



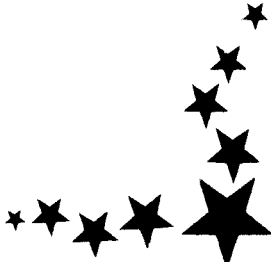
***SKYPAK***

**Service Specialists Ltd.**

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**24<sup>th</sup> Annual Report**

**2005-06**



## BOARD OF DIRECTORS

MR Dilip M.Kulkarni

Chairman

Mrs Devika D.Kulkarni

Executive Director

Mr Hemant Arya

Director

Mr G.S.Nayak

Director

## AUDITORS

Ray & Ray  
Chartered Accounts  
Mumbai

## REGISTERED OFFICE

Skypak House  
Marol, Andheri(East)  
Mumbai-400 059

[www.reportjunction.com](http://www.reportjunction.com)

## REGISTRARS & SHARE TRANSFER AGENT

Adroit Corporate Services Pvt. Ltd.  
19 Jaferbhoy Industrial Estate  
makhwana Road, Marol Naka  
Andheri (E) Mumbai- 400 059

## NOTICE

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of Skypak Service Specialists Ltd. will be held as under :

DAY : Friday , Marol Naka Andheri(E), Mum- 400059 VENUE: Kumaria Presidenc Hotel  
DATE: 29<sup>th</sup> December 2006 TIME: 10.00 a.m.

to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2006, 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.

### Special Business

4. Sale of property, RESOLVED THAT the members be and hereby ratify and confirm the Land and Buliding bearing CTS Number 777 (pt) 777/6 to 22 and CTS No. 781 Situated at Village Marol, Off. Andheri-Kurla Rd., Marol, Mumbai - 59 for Rs. 107.50 Million as per the MOU dt. 25<sup>th</sup> Aug, 2006 executed between the company & M/s Neelkamal Bhoomi Developers Pvt. Ltd.
5. Appoitment of Mrs. Devika D. Kulkarni as Executive Director of the company for further period of 3- years by way of passing of Ordinary resolution.

"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 198 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Mrs. Devika D. Kulkarni be and is hereby appointed as Executive Director of the Company with effect from 1<sup>st</sup> Apr. 2006 for a period of 3 years on terms and conditions including remuneration and perquisites as under:

The Executive Director (hereinafter called Director) shall carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company (hereinafter called "The Board") shall from time to time determine and entrust to her. Subject to the superintendence, control and direction of the Board, the Director shall have the general control and be responsible for the marketing and export business of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business she may consider necessary or proper in the best interests of the Company.

The Director shall report to the Board and shall be responsible for all her actions to the Board. It is hereby expressly agreed and declared that nothing herein contained shall vest or shall be deemed to be intended to vest in the Director, the management of the whole or substantially the whole of the affairs of the Company.

1. Salary: Rs. 30,000 –5,000- 50,000 per month.

2. Perquisites: The Director shall be entitled to the following perquisites provided that the total value of the perquisites shall be restricted to an amount equal to the annual salary or Rs. 500,000/- per annum, whichever is lower.

2.1 Housing:

The Company shall provide rent-free furnished accommodation with gas, electricity and water provided that the furnished accommodation shall not exceed 60% of the salary over and above 10% of the salary payable to Mrs. Devika D. Kulkarni.

If accommodation is a company owned house, Mrs. Devika D. Kulkarni shall pay to the Company by way of rent 10% of the salary. The provision of gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.

If the Company does not provide accommodation to Mrs. Devika D. Kulkarni, then she shall be entitled for House rent allowance of Rs. 30,000/- per month.

2.2 Leave Travel Concession & Medical Reimbursement:

(A) Leave Travel Expenses:

Expenses incurred for the appointee and his family subject to a ceiling of Rs. 25,000 in a year, in accordance with the rules specified by the company.

(B) Medical Reimbursement:

Expenses incurred for the appointee and his family subject to a ceiling of one months salary per month and in accordance with the rules specified by the company.

