



SKYPAK

Service Specialists Ltd.

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**20th Annual Report
2001-2002**



BOARD OF DIRECTORS

Mr. Dilip M. Kulkarni
Chairman

Mrs. Devika D. Kulkarni
Executive Director

Mr. Hemant M. Arya
Director

Mr. G. S. Nayak
Director

REGISTERED OFFICE

Skypak House,
Marol,
Andheri (E)
Mumbai - 400 0059.

AUDITORS

RAY & RAY
Chartered Accountants
Mumbai

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Mondkar Computers Pvt. Ltd.
21, Shakti Niwas, Near Saibaba Temple,
Mahakali Caves Road, Andheri (E),
Mumbai - 400 093.

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NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of Skypak Service Specialists Ltd. will be held as under :

DAY : Friday

VENUE : Kumaria Presidency Hotel
Marol Naka,
Andheri (E),
Mumbai – 400 059.

DATE : 27th September, 2002

TIME : 11.00 a.m.

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2002, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dilip M. Kulkarni who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, to authorise the Board of Directors to fix their remuneration.

For and on behalf of the Board of Directors

Dilip M. Kulkarni
Chairman

Registered Office:

Skypak Service Specialists Ltd.
Skypak house,
Maro I Naka,
Andheri(E),
Mumbai 400 059.

Dated: 26th August, 2002

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NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT SKYPAK SERVICE SPECIALISTS LTD., SKYPAK HOUSE, MAROL NAKA, ANDHERI (E), MUMBAI - 400 059, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**
2. The Register of Members of the Company shall remain closed for a period of five days during the period from Monday, the 30th September, 2002 to Thursday, 3rd October, 2002 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the Company through their Share Transfer Agents - M/s. Mondkar Computers Pvt. Ltd. having Registered Office at 21, Shakti Niwas, Near Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400 093.
4. Members are requested to communicate to M/s. Mondkar Computers Pvt. Ltd. having Registered Office at 21, Shakti Niwas, Near Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400 093 on all matters concerning share transfer at the above address, quoting invariably their folio number in all correspondence.
5. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.
6. Members are requested to get their shares dematerialized, keeping in view the fact that the Company has made the facility available to its members viz. CDSL. Those members who have yet not opted for the demat option are requested to do so at the earliest so as to facilitate ease in the transfer, the Company's ISIN Number is INE 539D01013.
7. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Board of Directors of the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
8. Members are requested to bring the copy of the Annual Report sent to them.

DIRECTORS' REPORT

The Directors are pleased to present the 20th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2002.

SUMMARISED FINANCIAL RESULTS:

	(Rs. in Lacs)	
	Year ended 31.3.2002	Year ended 31.3.2001
Profit before interest and depreciation	150.32	160.84
Less :		
Interest	14.38	10.45
Depreciation	24.55	40.91
Profit before tax	111.39	109.48
Tax Provision	18.91	9.25
Profit after tax	92.48	100.23
Balance brought forward from previous year	(979.86)	(1080.09)
Balance in Profit & Loss Account	(887.38)	(979.86)

THE YEAR UNDER REVIEW

Despite tremendous pressure on the business due to the global economic slowdown mainly after the fallout of September 11, the Company maintained the level of profit. The profit for the year before tax was Rs. 111.39 as compared to previous year Rs. 109.48 lacs.

OPERATIONS REVIEW

During the current year, Company has settled the dues of Unit Trust of India through a onetime settlement with them. This settlement resulted in a saving of Rs. 75.81 lacs to your Company. To augment the cash flow for the purpose of this one time settlement your Board has found it necessary to sell the Trade Mark as valued by the valuers for Rs. 106.48 lacs. The sale of this Trade Mark has helped your Company to repay its high cost loans which in the long term will improve profitability. Further your Company will not be required to pay any license fees for the period of one year for use of the Trade Mark.

