



SKYPAK

Service Specialists Ltd.

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23rd Annual Report

2004-05

BOARD OF DIRECTORS

Mr. Dilip M. Kulkarni

Chairman

Mrs Devika D. Kulkarni

Executive Director

Mr. Hemant Arya

Director

Mr. G.S. Nayak

Director

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NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the members of Skypak Service Specialists Ltd. will be held as under :

DAY : Wednesday

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

DATE: 30th November, 2005

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, 2005, 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. G.S. Nayak 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.

Skypak Service Specialists Ltd.

Dilip M. Kulkarni
Chairman

Registered Office:

Skypak service Specialists Limited
Skypak house
Moral Naka
Andheri(E)
Mumbai 400 059

Dated: 31st October 2005

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 LIMITED, SKYPAK HOUSE, MORAL 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 12th December 2005 to Friday the 16th December 2005 (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 following 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. NSDL/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.

SKYPAK SERVICE SPECIALISTS LTD**DIRECTORS' REPORT**

The Directors are pleased to present the 23rd Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2005

SUMMARISED FINANCIAL RESULTS:

	Year ended 31.3.2005	(Rs. in Lacs) Year ended 31.3.2004
Profit before interest and depreciation	(125.48)	103.56
Less: Interest	25.80	27.14
Depreciation	28.40	24.01
Profit before tax	(179.68)	52.14
Tax Provision	12.63	9.52
Profit after tax	(167.05)	42.62
Balance brought forward from previous year	(813.18)	(855.80)
Balance in Profit & Loss Account	(980.23)	(813.18)

THE YEAR UNDER REVIEW

The Courier industry in general witnessed a downtrend in its operations as a result of recession prevailing in the economy and stiff competition from other service sectors like e-mail and electronic mail providers. The overall performance of the company has been satisfactory. The total income of the company was Rs. 2195.685 Lacs as compared to previous year Rs. 2676.73 Lacs. The net loss after depreciation and provision for tax for the year ended 31st March, 2005 was Rs. 167.05 Lacs as compared to the profit of Rs. 42.62 Lacs in the previous year.

The company has disinvested its holdings of Bliss Chemicals and Pharmaceuticals India limited during this year

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

As required by the Companies (Disclosure of Particulars in the Report of Board Of Directors) Rules, 1988 the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure "A" to this report.

FIXED DEPOSITS

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

INDUSTRIAL RELATIONS:

Industry relations continue to be cordial.

DIRECTORS

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

23rd ANNUAL REPAORT**SKYPAK SERVICE SPECIALISTS LTD****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, 2005, 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 2005 on a 'going concern' basis.

On behalf of the Board of Directors.

Mr. Dilip M. Kulkarni
Chairman

Mrs. Devika D. Kulkarni
Executive Director

Place : Mumbai

Dated : 31st October 2005

SKYPAK SERVICE SPECIALISTS LTD

ANNEXURE "A" TO THE DIRECTORS' REPORT

Particulars under Companies (Disclosure of Particulars on the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 2005.

A. CONSERVATION OF ENERGY:

- Energy Conservation measures taken : Adequate Steps has been taken for energy conservation.
- Additional Investments and Proposals, if any, being implemented for implemented for reduction of consumption of energy : On a periodic basis necessary corrective steps have been taken for replacement of old equipments.
- Impact of the measures as above for reduction of energy consumption and consequential impact on the cost of production of goods : Marginally there is a saving in the cost of production of goods
- Total energy consumption per unit of production : Not Identifiable

B. TECHNOLOGY ABSORTION: Upgradation and modernization of the plant and machinery carried out with latest technology available in the market

C. FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange used and earned:-

		(Rs. in Lacs) Year ended
	31.3.2005	31.3.2004
Used :		
1. On Foreign Travel	0.93	7.30
2. On Delivery & Linehaul charges	136.35	267.21
Earned :		
1. Delivery Charges Received	198.20	113.09

On behalf of the Board of Directors.