Explanation: For the purposes of a "family", family means the spouse, dependent children and dependent parents of the appointee.

Membership of the Employees' Provident Fund of the company to which the company will contribute at such percentage of salary as may be applicable, from time to time, to the employees. The appointee will be governed by the provident fund rules of the company.

2.4 Encashment of leave: As per company's rules. Encashment of leave, if any, in accordance with the rules of the Company shall be allowed only at the time of retirement or at the end of tenure as the case may be and it will not be included in the computation of ceiling for perquisites.

2.5 Telephone at residence reimbursed for rental and business calls.

2.6 Reimbursement of actual expenses for books and periodicals purchased for purposes of carrying-on her duties and reimbursement of entertainment expenses actually and properly incurred in the course of the Company's business.

2.7 Other benefits to which senior officers of the company are normally entitled to, according to the rules of the company

2.8 The Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.

2.8 Gratuity: - Payable in accordance with an approved fund, which does not exceed half month's salary for each completed year of service, subject to a ceiling of Rs.100, 000/-

In case the Director dies during the course of his employment, the Company shall pay to her heirs/ legal representatives the remuneration and / or other perquisites due and payable upto the date of death of the Director.

The Director shall not either during the continuance of her employment hereunder or thereafter except in the proper course of her duties hereunder divulge to any person whomsoever and shall use her best endeavours to prevent the publication or disclosure of any trade secret industrial process or any information concerning the business or finances of the Company or any other Company for whom she is directed to perform services hereunder or of any of their dealings transactions or affairs which may come to his knowledge during or in the course of his employment.

It is hereby agreed and declared that so long as the Director is in the employment of the Company she shall have no interest directly or indirectly in any manner whatsoever including but without limiting the generality thereof in any financing arrangements in or with any person, firm, company or corporation engaged in any business that is competitive with any business which the Company or any other Company which is subsidiary or is affiliated to or is associated with the Company carries or from time to time. In the event that the Director breaches this Clause, the Company may terminate the Director's employment hereunder without notice and such termination shall not affect any of the Director's other obligations hereunder and the same shall survive such termination.

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year during the period of Mrs. Devika D. Kulkarni's appointment, she will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 198 and 309 of the Companies Act, 1956 or in Section II of Part II of Schedule XIII to the Companies Act, 1956 and necessary approvals will be sought from Central Government."

RESOLVED FURTHER that an agreement, covering the above terms, be executed with Mrs. Devika D. Kulkarni under the Common Seal of the Company to be affixed thereto in accordance with the Articles of Association of the Company.

AND RESOLVED FURTHER that Mr. Dilip M. Kulkarni, Director and Mr. G.S. Nayak - Director be and are hereby authorised severally to send to the shareholders an abstract of the terms and conditions of the appointment of Mrs.. Devika D. Kulkarni as required under section 302 of the Companies Act, file necessary returns with the Registrar of Companies, Stock Exchange and other authorities, if any, and take further steps as may be necessary and proper regarding the appointment of Mrs. Devika D. Kulkarni as aforesaid."

**Skypak Service Specialists Ltd.**

**Dilip M. Kulkarni**  
**Chairman**

**Registered Office:**

Skypak service Specialists Limited  
Skypak house, Marol Naka, Andheri (East)  
Mumbai 400 059  
Dated: 31<sup>st</sup> October 2006

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 25<sup>th</sup> December 2006 to 29<sup>th</sup> December 2006 (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. Adroit Corporate Services Private Limited, 19/20, Jaferbhoy Estate , 1<sup>st</sup> Floor, Makwana Road, Marol Naka , Andheri (E), Mumbai - 400 059

4. Members are requested to communicate to M/s. Adroit Corporate Services Private Limited, 19/20, Jaferbhoy Estate , 1<sup>st</sup> Floor, Makwana Road, Marol Naka , Andheri (E), Mumbai - 400 059 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. 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.

**EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956**

**Item No. 4. Sale of Property**

For information dissemination and better corporate governance the Board recommend the said resolution for your consideration and approval.

The Directors are interested to the extent of their shareholding.

