TELECOM LIMITED****REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's report on Corporate Governance :

**1. PHILOSOPHY ON CORPORATE GOVERNANCE**

Company's philosophy on Corporate Governance includes a combination of such business practices which enhance the value of the company to shareholders and enabling the company to fulfill its obligation to others. The company firmly believes that such practices are built up on the real values of transparency, responsibility, accountability, empowerment and professionalism. 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.

**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 standing. The composition of the Board of Directors as on 31<sup>st</sup> March, 2003, is as follows :

Sr. No.	Name of Directors	Executive/ Non-Executive	No. of other Directorships	Committee Memberships
1.	Sri Dilip Kumar Agrawal Managing Director	Executive	2	-
2.	Sri Deepak Patwari	Executive	2	-
3.	Sri Sunil Kumar Poddar	Non-Executive & Independent	- -	- -
4.	Sri Tribhuwan Saraf	Non-Executive & Independent	-	-

**b) Changes in the composition of the Board of Directors since last Annual Genral Meeting**

There is no change in Board of Directors since last AGM.

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

The details of remuneration paid to the Managing Director of the Company during 2002-2003 are as below :

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

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

**ESSKAY TELECOM LIMITED****d) Board Meetings held in the Financial Year 2002-2003 and attendance of Directors**

The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and financial results. During the year under review 6 Board meetings were held on 30<sup>th</sup> April, 2002, 31<sup>st</sup> July, 2002, 14<sup>th</sup> Aug., 2002, 31<sup>st</sup> October, 2002, 31<sup>st</sup> January, 2003, and 31<sup>st</sup> March, 2003.

**3. DIRECTORS 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 Meeting		Attendance at last AGM Held on 30th Sept., 2002
	Held	Attended	
Sri Dilip Kumar Agrawal -M.D.	6	6	Yes
Sri Deepak Patwari	6	5	Yes
Sri Tribhuwan Saraf	6	4	No
Sri Sunil Kumar Poddar	6	5	Yes

**4. COMMITTEES OF DIRECTORS**

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

- a) Audit Committee
- b) Investors Grievance Committee

**a) Audit Committee**

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 2002-2003 the Audit Committee met 5 times on 30<sup>th</sup> April, 2002, 31<sup>st</sup> July 2002, 14<sup>th</sup> Aug., 2002, 31<sup>st</sup> October, 2002 and 31<sup>st</sup> January, 2003.

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 meeting held	No. of meetings attended
1.	Sri Deepak Patwari	5	5
2.	Sri Tribhuwan Saraf	5	3
3.	Sri Sunil Kumar Poddar	5	5

## ESSKAY TELECOM LIMITED

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. Share Transfer & Investors Grievance Committee

The Committee deals with the various matters relating to :

- 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

35 meeting were held during the Financial Year 2002-2003. The composition of the committee as at 31st March, 2003 and the no. of meetings attended by each of the members are as under :

Sr. No.	Members of Investors Grievances Committee	No. of meetings attended
1.	Sri Dilip Kumar Agarwal	35
2.	Sri Deepak Patwari	35
3.	Sri Tribhuwan Saraf	28

As required by the Listing agreement with the Stock Exchanges, Mr. Dileep Kumar Singh has been appointed as 'Compliance Officer' to monitor the shares 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, 2003	Pending at the end of the year	No. of pending share transfers
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.

**ESSKAY TELECOM LIMITED****5. ANNUAL GENERAL MEETING**

- Location and time, where last three AGMs held.

Year	Date	Place	Time
2002	30.09.2002	Eastern Zonal Cultural Centre, IA-290, Sector-III, Salt Lake City, Kolkata-700 091	11.00 A.M.
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.

- Whether special resolutions were put through postal ballot last year, details of voting pattern. no special resolution 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.

**b) Details of Non- Compliance by the Company, penalties, structure imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets.**

The Company has complied with all requirements of the listing agreement with the stock exchanges as well as regulations and guidelines of SEBI except payment of listing fees to Delhi & Ahmedabad Stock Exchanges. No penalties or strictures have been imposed by SEBI, stock exchanges or any statutory authorities on matters relating to capital markets during the last three years.

**7. MEANS OF COMMUNICATION**

The Board of Directors of the Company approves and take on record un-audited results in the proforma prescribed by the stock exchange, within one month of the close of the every quarter and announces forthwith the results to all the stock exchanges where the shares of the Company are listed. Shareholders are intimated through print media of quarterly financial results and performance besides significant matters, within time period stipulated from time to time by stock exchanges. The quarterly Un-Audited Financial Results and Annual Audited Financial Results are published in leading, national newspaper i.e. The Financial Express (English) and Kalantar (Bengali).

**8. GENERAL SHAREHOLDER'S INFORMATION****I. Annual Genral Meeting**

Date & Time	29th September, 2003 at 11.00 A.M.
Venue	Eastern Zonal Cultural Centre, IA-290, Sector-III, Salt Lake City, Kolkata-700 091