



21st Annual Report 2010-2011
SKS LOGISTICS LIMITED

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BOARD OF DIRECTORS

Mr. S. K. Shahi	Chairman & Managing Director
Cmdr. M. Bhada I. N. (Retd.)	Director
Mr. B. B. Bhawsar	Director
Mr. Homiyar Madan	Director

COMPANY SECRETARY

Mrs. Mamta D. Jain (till 10th February, 2011)

BANKERS

State Bank of India, Mumbai
DBS Bank Limited, Mumbai
HDFC Bank Ltd., Mumbai

AUDITORS

M/s. N. D. Heda & Co.
Chartered Accountants

REGISTERED OFFICE

404, Abhay Steel House,
Baroda Street, Mumbai - 400 009.
Tel.: 91 (22) 61454545 / 23487340/41/42
Fax: 91 (22) 23487349 / 50
Website: www.shahilogistics.com
E-mail: shahi@bom3.vsnl.net.in

CORPORATE OFFICE

Shahi Marine House
Plot No. 11 & 11/1, Sector-26
Near Grain Market, Vashi,
Navi Mumbai - 400 703.
Tel.: 2784 3047-49 / 2784 3051-53
Fax: 91 (22) 2784 3041 & 2784 3044

REGISTRAR & SHARE TRANSFER AGENT

System Support Services
209, Shivai Industrial Estate,
89, Andheri Kurla Road,
Sakinaka, Mumbai - 400 072.
Tel.: 2850 0835 / 3940
Fax: 2850 1438
E-mail: sysss72@yahoo.com



Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors and on my personal behalf, I welcome you all to the 21st Annual General Meeting of your company.

The Annual Statement of Accounts together with the Directors' Report giving details of your Company's performance during the current year (2010-2011) have already been circulated. I have no doubt that from these statements, you would have noted that, despite a continuing down-turn in the shipping market world over and other factors already affecting the operations of shipping companies in India, your Company has maintained its predominant position amongst the Indian shipping companies and has achieved a good profit (PAT) of Rs.3.27 crores. Your Company's Gross Profit of Rs 14.21 crores during this year is 312% higher than the Gross Profit of Rs 3.45 crores in the previous year. Your Board of Directors have thus decided to recommend a dividend pay out @ 5% and sincerely hope that you would approve the same to secure best possible returns on your investment in this Company.

The Fiscal 2011 continued to be a challenging year for shipping industry as a whole. The Shipping trade in India has been doing good of late, as freight rates have gone up since the global financial crisis of 2008. This is happening at a time when India's foreign trade continues to soar. This can be seen from the fact the exports in April 2011 jumped to \$23.84 billion (as compared to \$17.74 billion in April 2010) registering a growth of 34.42%. Similarly imports were also up by 14.13 per cent to \$32.83 billion (\$28.77 billion in April 2010). Similarly LPG markets have also started improving on the back of improvement in global economy. There are good growth prospects for LPG and coal demand in India in future. In my view there is thus good prospect for the industry and the majors in the industry will expand aggressively in future.

In Indian coast there are numerous power plant are being setup which require import of coal where our type of vessel will be use full which will benefit the Company as a whole. You will be happy to know that our Company is setting up massive logistics infrastructure which will cater to the need of bulk importer of coal, fertilizer etc. Our Company will provide one stop all logistic support two bulk importer that is right from the chartering the ship, handling and clearance bulk cargo in the ports and delivering the same to the power plant and any factory anywhere in India by roads or rails. There will be boost to our Company revenue in time to come.

The year ahead is also going to a challenging one. Though the fundamental drivers of India's medium growth prospects remain intact, certain global developments are likely to impact Indian economy in major way. The Global economic and financial conditions will remain adverse for some time now in the aftermath of natural disaster in Japan and the lowering of credit rating of the United States recently.

Your company is in the process of setting up floating dry dock. I had mentioned about this in my message last year. We have covered this in detail in the Board of Directors Report under the heading "Future Projects". You will also be happy to know about the KRIBHCO project which is also covered extensively under the same heading.

Lastly on behalf of the Board of Directors and on my on behalf, I place on record our sincere thanks to our customers, shareholders, bankers and other stakeholders for their unstinting support.

I would also like to thank all the employees of the company for their commitment and consistent efforts that helped us overcome several challenges and look forward to their continued contribution as the company grows from the strength within.

