

ESSKAY TELECOM LIMITED

Report  junction.com

14TH
ANNUAL REPORT
2006 - 2007

ESSKAY TELECOM LIMITED

14TH ANNUAL REPORT & ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007

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 : esskaytele@gmail.com

AUDITORS

A. K. BASU & CO.

Chartered Accountants

32, Govinda Addy Road,

Flat No. 31, Chaturanga

Kolkata - 700 027

BANKERS

CANARA BANK

IDBI BANK

COMPANY SECRETARY

ASISH NARAYAN

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

NOTICE

Notice is hereby given that the Annual General Meeting of **M/s. ESSKAY TELECOM LIMITED** will be held at EASTERN ZONAL CULTURAL CENTRE, IA-290, SALT LAKE CITY, KOLKATA - 700 091 on Friday, the 28th day of September, 2007 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, 2007 and the report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Sri Deepak Patwari, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Registered Office :

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

Dated: 24.08.2007

By order of the Board
For ESSKAY TELECOM LTD.

Sd/-
(Ashish Narayan)
Company Secretary

Notes :

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, 22nd September, 2007 to Friday, 28th September, 2007 (both days inclusive).

Registered Office :

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

Dated: 24.08.2007

By order of the Board
For ESSKAY TELECOM LTD.

Sd/-
(Ashish Narayan)
Company Secretary

ESSKAY TELECOM LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your directors take pleasure in presenting the Fourteenth Annual Report of the Company together with the Audited Statement of Accounts and the Auditor's Report thereon for the Year ended 31st March, 2007. The summarised financial results are as under :-

FINANCIAL HIGHLIGHTS

	31.03.2007 (In Rs.)	31.03.2006 (In Rs.)
PROFIT BEFORE TAXATION	80,109.06	170,341.67
Provision for Taxation	22,747.00	28,678.00
Provision for F.B.T.	42,793.00	—
Deffered Tax	(4,723.00)	19,489.00
PROFIT AFTER TAXATION	19,292.06	122,174.67
Special Statutory Reserve	(2,954.00)	(24,608.00)
Balance brought forward	1,397,635.67	1,300,069.00
Surplus carried to Balance Sheet	1,413,973.73	1,397,635.67

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. Deepak Patwari 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, 2007 :

- 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 accounting

ESSKAY TELECOM LIMITED

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, 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.

FOREIGN EXCHANGE

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

APPRECIATION

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

(Sunil Kumar Poddar) (Deepak Patwari) (Dilip Kumar Agrawal)
Director Director Managing Director

Dated: 30th June, 2007

REPORT ON CORPORATE GOVERNANCE**CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance is the foundation of corporate excellence and commitment to values & ethical business conduct. 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. Your Company firmly believes that such practices are founded upon the core values of transparency, accountability, independence, responsibility and fairness. Your Company makes best endeavours to implement these core values in all facets of its operations.

1. BOARD OF DIRECTORS :**Size & Composition of the Board :**

The Board has optimum combination of executive & non-executive/independent directors to maintain the independence and has been constituted in such a way that it has understanding and competence to deal with current and emerging business issues. The Board of Directors as on 31st March, 2007 are consisting of 4 (four) directors out of which 2 (two) are independent as per detail below :-

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

2. RE-APPOINTMENT OF DIRECTOR :

The brief particulars of the Directors to be re-appointed at the ensuing Annual General Meeting pursuant to revised Clause 49 of the Listing Agreement :

Name of the Director	Shri Deepak Patwari
Date of Birth	03.07.1972
Date of Appointment	13th October, 1993
Qualification	B. Sc.
Expertise in specific functional area	Shri Patwari is having expertise in Accounts and Finance matters.
Directorship of other companies (*)	Destiny Infotek Ltd. Y2k Consultancy Services (P) Ltd.
Chairman/Membership in Committees	None

ESSKAY TELECOM LIMITED**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, 4 Board meetings were held on 30.06.06, 31.07.06, 31.10.06 & 31.01.2007.

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

Director	No. of Meetings		Attendance at last Annual General Meeting
	Held	Attended	
Sri Dilip Kumar Agrawal	4	4	P
Sri Deepak Patwari	4	4	P
Sri Tribhuvan Saraf	4	3	P
Sri Sunil Kumar Poddar	4	3	P

3. CODE OF CONDUCTS :

The Board of Directors of the Company approved the "Code of Conduct" for the directors and senior management personnel of the Company in compliance to clause 49 of the Listing Agreement. The directors and senior management personnel have affirmed the compliance with the same for the financial year 2006-07.

DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT

I hereby confirm that the Company has obtained affirmation to the compliance of Code of Conduct of the company for the year ended 2006-07 from all the Directors and Senior Management Personnel of the Company.

Kolkata, 30th June, 2007

Sd/-
(Dilip Kumar Agrawal)
Managing Director

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

4. AUDIT COMMITTEE :

The present Audit Committee cover the matters specified under revised Clause 49 of the Listing Agreement with Stock Exchanges and fulfills the requirements of section 292A of the Companies Act, 1956.

