

SKYPAK SERVICES SPECIALISTS LIMITED

BOARD OF DIRECTORS

**MR. DILIP KULKARNI
CHAIRMAN**

**MR. HEMANT MANILAL ARYA
EXECUTIVE DIRECTOR**

**MRS. DEVIKA D. KULKARNI
EXECUTIVE DIRECTOR**

**MR. AMARENDRA MOHAPATRA
INDEPENDENT DIRECTOR**

**MR. AVINASH TIWARI
INDEPENDENT DIRECTOR**

REGISTERED OFFICE

**1A, J.K.INDUSTRIAL ESTATE, OFF: MAHAKALI CAVES ROAD,
ANDHERI (E), MUMBAI 400093**

**REGISTRARS & SHARE TRANSFER AGENT
ADROIT CORPORATE SERVICES PVT. LTD.
19/20, Jaferbhoy Industrial Estate,
Makawana Road, Marol Naka,
Andheri(East) Mumbai – 400 059**

SKYPAK SERVICES SPECIALISTS LIMITED

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SKYPAK SERVICES SPECIALIST LIMITED ANNUAL REPORT 2011-12

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NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of **Skypak Services Specialist Limited** will be held at the Registered Office of the Company at Kumaria Presidency Hotel, Marol Naka, Andheri East, Mumbai – 400 059 on 29th September, 2012 at 11.00 A.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Devika Kulkarni who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL RESOLUTIONS :

4. To consider and if thought fit, to pass with or without modification(s) if any, the following Ordinary RESOLUTION:

RESOLVED THAT Mr. Amarendra Mohapatra, who was appointed as an Additional Director of the Company on 23rd May, 2012 by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company liable to retirement by rotation.

5. To consider and if thought fit, to pass with or without modification(s) if any, the following Ordinary RESOLUTION:

RESOLVED THAT Mr. Avinash Tiwari, who was appointed as an Additional Director of the Company on 23rd May, 2012 by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company liable to retirement by rotation.

For and on behalf of the Board
Sd/-

Place: Mumbai
Date: 27th August, 2012

Dilip Kulkarni
Chairman

Registered Office:

1a, J.K.Industrial Estate,
Off: Mahakali Caves Road,
Andheri (E), Mumbai 400093

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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 ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (forty eight) hours before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books will remain closed from 25th September, 2012 to 29th September, 2012 (both days inclusive)
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries so as to reach the Registered Office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
5. Members are requested to notify immediately any change in their address to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Transfer Agent at Adroit Corporate Services Pvt. Ltd. 19/20, Jaferbhoy Industrial Estate, Makawana Road, Marol Naka, Andheri East Mumbai – 400 059 in respect of their physical share folios.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. The relevant details as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons, seeking re-appointment as Directors under Item No. 2 above, are annexed.

Profile of the Director liable to retire by rotation:

Particulars	Mrs. Devika Kulkarni
Date of Birth	25.12.1954
Qualification	B. Sc
Experience	More than 25 Years Experience In the courier industries
Other Directorship	M/s Dilip Holding Private Limited
	M/s Skypak Financial Securities Private Limited
	M/s Sama Holding Private Limited

9. Information required to be furnished under the Listing Agreement.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/reappointed are given below:

Particulars	Mr. Amarendra Mohapatra
Date of Birth	22 nd December, 1986
Qualification	B.com, Acc (Hons), C.S., LLB
Experience	Experience as a Company Secretary for 2 years
Other Directorship	M/s Red Twigs Consultancy Private Limited
	M/s Procentris (India) Pvt Ltd.
Particulars	Mr. Avinash R Tiwari
Date of Birth	1 st January, 1975
Qualification	B.com,
Experience	Experience as Accountant for 15 years
Other Directorship	-

DIRECTORS' REPORT

The Directors are pleased to present the 30th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2012.

SUMMARISED FINANCIAL RESULTS:

	(Rs. in Lacs)	
	Year ended 31.3.2012	Year ended 31.3.2011
Profit before Exceptional and extra ordinary items	(22,55,891)	(37,03,174)
Profit before tax	(22,55,891)	(37,03,174)
Tax Provision	-	-
Profit after tax	(22,55,891)	(37,03,174)
Prior Period Income	-	-
Earnings Per Share		
Basic	(0.73)	(1.20)
Diluted	(0.73)	(1.20)

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 was not satisfactory. There was a loss of Rs 22, 55,891 as compared to previous year Rs. 37, 03,174.

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.

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 J.H Ghumara & Co, 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:

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- (i) That in the preparation of the accounts for the financial year ended 31st March, 2012, 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 2012 on a 'going concern' basis.
- (v)

On behalf of the Board of Directors.

Mr. Dilip M. Kulkarni
Chairman

Mrs. Devika D. Kulkarni
Executive Director

Place: Mumbai
Dated: 27th August, 2012.

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, 2012

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	Year ended
		31.3.2012	31.3.2011
USED:	Delivery & Linehaul charges	0	0
EARNED	Delivery & Linehaul charges received	36	33

On behalf of the Board of Directors.

