

# ESSKAY TELECOM LIMITED

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**12TH  
ANNUAL REPORT  
2004-2005**

**12TH ANNUAL REPORT & ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH, 2005**

**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

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

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. B. Road,

Kolkata - 700 001

## ESSKAY TELECOM LIMITED

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### NOTICE

Notice is hereby given that the Annual General Meeting of **M/s. ESSKAY TELECOM LIMITED** will be held at Eastern Zonal Cultural Centre, 1A-290, Salt Lake City, Kolkata - 700 091 on Friday, the 30th day of September, 2005 at 11.00 A.M. for transacting the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited accounts of the company for the year ended 31st March, 2005 and the report of the Board of Directors and Auditors thereon.
  2. To appoint a director in place of Sri Sunil Kumar Poddar, who retires by rotation and being eligible offers himself for re-appointment.
  3. To appoint Auditors and to fix their remuneration.
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1. A member entitled to attend and vote is entitled to appoint 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 Saturday, 24th September, 2005 to Friday, 30th September, 2005 (both days inclusive).
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#### *Registered Office :*

1-B, Black Burn Lane,  
4th Floor,  
Kolkata - 700 012

Dated: 18.07.2005

For ESSKAY TELECOM LTD.

Sd/-  
(Dileep Kumar Singh)  
Secretary

**ESSKAY TELECOM LIMITED****DIRECTOR'S REPORT**

Dear Shareholders,

Your directors take pleasure in presenting the Twelfth Annual Report of the Company together with the Audited Statement of Accounts and the Auditor's Report thereon for the Year ended 31st March, 2005. The summarised financial results are as under :

**FINANCIAL HIGHLIGHTS**

	<b>31.03.2005</b> <b>(In Rs.)</b>	<b>31.03.2004</b> <b>(In Rs.)</b>
<b>PROFIT BEFORE TAXATION</b>	1,151,271.74	249,839.57
Provision for Taxation	444,942.00	35,910.00
<b>PROFIT AFTER TAXATION</b>	706,329.74	213,929.57
Special Statutory Reserve	(141,266.00)	(42,786.00)
Deferred Tax	(3,682.00)	(52,417.00)
Balance brought forward	738,687.26	619,960.69
<b>Surplus carried to Balance Sheet</b>	<b>1,300,069.00</b>	<b>738,687.26</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**

Mr. 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, 2005 :

- 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 judgments 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 and detecting fraud and other irregularities;
- iv) That the annual accounts have been prepared on a going concern basis.

## **ESSKAY TELECOM LIMITED**

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### **AUDITORS**

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

### **PARTICULARS OF 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 along with auditors certificate and Management Discussion & Analysis thereon is enclosed as Annexure 'A' and form part of this report.

### **LISTING OF SHARES**

The Company's equity shares are listed on the Mumbai & Calcutta Stock Exchanges. Your Company has paid the annual listing fees to each of these stock exchanges.

### **VOLUNTARY DELISTING OF SECURITIES**

The Company's shares had been delisted from Delhi Stock Exchange.

### **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: 30th June, 2005

(Sunil Kumar Poddar)

*Director*

(Deepak Patwari)

*Director*

(Dilip Kumar Agrawal)

*Managing Director*

**ESSKAY TELECOM LIMITED****ANNEXURE "A"****CORPORATE GOVERNANCE REPORT****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The company firmly believes that good corporate governance is the foundation of corporate excellence. A sound governance process consists of a combination of business practices which result in enhancement of shareholder value and enable the company to fulfill its obligations to customers, employees, financiers and to the society in general. The company aims to increase and sustain its corporate value through growth and innovation.

**BOARD OF DIRECTORS :****Composition & Category :**

The current policy is to have an appropriate mix of executive & independent directors to maintain the independence of the Board. The Composition of the Board of Directors as of 31st March, 2005 is as follows :

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

**Changes in the composition of the Board of Directors :**

There is no change in Board of Directors since last Annual General Meeting.