**Item No. 5**

The term of Mrs. Devika D Kulkarni as wholetime Director be and is hereby renewed for further period of 3- years with effect from 1<sup>st</sup> April 2006.

Name: Mrs. Devika D Kulkarni

Age:- 52 years, Educational Qualification : B. Sc.

Directorship in other Companies

M/s Dilip Holding Pvt. Ltd.

M/s Skypak Financial Securities Pvt. Ltd.

M/s Skypak Travel Pvt. Ltd.

M/s Sama Holding Pvt. Ltd.

Mr. Dilip Kulkarni and Mrs. Devika D. Kulkarni are interested in this resolution to the extent of their share holding

**24<sup>th</sup> ANNUAL REPORT 2005-06****SKYPAK SERVICE SPECIALISTS LIMITED****DIRECTORS' REPORT**

The Directors are pleased to present the 24<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2006.

**SUMMARISED FINANCIAL RESULTS:**

	Year ended 31.3.2006	(Rs. in Lacs) Year ended 31.3.2005
Profit before interest and depreciation	(341.10)	(125.48)
Less: Interest	21.32	25.80
Depreciation	27.92	28.40
Profit before tax	(390.34)	(179.68)
Tax Provision	3.61	12.63
Profit after tax	(386.73)	(167.05)
Balance brought forward from previous year	(980.23)	(813.18)
Balance in Profit & Loss Account	(1366.96)	(980.23)

**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. The overall performance of the company has been satisfactory. The total income of the company was Rs. 1952.74 lacs as compared to previous year Rs.2195.68 lacs. The net loss after depreciation and provision for tax for the year ended 31<sup>st</sup> March, 2006 was Rs.386.73 lacs as compared to Rs. 167.05 lacs in the previous year.

**INDUSTRIAL RELATIONS:**

Industry relations continue to be cordial.

**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 herein below .

**FIXED 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. The term of the Executive Director Mrs. Devika Dilip Kulkarni is due for renewal.

**AUDITORS' REPORT**

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

**24<sup>th</sup> ANNUAL REPORT 2005-06****SKYPAK SERVICE SPECIALISTS LIMITED****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 31<sup>st</sup> March, 2006, 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 31<sup>st</sup> March 2006 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 : 31<sup>st</sup> October 2006



**24<sup>th</sup> ANNUAL REPORT 2005-06****SKYPAK SERVICE SPECIALISTS LIMITED****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 31<sup>st</sup> March, 2006.

**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 31.3.2006	Year ended 31.3.2005
<b>USED:</b>		
1. On Foreign Travel	0.44	0.93
2. Delivery & Linehaul charges	223.52	136.35
<b>EARNED :</b>		
1. Delivery Linehaul charges received	128.68	198.20

On behalf of the Board of Directors.

Mr. Dilip M. Kulkarni  
Chairman

Mrs. Devika D. Kulkarni  
Executive Director

Place : Mumbai  
Dated : 31<sup>st</sup> October 2006

**24<sup>th</sup> ANNUAL REPORT 2005-06**  
**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.

Four Board Meetings were held during the period 1<sup>st</sup> April, 2005 to 31<sup>st</sup> March, 2006, on the following dates:

30<sup>th</sup> April, 2005, 31<sup>st</sup> July, 2005, 31<sup>st</sup> October, 2005, 31<sup>st</sup> January, 2006

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 Specialists Limited)
Mr. Dilip M. Kulkarni	All	Yes	7	NIL
Mr. Girija Shankar Nayak	All	Yes	1	1
Ms. Devika D. Kulkarni	All	Yes	5	NIL
Mr. Hemant Arya	All	Yes	3	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.

**3 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<sup>st</sup> March, 2006, Two audit Committee meeting were held on 05/05/2005 & 06/12/2005.

The attendance at the Committee meetings is as under:

Name of the Director	No. of meetings attended
Mr. Dilip M. Kulkarni	All
Mr. Girija Shanakar Nayak	All
Mrs. Devika D. Kulkarni	All

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.