Mr. Dilip M. Kulkarni
Chairman

Mrs. Devika D. Kulkarni
Executive Director

Place : Mumbai

Dated : 27th August, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The overall economic growth coupled with removal of trade barriers resulted in growth for the Indian Logistics industry. Statistics reveals that the industry in general is expected to grow in next few years.

1) Industry Structure & Developments:

The demand for the courier industry has grown and there is an ever increasing requirement for the same. However, there is also an ever increasing simultaneous stiff competition posed by web world and internet. Profit margin is impacted due to this. Increasing emphasis on green movement also has started having its impact on the industry.

2) Opportunities & Threats:

The courier industry caters to all the sectors of the society and has a wide presence. However, as stated above the ever increasing emphasis on green movement can hamper its growth opportunities.

3) Segment-wise Performance:

The Company's main business is courier of documents. As such, there are no separate reportable segments.

4) Outlook:

The Company continues to explore the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

5) Risks and Concerns:

The Company is exposed to specific risks that are particular to its businesses and the environment within which it operates, including interest rate volatility, economic cycle, market risk and credit risk. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management policies.

6) Internal Control Systems & their Adequacy:

The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The Audit Committee reviews the quarterly and annual financial statements, adequacy of disclosures treatment of various items involving accounting judgments.

7) Discussions on Financial Performance with respect to Operational Performance:

The turnover of the company during the year has decreased compared to last year.

8) Human Resource Development:

The Company believes that the human resources are vital in giving the Company a Competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/ dissemination, creativity and responsibility. As in the past, the Company has enjoyed cordial relations with the employees at all levels.

9) Cautionary Statement:

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

For and on behalf of the Board
Sd/-
Mr. Dilip Kulkarni
Chairman

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REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Corporate Governance:

Skypak Services Specialists Limited is committed to the adoption of the best governance practices and its adherence in the true spirit, at all times. The Company emphasizes on maintaining highest respect for the laws of the land and the rights of its stakeholders – both of which are the fundamental platforms on which the decision making powers of the Board of Directors are based.

A. Board of Directors:

Size and Composition of the Board:

The present strength of the Board is three Directors comprising of one Non-Executive Directors and two Executive Director. The Chairman of the Board is a Non-Executive Director.

The constitution of the Board as on 31st March, 2012 is as under:

Director	Category	Number of other		
		Director-ships*	Committee Memberships	Committee Chairmanships
Mr. Dilip Kulkarni	Chairman, Non-Executive	0	0	0
Mrs. Devika Kulkarni	Executive	0	0	0
Mr. Hemant Arya	Executive	0	0	0

*Other Directorships exclude directorships held in Private Limited companies.

Mr. Amarendra Mohapatra and Mr Avinash Tiwari were appointed as Additional Directors on 25th May, 2012

B. Board Meetings and Attendance of Directors:

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and quarterly financial results. When necessary, additional meetings are held. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the Directors. Every Board Member is free to suggest the inclusion of items on the agenda.

During the year ended 31st March 2012, the Board meetings were held Four times.

Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2011- 2012 and the last AGM:

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Mr. Dilip Kulkarni	4	4	Yes
Mrs. Devika Kulkarni	4	4	Yes
Mr. Hemant Arya	4	4	Yes

Mr. Amarendra Mohapatra and Mr Avinash Tiwari were appointed as Additional Directors on 25th May, 2012

C. Board Committees:

To enable better and more focused attention on the affairs of the Corporation, the Board delegates particular matters to Committees of the Board set up for the purpose. The Committees prepare the groundwork for decision making and report at the subsequent Board meeting.

The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said Committees.

1. Audit Committee:

Terms of reference

(a) Primary Objectives of the Audit Committee:

The Primary objective of the Audit Committee (the “committee”) is to monitor and provide effective supervision of the management’s financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process – by the management, including the independent auditor – and notes the process and safeguards employed by each.

(b) Scope of the Audit Committee:

1. Provide an open avenue of communication between the Independent Auditor and the Board of Directors (“BOD”);
2. Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve the payment for other services;
3. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
4. Meet four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary;
5. Confirm and assure the independence of the external Auditor;
6. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources;
7. Consider and review with the Independent Auditor, the adequacy of internal controls including the computerized information system controls and security;
8. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
9. Reviewing with the management, performance of statutory auditors and adequacy of the internal control systems.
10. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - a. Any changes in the accounting policies and practices
 - b. Disclosure of related party transactions
 - c. The going concern assumption
 - d. Compliance with accounting standards
 - e. Compliance with stock exchange and legal requirements concerning financial statements
 - f. Significant adjustment arising out of audit findings
 - g. Qualifications, if any, in the draft audit report
 - h. Matters required to be included in the Directors’ Responsibility Statement to be included in the Board of Directors’ Report.
11. Consider and review with the management and the independent auditor:
 - a. Significant findings during the year, including the status of previous audit recommendations,
 - b. Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
12. Review of the following information:
 - a. Management discussion and analysis of financial condition and results of operations