**Details of Remuneration to the Directors for the year ended 31st March, 2005 :****Name of Director****Salary & Other Benefits**

Mr. Dilip Kumar Agrawal

Rs. 1,95,000/-

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

**Attendance of each Director at the Board Meetings and the last Annual General Meeting :**

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, 7 Board meeting were held on 30th April, 2004, 31st July, 2004, 18th August, 2004, 30th October, 2004, 31st January, 2005, 15th February, 2005 and 31st March, 2005.

## ESSKAY TELECOM LIMITED

Attendance of each director at the Board of Directors meeting and the last Annual General Meeting (AGM) was as follows :

Director			Attendance at last AGM Held on 30th Sept., 2003
	Held	Attended	
Sri Dilip Kumar Agrawal	7	7	A
Sri Deepak Patwari	7	7	P
Sri Tribhuwan Saraf	7	7	P
Sri Sunil Kumar Poddar	7	6	P

### 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 :

1. Audit Committee
2. Share Transfer and Investors Grievance Committee

### 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 :

1. Sri Deepak Patwari
2. Sri Tribhuwan Saraf
3. Sri Sunil Kumar Poddar

### MEETINGS & ATTENDANCE :

During the Financial Year 2004-05, the Audit Committee met 6 times on 30th June, 2004, 31st July, 2004, 18th August, 2004, 30th October, 2004, 31st January, 2005 and 31st March, 2005.

Members of Audit Committee	No. of Meeting Attended
Sri Deepak Patwari	6
Sri Tribuwan Saraf	6
Sri Sunil Kumar Poddar	5

### SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE :

The Company constituted the Shareholder/Investor Grievance Committee to oversee the redressal of shareholders' and investors' grievances in relation to transfer of shares, non-receipt of annual report, issue of duplicate share certificate & all other matters related to shares. The Constitution of the Committee is as follows :

1. Sri Dilip Kumar Agrawal
2. Sri Deepak Patwari
3. Sri Tribhuwan Saraf

**ESSKAY TELECOM LIMITED**

During the Financial year ended 31st March, 2005, 15 (Fifteen) Shareholders'/Investors' Grievance Committee meetings were held.

**COMPLIANCE OFFICER :**

The Board has designated Shri Dileep Kumar Singh, Company Secretary as the Compliance Officer.

**DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED :**

The total number of complaints/correspondence received and replied to the satisfaction of the shareholders during the year ended 31st March, 2005 were 3. There were no outstanding complaints as on 31st March, 2005. No shares were pending for transfer as on 31st March, 2005.

**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.

**ANNUAL GENERAL MEETING :**

Location and time, where last three Annual General Meetings were held is given below :

Financial Year	Date	Place	Time
2003-2004	30.09.2004	Eastern Zonal Cultural Centre, IA-290, Sector-III Salt Lake City, Kolkata - 700 091	11.00 A.M.
2002-2003	29.09.2003	Eastern Zonal Cultural Centre, IA-290, Sector-III Salt Lake City, Kolkata - 700 091	11.00 A.M.
2001-2002	30.09.2002	Eastern Zonal Cultural Centre, IA-290, Sector-III Salt Lake City, Kolkata - 700 091	11.00 A.M.

No special resolution was put through ballot at the last Annual General Meeting.

**DISCLOSURE**

- i) The Company does not have any related party transactions, which may have potential conflict with the interests of the company at large.
- ii) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures were imposed against it during the last three years.

