

# ***SKYPAK***

Service Specialists Ltd.

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

**2007 - 08**

## BOARD OF DIRECTORS

MR. Dilip Kulkarni  
Chairman

Mrs. Devika D. Kulkarni  
Executive Director

Mr. Hemant Arya  
Director

Mr. G.S.Nayak  
Director

### AUDITORS

Ray & Ray  
Chartered Accountants  
Mumbai

### REGISTERED OFFICE

3, Sona Udyog,  
Parsi Panchayat Road,  
Andheri (East)  
Mumbai- 400 069

### REGISTRARS & SHARE TRANSFER AGENT

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

## SKYPAK SERVICE SPECIALISTS LIMITED

Regd. Office: - 3, Sona Udyog, Parsi Panchayat Road, Andheri (East) Mumbai- 400 069

### NOTICE OF 26<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 26<sup>TH</sup> Annual General Meeting of the members of the Skypak Service Specialists Limited will be held on Friday, 26<sup>th</sup> day of September, 2008 at 11 a.m. at Kumaria Presidency Hotel, Marol Naka, Andheri East, Mumbai – 400 059

to transact the following business:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2008 and the Profit and Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mrs. Devika Dilip Kulkarni who retires by rotation and being eligible, offers herself 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 authorize the Board of Directors to fix their remuneration.

Place: - Mumbai

for Skypak Service Specialists Limited

Date: - 02-09-2008

Chairman

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 OF THE COMPANY.

The proxy form, in order to be effective, must be deposited at the registered office of the Company at 3, Sona Udyog, Parsi Panchayat Road, Andheri ( East) Mumbai- 400 069, not less than 48 (Forty Eight) hours before the commencement of the meeting.

2. Members are requested to notify immediately any change in their address to the company through the share transfer agents – M/s. Adroit Corporate Services Private Limited, 19/20, Jaferbhoy Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (East) , Mumbai- 400 059.
3. Members holding shares in physical form are requested to forward all applications for transfer and all other shares-related correspondence to the Share Transfer Agents of the Company - M/s. Adroit Corporate Services Private Limited, 19/20, Jaferbhoy Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (East) , Mumbai- 400 059.
4. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing Form 2B in duplicate with the company's Share Transfer Agents. The prescribed Form 2B will be made available on request. Members holding shares in the dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.
5. Members are requested to get their shares dematerialized , keeping in view the fact that 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 is INE 539D01013.

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6. Members are requested to bring the attendance slip duly filled in and may hand over the same at the entrance to the meeting hall.
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 ( Seven) 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 Annual Report sent to them.
9. Particulars required for re-appointment of Director pursuant clause 49 of the Listing Agreement.

At the ensuing Annual General Meeting Mrs. Devika D. Kulkarni, retires by rotation and being eligible offer themselves for re-appointment as Director liable to retire by rotation.

The information or details of Mrs.Devika D. Kulkarni are as under:

Mrs. Devika D. Kulkarni (53 Years) is science graduate having a degree B.SC.

She has extensive experience in Courier Industry. She is Director of the company from the inception. She is whole time Director of the Company. She is also director of i) Deelip Holding Pvt. Ltd. ii) Skypak Financial Securities Pvt. Ltd iii) Skypak Travel Pvt. Ltd. Mr. Dilip M.Kulkarni is relative of Mrs. Devika D.Kulkarni.

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## SKYPAK SERVICE SPECIALISTS LTD

## DIRECTORS' REPORT

The Directors are pleased to present the 26<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2008.

## SUMMARISED FINANCIAL RESULTS:

	(Rs. in Lacs)	
	Year ended 31.3.2008	Year ended 31.3.2007
Profit before interest and depreciation	(439.85)	476.71
Less:		
Interest	7.20	20.98
Depreciation	13.87	12.57
Profit before tax	(460.92)	443.15
Tax Provision	7.10	160.04
Profit after tax	(468.02)	283.12
Prior Period Income	5.27	
Balance brought forward from previous year	(1083.84)	(1366.96)
Profit available for appropriation		
Transfer to General Reserves		
Balance in Profit & Loss Account	(1546.59)	(1083.83)

## THE YEAR UNDER REVIEW

The Courier industry in general witnessed a downtrend in its operations as a result of stiff competition from other service sectors and other mode of communication. The overall performance of the company has been satisfactory. The total income of the company was Rs. 1753.70 Lacs as compared to previous year Rs. 2891.16 Lacs. The net loss after depreciation and provision for tax for the year ended 31<sup>st</sup> March, 2008 was Rs.462.74 Lacs as compared to net profit of Rs.283.12 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, Mrs Devika Dilip Kulkarni, retires by rotation and being eligible offers herself for re-appointment.

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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 31<sup>st</sup> March, 2008, 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 2008 on a 'going concern' basis.