Mr. S. K. Shahi
Chairman & Managing Director



NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the members of SKS Logistics Ltd will be held on Tuesday, 27th September, 2011 at 3.30 P M at Kilachand Conference Room, Indian Merchants' Chamber Building (2nd Floor), Churchgate, Mumbai - 400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, the Profit and Loss Account for the year ended as on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Cmde M Bhada who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s N D Heda & Co, Chartered Accountants, Mumbai, the retiring auditors of the company be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration, as may be fixed by the Board of Directors"

By order of the Board of Directors,

Place : Mumbai
Date : 12th August 2011

S. K. Shahi
Chairman and Managing Director

Registered Office :
404, Abhay Steel House,
Baroda Street, Mumbai - 400009

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIM/HER SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be lodged with the Company at its Registered Office, not later than 48 hours before the commencement of the meeting.
3. A Body Corporate being a member shall be deemed to be personally present at the meeting, if represented in accordance with the provisions of Section 187 of the Companies Act, 1956.
4. Register of Members and Share Transfer books will be closed from Tuesday, 20th September 2011 to Tuesday, 27th September 2011 (both days inclusive) for the purpose of dividend/AGM.
5. All correspondence regarding shares of the Company should be addressed to the Company's Registrar and Transfer Agent (RTA) viz. System Support Services, 209, Shivai Industrial Estate, 89, Andheri Kurla Road, Sakinaka, Mumbai 400 072. Members who hold shares in physical form and wish to make/change a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, may submit the prescribed Form 2B to System Support Services.
6. Members who wish to obtain any information on the Company as regards the accounts for the financial year 31st March 2011 are requested to write to the Company at least 10 days before the Annual General Meeting.
7. For convenience of the members and for proper conduct of the meeting, entry to the place of meeting will be regulated by the attendance slip, which is annexed to the Proxy Form. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the Meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members/Beneficial Owners are requested to quote their full name as per the Company's record, Folio No. / DP and Client ID Nos., as the case may be, in all correspondences with the Company.
10. Members who hold shares in dematerialized form are requested to bring their depository account number for identification.
11. Pursuant to Section 205A(5) of the Companies Act, 1956, the Company has transferred all unclaimed / unpaid dividends on their respective due dates to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 C of the Companies Act, 1956 except the interim dividend of the financial year 2003-2004 of Rs. 85275/-. Shareholders who have not so far encashed the dividend warrants(s) are requested to seek issue of duplicate warrant(s) by writing to the Registrar and Transfer Agents, M/s System Support Services. Shareholders are requested to note that no claims shall lie against the said fund or the Company in respect of any amount of unclaimed dividend once the same is transferred to the above fund.
12. Details of the Director seeking re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.

1. Name of Director	Cmde MEDIOMA BHADA I.N (Retd)
2. Date of Birth	21-03-1940
3. Experience in Specific Functional area and Position Held:	Cmde Bhada was General Manager, Projects and Corporate Administration of Mahindra and Mahindra Limited and was handed over additional responsibility as CEO of Guestline Hospitality and Management Development Services Limited. He was in charge of Management of the Company's projects and properties and administration of Corporate Centre.



4. Qualification	He has retired from the Indian Navy in the rank of Commodore in 1994 after 32 years of service. He is Member of the Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee. Graduate from the National Defence Academy, M.Sc (Defence Studies), Certificate in Advance Management from Jamnalal Bajaj Institute of Management, Mumbai.
5. Directorship in other Companies (Excluding foreign Companies)	Total Service Providers Private Limited
6. Shareholding	NIL

13. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting as per Section 187 of the Companies Act, 1956.
14. Members are requested to bring their copies of the annual Report to the meeting.

By order of the Board of Directors,

Place : Mumbai
Date : 12th August 2011

S. K. Shahi
Chairman and Managing Director



DIRECTORS' REPORT

To
The Members of SKS Logistics Limited

Your directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts of the company for the financial year ended on 31st March 2011.

1. FINANCIAL RESULTS:

The summary of financial results of the company for the year ended 31st March 2011 is furnished below.