**MEANS OF COMMUNICATION**

The Board Directors of the Company approves and take on record un-audited financial results in the Performa 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 share 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 newspapers i.e. The Financial Express (English) and Kalantar (Bengali). Full Version of Annual Report, Corporate Governance Report, Financial results & Shareholding Pattern of the Company are posted on the Electronic Data Information Filing & Retrieval (EDIFAR) Website namely: [www.sebidifar.nic.in](http://www.sebidifar.nic.in)



**ESSKAY TELECOM LIMITED****GENERAL SHAREHOLDER'S INFORMATION :****ANNUAL GENERAL MEETING :**

Date & Time	30th September, 2005 at 11.00 A.M.
Venue	Eastern Zonal Cultural Centre, IA-290, Sector-III Salt Lake City, Kolkata - 700 091

**PROFILE OF THE RETIRING DIRECTOR**

Shri Sunil Kumar Poddar retires by rotation and being eligible offers himself for re- appointment. Mr. Poddar is a dynamic entrepreneur and has rich working experience in various industries and finance business. His directorship in other companies is nil.

**FINANCIAL YEAR CALENDAR FOR 2005-06 (TENTATIVE) :**

Financial reporting for the quarter ending June 30, 2005	End of July, 2005
Financial reporting for the quarter ending September 30, 2005	End of October, 2005
Financial reporting for the quarter ending December 31, 2005	End of January, 2006
Financial reporting for the quarter / year ending March 31, 2006	End of April, 2006
Annual General Meeting for the year ending March 31, 2006	End of Sept., 2006

<b>Book Closure Date</b>	24th September, 2005 - 30th September, 2005 (both days inclusive) on account of A.G.M.
<b>Dividend Payment Date</b>	No dividend has been recommended by the Board
<b>Listing of Equity Shares on Stock Exchanges at</b>	1. The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata - 700 001  2. The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001
<b>Listing Fees</b>	The Company has paid upto date listing fees to all Stock Exchanges.
<b>Depositories</b>	1. National Securities Depository Ltd. Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 003  2. Central Depository Services (India) Ltd. Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai - 700 023

**STOCK CODE**

<b>Name of the Exchange</b>	<b>Code</b>
The Calcutta Stock Exchange Association Ltd.	10015062
The Stock Exchange, Mumbai	531478

**ESSKAY TELECOM LIMITED****STOCK MARKET DATA :** (Face Value of Rs. 10/- each) :

	<b>The Stock Exchange Mumbai ( in Rs. )</b>		<b>Calcutta Stock Exchange Kolkata ( in Rs. )</b>	
	High	Low	High	Low
April - 04	2.59	1.21	1.95	1.50
May - 04	1.80	1.45	1.95	1.50
June - 04	1.80	1.45	1.95	1.50
July - 04	2.03	1.30	1.95	1.50
August - 04	1.80	1.21	1.95	1.50
September - 04	2.05	1.16	1.95	1.50
October - 04	2.60	1.40	1.95	1.50
November - 04	2.53	1.41	1.95	1.50
December - 04	6.46	1.70	6.40	4.70
January - 05	7.31	4.87	6.40	4.70
February - 05	7.50	4.92	8.90	5.75
March - 05	6.84	4.55	7.90	5.60

**REGISTRAR AND TRANSFER AGENTS :**

For Dematerialised and Physical Form	Niche Technologies Private Limited D-511, Bagree Market, 5th Floor 71, B. R. B. B. Road, Kolkata-700 001
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**SHARE TRANSFER SYSTEM :**

The power to approve transfer/transmission of securities is delegated by the Board to the Share Transfer and Investors Grievance Committee. The company's share being tradable in compulsory demat form are transferable through the depository system. Share transfer requests are processed within the specified period. Share Certificates are dispatched by Registered post to the shareholders.

**CATEGORIES OF SHAREHOLDING AS ON 31.03.2005 :**

<b>Category</b>	<b>% of Total Shareholding</b>
Indian Promoters	8.53%
Mutual Fund & UTI	0.08%
Banks, FIs, Insurance Cos.	0.12%
NRI/OCBs/Other Foreign Shareholders	1.35%
Domestic Companies	14.64%
Indian Public	75.28%
<b>Total</b>	<b>100.00%</b>