The National Consumer Dispute Redressal Commission passed an order in the compliant bearing No. 66 of 1992 between Tata Chemicals Ltd. vs. Skypak confirming the Arbitrators award of Rs. 34.70 lacs plus interest passed by Hon'ble Mr. Justice V.D. Tulzapurkar (Retd.). Your Company made adequate provision for the same in the current year.

EMBEDDING TECHNOLOGY IN BUSINESS

A distinctive feature of courier industry has been employment of technology in all business processes. As a pioneer of the industry in India, your Company has been investing continuously in technology in order to enhance customer service as well as internal controls. Towards this end, it has lately made significant strides in employing web based information technology and embedding it into business processes. As part of this development, the Company has established multiple web servers and will shortly instal VSATs at several offices for broad band connectivity.

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Highlights of services and business processes enhanced by employment of the technology are as follows :

Shipment Tracking :

- by AWB : upto 10 shipments can be tracked in one session
- by e-mail : an e-mail may be sent to Company's site and tracking details obtained in response by e-mail
- by SMS (under implementation)

Directory of services on web

- pin code , locations
- tariffs (under implementation)
- transit times (under implementation)

Intranet based Internal Controls :

- direct updates of shipment statuses to web server
- electronic diary for customer service
- on-line operations performance monitoring
- on-line access to archived POD images

Extranet for Premium Customers :

- track by customer reference
- track shipments within a specified date range
- download shipment statuses to customer's server
- link customer's web site to skypak's site for data base access ("NET")

These technological development makes your Company comparable to any international operators.

INDUSTRIAL RELATIONS

Industry relations continue to be cordial.

ENERGY, TECHNOLOGY AND FOREIGN EXCHAGNE

As required by the Companies (Disclosure of Particulars in the Report of Board Of Directors) Rules, 1988 the Company being a service Company not having any manufacturing activities, the Directors have nothing to report on conservation of energy, Technology Absorption.

The Foreign Exchange Earnings : Rs. 244.48 Lacs

Foreign Exchange outgo : Rs. 226.53 Lacs

PUBLIC DEPOSITS

The Company neither has accepted nor renewed any fixed deposit during the year under review.

DIRECTORS

In accordance with the provisions of The Companies Act, 1956 and the Articles of Association of the Company, Mr. Dilip M. Kulkarni- Director, retires by rotation and being eligible offers himself for re-appointment.

AUDITORS' REPORT

Relevant notes on accounts are self-explanatory and are as per Annexure to the Auditors' Report.

PERSONNEL

The Company has not paid any remuneration attracting the provisions (Particulars of Employees) Rules, 1975 read along with Section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

AUDITORS

M/s. Ray & Ray, Chartered Accountants, retire as Auditors and have expressed their willingness to hold office if re-appointed.

ACKNOWLEDGEMENTS

Your Directors convey their sincere thanks to the Government, Banks, Shareholders and customers for their continued support extended to the Company at all times.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have 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 at the end of the financial year and of the profit and loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care 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 Directors have prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

On behalf of the Board of Directors

Mr. Dilip M. Kulkarni

Mrs. Devika D. Kulkarni

Directors

Place : Mumbai

Dated : 26th August, 2002

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AUDITORS' REPORT**TO THE MEMBERS OF
SKYPAK SERVICE SPECIALISTS LTD.**

We have audited the attached Balance Sheet of Skypak Service Specialists Ltd. as at March 31, 2002. This financial statement is the responsibility of the Company's Management. Our responsibility is to express an opinion thereon based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant accounting estimates made by the Management as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Manufacturing & Other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of Sub – section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the annexure referred to above we report that :

1. We have obtained all the information and explanations which to the best of our knowledge were necessary for the purpose of our audit;
2. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
3. The balance sheet dealt with by this report is in agreement with the books of account;
4. On the basis of written representations received from directors and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2002 from being appointed as a director in terms of clause (g) of Sub section (1) of Section 224 of the Companies Act, 1956;
5. In our opinion the Balance Sheet dealt with by this report complies with all the accounting standards referred to in Sub section (3C) of Section 211 of the Companies Act, 1956.