Particulars	2010-2011 ₹ In Lacs	2009-2010 ₹ in Lacs
Gross Profit/Loss	1421	345
Less: Interest and Finance Charges	549	689
Less: Provision for Depreciation	479	577
Profit before Tax	393	-921
Less: Provision for Taxation:		
Current Tax	79	2
Taxation of Earlier Year	19	0
Deferred Tax	-32	-104
Profit After Tax	327	-819

2. DIVIDEND:

Your directors are pleased to recommend payment of dividend of Rs.0.50 (5%) for each equity share of Rs.10/- for the financial year ended 31st March 2011. The dividend, if declared at the AGM, will be paid to those shareholders whose names appear in the Register of Members of the Company on 27th September 2011 or on the Register of Beneficial Owners maintained by the depositories as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for the purpose of payment of dividend. The aggregate outflow on account of equity dividend would be Rs.84.23 Lakhs including tax on dividend.

3. PERFORMANCE:

Income from operations during the current year was Rs.44.23 Crores as against Rs.29.42 crores in the previous year. This indicates a growth of about 50% over the previous year. The gross profit of Rs.14.21 crores registered an increase of about 312% over the previous year's Rs.3.45 crores. During the current year, interest and finance charges have decreased from Rs 6.89 crores to Rs 5.49 crores. All these indicators show encouraging trend in the working of the company.

Global economy showed signs of turnaround with Asian economies experiencing a relatively stronger rebound. India's GDP growth releases for the last quarter of 2010-11 turned out to be robust. It showed record growth of 8.6% as compared to 5.8% in the same quarter of previous year.

4. FIXED DEPOSITS:

The company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 during the year under review.

5. POLLUTION, ENVIRONMENT AND SAFETY:

The conservation of Energy and Technology Absorption under the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are not applicable to your company. However all measures are taken by your company to ensure that conservation of energy takes place at all stages of operations of the vessels as well as onshore activities.

There is no import of technology during the current year. The details of Foreign exchange earned and out go are separately given in this report.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- (1) In the preparation of the annual Accounts, the applicable accounting standards have been followed with explanatory notes relating to material departures;



- (2) Appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss account of the company for that year;
- (3) Proper and sufficient care has been taken for maintaining 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;
- (4) The annual accounts have been prepared on a going concern basis.

7. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to clause 49 of the listing agreement with the stock exchange, Management Discussion and Analysis is given as annexure "A" and "B" to this report. A certificate from the statutory auditors of the company regarding compliances of conditions of corporate governance is also enclosed hereto.

8. PARTICULARS REGARDING THE EMPLOYEES:

The information required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended, forms part of this report. However as per section 219 (1) (b) (iv) of the Companies Act, 1956, the report and accounts are being circulated to all the shareholders excluding the aforesaid information. Shareholders interested in obtaining this information may write to Compliance Officer of the Company.

9. PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

Pursuant to the notification No GSR 1029 dated 31-12-1988; companies are required to furnish prescribed information regarding conservation of energy and technology absorption. However this does not apply to your company as the shipping industry is not included in the schedule to the relevant rules. The details, however, as regards Foreign exchange earnings and out go are given below.

- (a) Foreign Exchange earned ₹ 852.80 lacs
- (b) Foreign Exchange outgo ₹ 0.98 lacs

10. SUBSIDIARIES:

The Company has two subsidiaries namely SKS waterways Ltd & Royal Logistics (Ship) Ltd which have not yet started its operations. For winding up of Shahi Shipping (BD) Ltd, necessary formalities are in process. Hence the consolidated financial statement of the SKS Logistics Limited and its subsidiaries SKS waterways Ltd, Royal Logistics (Ship) Ltd & Shahi Shipping(BD) Ltd has not been prepared.

11. DIRECTORS:

At the ensuing Annual General Meeting, Cmde M Bhada retires by rotation and being eligible offers himself for re-appointment. The Board recommends his appointment.

12. AUDITORS:

M/s N D Heda & Co, Chartered Accountants, Mumbai, the statutory auditors of the company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956.

13. ACKNOWLEDGEMENTS:

Your directors take this opportunity to place on record its appreciation of the technical, commercial and financial teams of the company for their untiring efforts. Your directors also wish to thank the officials of Directorate General of Shipping, Indian Registry of Shipping, Mercantile Marine Dept., Financial Institutions and Banks for their continued support during the year. Your directors are also thankful to the shareholders and other business partners for the trust reposed in them. Your directors also thank the employees at all levels without whose support the growth levels achieved by the company would never have been possible.