On behalf of the Board of Directors.

**Mr. Dilip M. Kulkarni**  
Chairman

Place : Mumbai

Dated : 2<sup>nd</sup> September 2008

## 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, 2008

## 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 31.3.2008	Year ended 31.3.2007
<b>USED:</b>			
1.	On Foreign Travel	-	0.64
2.	Delivery & Linehaul charges	118.85	265.75
<b>EARNED</b>			
1.	Delivery & Linehaul charges received	86.78	98.48

On behalf of the Board of Directors.

Mr. Dilip M. Kulkarni  
Chairman

Place : Mumbai

Dated : 2<sup>nd</sup> September 2008

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(Pursuant to Clause 49 of the listing agreement)

**Company's 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.

**Board of Directors:**

The Composition of the Board of Directors as on 31<sup>st</sup> March 2008 is comprising of Two Executive Directors and Two non-executive Directors.

Five Board Meetings were held during the period 1<sup>st</sup> April, 2007 to 31<sup>st</sup> March, 2008, on the following dates:

30<sup>th</sup> April, 2007, 31<sup>st</sup> July, 2007, 31<sup>st</sup> October, 2007, 30<sup>th</sup> November, 2007, 31<sup>st</sup> January, 2008.

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	Category of Directorship	No of Board Meetings Attended	Last AGM Attended	No of other Directorships held in Indian Public companies	No. of other Committee Membership
Mr. Dilip M. Kulkarni	Non- Executive and Chairman	5	Yes	Nil	Nil
Mr. Girija Shankar Nayak	Non-Executive Independent	5	Yes	Nil	Nil
Ms. Devika D. Kulkarni	Executive	5	Yes	Nil	Nil
Mr. Hemant Arya	Executive	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.

**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, 2008, Four Audit Committee meetings were held.

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



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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.

**Remuneration of Directors:**

The details of remuneration of the Directors during the year ended 31<sup>st</sup> March, 2008 are as follows:

<b>Name of the Director</b>	<b>Salary &amp; perquisites (Rs.)</b>	<b>Comm-ission (Rs.)</b>	<b>Sitting Fees (Rs.)</b>	<b>Total (Rs.)</b>	<b>Service contract/Notice period</b>
Mr. Dilip M. Kulkarni	Nil	Nil	Nil	Nil	Non Executive Director
Mr. Girija Shankar Nayak	Nil	Nil	102000	102000	Non Executive Independent Director
Ms. Devika D. Kulkarni	Nil	Nil	NIL	450000	Executive Director
Mr. Hemant Arya	Nil	Nil	Nil	120000	Executive Director

The Company does not currently have a stock option plan or performance linked incentive for its Directors.

**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 20 times during the year ended 31<sup>st</sup> March, 2008 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. Shashikant Salvi as the compliance officer.

During the year under review 45 complaints of Share holders / investors were received and all of them have been replied to the satisfaction of them.

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25 <sup>th</sup> Annual General Meeting	Wednesday, 26 <sup>th</sup> December, 2007	Hotel Kumaria Presidency, Marol Naka, Andheri Kurla Road, Mumbai – 400 059
24 <sup>th</sup> Annual General Meeting	Friday, 29 <sup>th</sup> December 2006	Hotel Kumaria Presidency, Marol Naka, Andheri Kurla Road, Mumbai – 400 059
23 <sup>rd</sup> Annual General Meeting	Wednesday, 30 <sup>th</sup> November 2005	Hotel Kumaria Presidency, Marol Naka, Andheri Kurla Road, Mumbai – 400 059

No special resolutions were put through postal ballot last year and nor is any resolution proposed for this year through postal ballot.

**Disclosures:**

- i. There were no transactions of material nature between the Company and its Directors or Management and their relatives or promoters that may have a potential conflict with the interests of the Company.
- ii. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence the question of penalties or strictures being imposed on the Company by the Stock Exchanges or Securities & Exchange Board of India or any statutory authority, does not arise.
- iii. The Company has complied with the requirements of clause 49 of the listing agreements. Regarding non – Mandatory requirements:
  - The non-executive chairman is not claiming reimbursement of any expenses for maintaining his office.
  - The company has not formed the remuneration committee, however the powers of the remuneration has been given to the Audit Committee.
  - The Board members are having adequate experience and expertise to deal with the business matters.
  - Though there is no formal Whistle Blowing Policy, the company takes cognizance of the complaints made and suggestions given by the employee and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken.

**Means of Communication:**

The annual, half-yearly and quarterly results are submitted to the Stock Exchanges in accordance with the Listing Agreements and are normally published in the newspapers viz., Free Journal and Nav Shakti.

**The Management Discussion and Analysis report forms part of the Directors' Report.**