Mr. Dilip M. Kulkarni
Chairman

Mrs. Devika D. Kulkarni
Executive Director

Place : Mumbai

Dated : 31st October 2005

SKYPAK SERVICE SPECIALISTS LIMITED

CORPORATE GOVERNANCE REPORT

1	Company philosophy on Code of Governance: Your Company believes that good corporate governance contemplates that corporate actions balance the interests of all stakeholders and satisfy the tests of accountability, transparency and fair play.				
2	Board of Directors: The present strength of your Company's Board is four Directors comprising two Executive Director , two non-executive Directors. Mr. Girija Shankar Nayak is the independent Director. Mr. Dilip M. Kulkarni is the Chairperson of the Board of Directors. Five Board Meetings were held during the period 1 st April, 2004 to 31 st March, 2005, on the following dates: 30/04/2004, 17/05/2004,31/07/2004, 30/10/2004 & 29/01/2005.				
3	The attendance at the Board Meetings and at the last AGM and the number of other Directorships and committee memberships of the Directors is given below:				
	Name of the Director	No. of Board Meetings attended	Attendance at last AGM	Number of Directorships in other Companies	Committee membership (excluding Skypak Service Specialties Limited)
	Mr. Dilip M. Kulkarni	5	Yes	7	Nil
	Mr. Girija Shankar Nayak	5	Yes	Nil	Nil
	Ms. Devika D. Kulkarni	5	Yes	5	Nil
	Mr. Hemant Arya	5	Yes	Nil	Nil
Number of Directorships in other Companies, excludes alternate Directorships, Directorships held in private Companies and in Companies registered under Section 25 of the Companies Act, 1956.					
4	Audit Committee: Your Company has an Audit Committee comprising one non-executive Director , one Executive Director and one independent Director. Mr. Girija Shankar Nayak is the Chairman of the Audit Committee. The members of the committee have financial and accounting knowledge and background. During the financial year ended 31 st March, 2005, Two audit Committee meeting were held on 30/04/2004 & 27 th November 2004 . The attendance at the Committee meetings is as under:				
	Name of the Director	No. of Board Meetings attended			
	Mr. Dilip M. Kulkarni	All			
	Mr. Girija Shankar Nayak	All			

Ms. Devika D. Kulkarni		All				
<ul style="list-style-type: none">- The terms of reference of the Audit Committee include:- to review the Company's financial reporting process and its financial statements.- to review the accounting and financial policies and practices.- to review the efficacy of the internal control mechanism and monitor risk management policies.- to review reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.						
5	Remuneration of Directors: The details of remuneration of the Directors during the year ended 31 st March, 2005 are as:					
Name of the Director		Salary & perquisites (Rs.)	Commission/ Consultancy (Rs.) *	Sitting Fees (Rs.)	Total (Rs.)	Service contract/Notice period
Mr. Dilip M. Kulkarni		Nil	Nil	Nil	Nil	Director retire by rotation
Mr. Girija Shankar Nayak		Nil	Nil	102000	102000	Director retire by rotation
Ms. Devika D. Kulkarni		360000	Nil	Nil	360000	Wholetime Director
Mr. Hemant Arya		120000	Nil	Nil	120000	Wholetime Director
		The Company does not currently have a stock option plan or performance linked incentive for its Directors.				
6.	Shareholders' / Investors' Grievance Committee: Your Company has a Shareholders' / Investors' Grievance Committee comprising Mr. Dilip M. Kulkarni Mr. Hemant Arya and Mr. Girija Shanakar Nayak. Mr. Dilip M. Kulkarni is the Chairperson of the Committee. The Committee met 24 times during the year ended 31 st March, 2005 for transacting the business relating to transfer / transmission / splitting of shares & issue of new Share certificates etc. and investors' grievance. The Board has designated Mr. S. Kotian as the compliance officer. The total number of complaints received, and replied to the satisfaction of the shareholders during the year ended 31 st March 2005 were 17. There were no pending share transfers and complaints as on 31 st March 2005.					
7.	General Body Meetings:					
AGM		Date	Vaneue			
22nd Annual General Meeting		30 th November 2004	Hotel Kumaria Presidency, Marol Naka, Andheri Kurla Road, Mumbai – 400 059			
21 st Annual General Meeting		24 th December 2003	Hotel Kumaria Presidency, Marol Naka, Andheri Kurla Road, Mumbai – 400 059			
20th Annual General Meeting		27 th September, 2002	Hotel Kumaria Presidency, Marol Naka, Andheri Kurla Road, Mumbai – 400 059			