By order of the Board of Directors,

Place : Mumbai
Date : 12th August 2011

S. K. Shahi
Chairman and Managing Director

**ANNEXURE A****MANAGEMENT DISCUSSION, ANALYSIS AND REVIEW****(a) INDUSTRY STRUCTURE AND DEVELOPMENT****Corporate Overview**

SKS Logistics Limited is a leading shipping company with interests in logistics. The company has vessels meant for movement of bulk cargo, liquid cargo and operates within and outside Indian Coastal Waters.

The Company prepares its financial statements in Compliance with requirements of Companies Act, 1956 and the generally accepted accounting principles (GAPP) in India. Overall, the financial statements have been prepared on historical cost basis.

Overview of the Indian Economy

The global economy has recovered strongly from economic meltdown that was triggered by the Asian crisis in the middle of 1997+ and spread to Brazil and Russia in 1998. The emerging economies in Asia have, for most part, staged a strong "V" shaped recovery.

The present global economic scenario throws up opportunities for fundamentally strong companies such as your company. As can be seen from the results, the company has been able to benefit vastly on account of its inherent strength in the form of expertise, quality of service and trained manpower.

Indian economy has been and continues to be the preferred destination for the foreign investors. The reasons for this are not far to seek. Firstly, country's reserves are strong and growing. Second, the rupee has held up against major global currencies. Third the exports are surging and finally, growth is robust.

(b) OUTLOOK ON OPPORTUNITIES

The world sea-borne-trade at around 5.5 billion tonnes in 1999 represents nearly 95% of the total merchandise trade and has been growing at 3% over the past two decades. In terms of value, the global shipping industry is estimated to be more than USD 225 billion and constitutes a significant part of the world GDP.

As India makes transition from an "import-substitution" closed economy model, to an outward oriented trade regime, the importance of shipping as an enablers of trade and economic growth can not be over emphasized.

(c) THREATS, RISKS AND CONCERNS

Indian shipping industry is governed by the Ministry of Shipping. It is exposed to risks arising from political instability and changes in government policies from time to time.

Shipping is a global business whose performance is closely linked to the state of the global economy. Besides, shipping finance has, to a large extent, remained a specialized sector on account of characteristics like volatile markets, international service, mobile assets etc. Despite the intricacies involved in shipping finance, sophisticated financial instruments are conspicuous by their absence. In contrast asset based financing in industries like airways etc have had sophisticated instruments matching the risk-return structure.

Over & above the economic risks the shipping industry is impacted by numerous short term & regional factors, like political fallouts, weather changes etc. This result in great amount of volatility in the freight market which in turn impacts your company earnings.

The industry is also capital intensive. Vessels constitute almost 90 percent of the fixed assets (net block + capital work in progress) of a typical shipping company. A LNG carrier costs around USD 250 million, a double - hulled VLCC costs around USD 90 million, a Handysized Chemical Ship is around USD 70 million etc. In such a scenario, the ship owner or potential ship owner wishing to acquire a vessel finds considerable gap in the personal funds availability and additional funds requirement.

(d) SEGMENT WISE PERFORMANCE

The Company operates in only one segment i.e. shipping, and therefore, has no separate reportable segments. Your company continued to provide services in the areas of Container Liquid Cargo lighterage operations of Petroleum & Chemical Products, lighterage operations of Bulk Cargo, Tug services for port related activities, supply of bunkers to vessels and Container Feeder Service on Indian Coasts through its fleet of 29 vessels. The Industry being seasonal in nature, operations close during rains for a period of three/four months. The lean period provides an opportunity for repairs and maintenance. The fleet utilization during the period under review has been efficient.

(e) OUTLOOK

The shipping industry is poised for growth in the coming years. Your company with some inherent advantages such as low operation cost, committed professional manpower and proper upkeep of vessels is expected to cash on the opportunities provided.



Your Company has since last few years taken initiatives to broaden its fleet base to minimize the risks and maximize the gains.

(f) PROJECT

In addition to the ongoing projects, following new projects/activities deserve mention here.

(1) KRIBHCO:

Your company has been awarded a contract to provide Total Logistics to KRIBHCO at its Hazira Jetty for movement of Fertilizers from Ports to warehouse which covers bagging in warehouse and transporting same to various destinations across the country by road and railways. We have deployed 4 of our Barges for this project for the Lighterage Operations. This Contract is for a period of two years extendable for a period of 1 more year. The contract is to move 10L MT of UREA in 2 years. The contract size is approximately worth Rs 100 crores.