The Audit Committee reviews, acts and reports to the Board of Directors with respect to :

- a. the appointment of statutory auditors of the Company ;

ESSKAY TELECOM LIMITED

- b. provide Board with additional assurance as to the reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems ;
- c. it acts as a link between the management, statutory auditors and the Board of Directors ;
- d. Company's compliance with the statutory requirements.

COMPOSITIONS, MEETINGS & ATTENDANCE :

The Audit Committee of the Company consists of 3 directors including two independent directors. During the Financial Year 2006-07, the Audit Committee met 4 times on 30th June, 2006, 31st July, 2006, 31st October, 2006, and 31st January, 2007.

Name of the Members	Designation	Nature of Membership	No. of Meetings Attended
Sri Deepak Patwari	Chairman	Executive	4
Sri Sunil Kumar Poddar	Member	Independent & Non-Executive	4
Sri Tribhuvan Saraf	Member	Independent & Non-Executive	3

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 Tribhuvan Saraf

COMPLIANCE OFFICER :

The Board has designated Sri Ram Chander Sharma, Senior Officer of the Company 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, 2007 were 3 (Three). There were no outstanding complaints as on 31st March, 2007. No shares were pending for transfer as on 31st March, 2007.

6. 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**7. GENERAL BODY MEETING :**

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

Financial Year	Date	Location of the Meeting	Time
2005-2006	27.09.2006	Eastern Zonal Cultural Centre, IA-290, Sector-III Salt Lake City, Kolkata - 700 091	11.00 A.M.
2004-2005	30.09.2005	Eastern Zonal Cultural Centre, IA-290, Sector-III Salt Lake City, Kolkata - 700 091	11.00 A.M.
2003-2004	30.09.2004	Eastern Zonal Cultural Centre, IA-290, Sector-III Salt Lake City, Kolkata - 700 091	11.00 A.M.

No special resolution was put through postal ballot during the financial year 2006-07.

8. DISCLOSURES

- i) There were no materially significant related party transactions, which may have potential conflict with the interests of the company at large. The related party transactions are duly disclosed in the "Notes on Accounts" to the Balance Sheet.
- 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.

9. MEANS OF COMMUNICATION

The Board of 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

10. GENERAL SHAREHOLDER'S INFORMATION :**(i) ANNUAL GENERAL MEETING :**

Date & Time	28th September, 2007 at 11.00 A.M.
Venue	Eastern Zonal Cultural Centre, IA-290, Sector-III Salt Lake City, Kolkata - 700 091

(ii) FINANCIAL YEAR CALENDAR FOR 2007-08 (TENTATIVE SCHEDULE) :

Financial reporting for the quarter ending June 30, 2007	End of July, 2007
Financial reporting for the quarter ending September 30, 2007	End of October, 2007
Financial reporting for the quarter ending December 31, 2007	End of January, 2008
Financial reporting for the quarter/year ending March 31, 2008	End of June, 2008
Annual General Meeting for the year ending March 31, 2008	End of Sept., 2008

ESSKAY TELECOM LIMITED

(iii) BOOK CLOSURE DATE :

The Register of Members shall remain closed from Thursday, 22nd September, 2007 to Friday, 28th September, 2007 (both days inclusive).

(iv) DIVIDEND PAYMENT DATE

No dividend has been recommended by the Board of Directors for the year under review.

(v) LISTING OF STOCK EXCHANGES :

- | | |
|--|--|
| 1. The Calcutta Stock Exchange Association Ltd.
7, Lyons Range
Kolkata - 700 001 | 2. Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001 |
|--|--|

LISTING FEES :

The Company has paid up to date listing fees to both the Stock Exchange.

(vi) DEPOSITORIES :

- | | |
|---|---|
| 1. National Securities Depository Ltd.
TradeWorld, 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 - 400 023 |
|---|---|

(vii) STOCK CODE :

The Calcutta Stock Exchange Association Ltd.	10015062
Bombay Stock Exchange Ltd.	531478
International Securities Identification Number (ISIN)	INE913A01012

(viii) STOCK MARKET DATA : (Face Value of Rs. 10/- each) :

	Bombay Stock Exchange Ltd. Mumbai		Calcutta Stock Exchange Kolkata	
	High	Low	High	Low
April - 06	2.03	1.40	—	—
May - 06	2.60	1.61	—	—
June - 06	1.69	1.10	—	—
July - 06	1.30	0.95	—	—
August - 06	1.29	1.00	—	—
September - 06	1.25	0.77	—	—
October - 06	1.02	0.77	—	—
November - 06	1.13	0.83	—	—
December - 06	1.78	1.00	—	—
January - 07	1.90	1.04	—	—
February - 07	1.90	1.35	—	—
March - 07	1.40	0.92	—	—