(2) FLOATING DRY DOCK (FDD):

Your company also intends to set up a Ship Repair unit by setting up a Floating Dry Dock in Thane Creek in Mumbai. The company has got license in Mumbai Harbour to set up modern Floating Dry Dock. The proposed FDD with Ship Repair Workshop will be able to repair Ships up to 90 M Long. It can also undertake repair of multiple vessels of lesser dimensions simultaneously. The Market focus of proposed Ship Repair yard will be Coastal Vessels, Barges and Service Craft used by Ports and Oil & Gas Sector, Coast Guard and Navy Vessels.

The Ship Yard will have its own central repairing and maintenance facilities. The staff will be headed by well qualified personnel from the Industry. The Floating Dry Dock will provide excellent control on the quality time and cost of repair to the ship owner. The Ship Owners will have minimum breakdown and will immensely benefit from our floating dry dock facility in many respects.

(g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Much of the success of your company is attributed to the quality of its people, their dedication and contribution. The dedicated team of shore and floating staff provides continuous support to the operations of the company, which is reflected in the operational efficiency. Voyage operations are managed professionally, ensuring high productivity levels, thus increasing the revenues. Your Company employs skilled personnel to monitor and maintain its oil-spill and other emergency response plans.

(h) QUALITY & SAFETY

Your company continues to focus on the safety, training and development of the employees. The company also conducts frequent training sessions including onboard drills to enhance the effectiveness of the safety of the staff. Your company firmly believes that pursuit of excellence is one of the critical components for competitive success in the global market. Your Directors take pleasure in informing you that your company has upgraded ISO certification from ISO 9001-2000 to latest gradation of ISO 9001-2008. The Company has also obtained Trade mark certificate from Trade mark Registry to safeguard the interest of the Company and is on continuous journey towards regular improvement to make its Quality Management System more effective.

(i) HUMAN RESOURCES

The Company considers its employees as partners in growth. They have played a significant role and enabled the Company to deliver superior performance year after year.

(j) ADEQUACY OF INTERNAL CONTROLS

Your company believes in formulating adequate and effective internal control systems and implementing the same strictly to ensure that assets and interests of the company are adequately safeguarded as also reliability of accounting data and accuracy are ensured with proper checks and balances. The internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The Audit Committee of the Board of Directors, the Statutory Auditors as also the heads of business are periodically apprised of the internal findings and corrective actions are taken.

Internal audit is being carried out extensively throughout the year in areas such as Income, Expenditure, Financial Accounting and Statutory Compliances. The primary objective of such audit is to test the adequacy and effectiveness of all internal controls laid down by the Management and to suggest improvements.

(k) CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's strategies on business, projections and estimates are forward looking statements within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The actual results may vary from those expressed or implied, depending upon economic conditions, Government policies, regulations, tax laws and other incidental factors.

**ANNEXURE B****CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

SKS Logistics Limited (SKS) is committed to good corporate governance in order to enhance the shareholders' value and promote national interest.

In order to achieve the objectives of good corporate governance, SKS follows the principles of transparency, disclosure, fairness, independent supervision, healthy competition, compliance with all the relevant laws, regulations, improvement in quality of life and meeting social responsibility.

The Company complies with the requirements as laid down in clause 49 of the Listing Agreement and the detailed report on implementation of Corporate Governance Code is set out herein below.

It is expected that good corporate governance by SKS would protect and enhance the trust of shareholders, customers, suppliers, financiers, employees, government agencies and the society at large.

1.1 GOVERNANCE STRUCTURE:

Your Company's Corporate Governance Structure is as under:

Board of Directors - The Members of SKS Logistics Limited are free to bring up any matter for discussion at the Board Meetings and the functioning is democratic. The Board plays a key role in framing policies for ensuring and enhancing good governance. Besides its primary role of setting corporate strategies and goals and monitoring corporate performance, the Board directs and guides the activities of the management towards achieving corporate goals, seeks accountability with a view to achieving sustained and consistent growth aimed at adding value for its stakeholders.

The Committees of Directors - The Board has constituted the following committees viz the Audit Committee, the Share holders'/investors' Grievance Committee and the Remuneration Committee. Each of the committee has been mandated to operate within a given framework.

2. BOARD OF DIIRECTORS

The company has Executive Chairman who is a promoter director. The company has three independent Directors drawn from diverse fields. The composition of the Board of Directors meets the requirements of clause 49 of the listing agreement.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than five committees (as specified in clause 49) across all the companies in which he is a director. The necessary disclosures regarding committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies is given in separate tables below.

Name of Directors	Category	No. of Directorships in other companies*	No. of Board Committee (Other than SKS Logistics Ltd)	
			Chairman	Member
Mr. S. K. Shahi	Promoter, Executive Chairman & Managing Director	5	-	-
Cmde. M. Bhada I. N. (Retd.)	Non Promoter, Non Executive Independent Director	2	-	-
Mr. B. B. Bhawsar	Non Promoter, Non Executive Independent Director	-	-	-
Mr. Homiyar Madan	Non Promoter, Non Executive Independent Director	2	-	-

Note:

*This includes directorships in private limited companies but excludes directorships held in Foreign Companies and Companies formed under section 25 of the Companies Act, 1956.

It is to be noted that the non executive Independent Directors of the company have no stake in the shareholding of the company.

**ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING**

A total of five meetings of the Board of Directors were held during the year under review on 29th April 2010, 30th July 2010, 13th August 2010, 29th October 2010 and 28th January 2011.

The maximum time gap between two board meetings was less than four months.

Attendance of each director at the Board meetings and the last Annual General Meeting (AGM) is as under.

Name of Directors	No. of Board Meeting held during the tenure of the said director	No. of Board Meeting Attended	Attendance during the General Body Meeting
Mr. S. K. Shahi	5	5	YES
Mr. M. Bhada	5	3	NO*
Mr. B. B. Bhawsar	5	5	YES
Mr. Homiyar Madan	5	5	YES

*The chairman of the Audit Committee Mr. M. Bhada, I.N. (Retd.) could not attend the 20th Annual General Meeting held on 23rd September, 2010 due to sickness.

3. AUDIT COMMITTEE

The Audit Committee of the Company inter alia performs all the functions specified under the companies Act, 1956 & clause 49 of the listing agreement. The committee comprise three directors, all of whom are independent directors. The primary objective of the Audit Committee is to monitor and effectively supervise the company's financial reporting process with a view to providing accurate, timely and proper disclosures and integrity and quality of the financial reporting. The terms of reference of the Audit Committee are in accordance with Clause 49 of the Listing Agreement and inter alia cover the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee/records of the company.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Overseeing Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fees and also approval of payment for any other services.
- Reviewing with management quarterly/half yearly/annual financial statements before submission to the Board.
- Reviewing the adequacy of internal audit function including discussions with internal auditor any significant findings and follow up thereon.
- Discussion with external auditors before the commencement of audit, the nature and scope of audit and also to discuss the areas of concern on basis of audit findings.
- Reviewing the company's financial and risk management policies including any other item referred to it by the Board of directors.

The audit committee inter alia has following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee/records of the company.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**COMPOSITION AS ON 31/03/2011**

Composition, name of members and Chairperson and attendance details of the Audit Committee are as under:

Name of Director	Designation	Status	No. of meeting held	No. of meeting attended
Mr. Homiyar Madan	Chairman	Non Executive, Independent Director	4	4
Comde. M. Bhada I. N. (Retd)	Member	Non Executive, Independent Director	4	3
Mr. B. B. Bhawsar	Member	Non Executive, Independent Director	4	4

During the year 2010-2011 four meetings of the Audit Committee were held on the following dates: 30th July 2010, 13th August 2010, 29th October 2010 and 28th January 2011. Audit Committee meeting could not be held on 29th April 2010 for want of quorum.

4. REMUNERATION COMMITTEE**TERMS OF REFERENCE**

The terms of reference of the Remuneration Committee are:

- (1) Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole Time Director(s).
- (2) Reviewing the performance of the Managing/Whole time director(s) and recommending to the Board the quantum of annual increments and annual commission.

COMPOSITION, MEETINGS AND ATTENDANCE

The Remuneration committee comprises of 3 directors, all of whom are Independent Non Executive Directors. The Chairman of the committee is an Independent Non Executive Director nominated by the Board.

The Composition of the Remuneration Committee is as follows.

Name of Director	Designation	Status
Comde. M. Bhada I. N. (Retd)	Chairman	Independent, Non Executive
Mr. B. B. Bhawsar	Member	Independent, Non Executive
Mr. Homiyar Madan	Member	Independent, Non Executive

During the year 2010-2011, no meeting of the committee was held.

REMUNERATION POLICY**(A) REMUNERATION TO NON-EXECUTIVE DIRECTORS**

The Non Executive Directors are paid sitting fees @ Rs 2500/ for each meeting of the Board.

The compensation of Non Executive Directors is approved unanimously by the Board None of the Non Executive Directors has any material pecuniary relationship or transactions with the company.

(B) REMUNERATION TO CHAIRMAN AND MANAGING DIRECTOR

The appointment of Chairman and Managing Director is governed by resolutions passed by the Board of directors and shareholders of the company, which covers the terms of such appointment and remuneration read with service rules of the company. Payment of remuneration to Chairman and Managing Director is governed by the respective agreements executed between them and the company. Remuneration paid to Chairman and Managing Director is recommended by the Remuneration committee, approved by the Board and is within the limits set by the shareholders at the Annual General Meetings.

The remuneration package of Chairman and Managing Director comprises of salary, perquisites and allowances, commission and contribution to Provident Fund and other retirement benefit funds as



approved by the shareholders at the Annual General Meetings. Annual increments are linked to performance and are decided by the Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements, it is aimed at attracting and retaining high caliber talent.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of Chairman and Managing Director.

Presently the company does not have a scheme for grant of stock options or performance-linked incentives for its Directors.

Details of Remuneration paid to all Directors:

Name of Directors	Category/Status	Sitting Fees (₹)	Salary & Perquisites (₹)	Bonus/Commission (₹)	Service Contract
Mr. S. K. Shahi	Promoter, Executive Chairman and Managing Director	-	43,80,000	1,24,950	5 years w.e.f 1st April 2008
Comde. M. Bhada I. N. (Retd.)	Non Executive Independent Director	15,000	-	-	No service contract
Mr. B. B. Bhawsar	Non Executive independent Director	25,000	-	-	No service contract
Mr. Homiyar Madan	Non Executive Independent Director	22,500	-	-	No service contract

5. SHAREHOLDERS' / INVESTORS GRIEVANCES COMMITTEE

The Shareholders / Investors Grievances Committee consists of the following:

Name of Directors	Designation	Status
Mr. B. B. Bhawsar	Chairman	Independent, Non-Executive
Comde. M. Bhada I. N. (Retd.)	Member	Independent, Non-Executive
Mr. Homiyar Madan	Member	Independent, Non-Executive

The committee met during the year 6 times to discuss various matters relating to:

- Transfer/transmission/transposition of shares
- Consolidation/splitting of folios
- Issue of share certificates for lost, sub divided, consolidated, rematerialized, defaced shares
- Review of shares dematerialized and all other related matters
- Investors' grievances and redressal mechanism and recommend measures to improve the level of investor services

The share department of the company and the Registrar and Share Transfer Agent (RTA) System Support Services attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchange, Registrar of Companies, Ministry of Corporate affairs etc.

The minutes of the shareholders'/investors' grievances committee are noted by the Board of Directors at their each meeting.

Continuous efforts are made to ensure that grievances are redressed expeditiously to the fullest satisfaction of the shareholders and investors. Shareholders are requested to forward their telephone numbers and e-mail IDs to facilitate prompt action.

**COMPLIANCE OFFICER**

The Board has designated Mr Tippana Jog as the compliance officer.

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS.

Number of Shareholders complaints received during the year:	7
Number of complaints not solved to the satisfaction of shareholders:	NIL
Number of pending share transfer: (Except those rejected on technical grounds)	NIL

CEO/CFO CERTIFICATION

The requisite CEO/CFO certification pursuant to Sub- clause V of the Clause 49 of the Listing Agreement has been placed before the board at the meeting of Directors held on 12th August 2011.

RISK MANAGEMENT

The Company has set in motion a system for management of risks associated with the orderly functioning of the Company. The audit committee has been mandated the accountability for integration of risk management practices into day to day activities

6. GENERAL BODY MEETINGS

The venue and time where last three Annual General Meetings were held is given below.

Financial Year	Meeting	Date	Time	Location
2007-2008	AGM	26.09.2008	11.00 AM	Walchand Hirachand Hall, Churchgate, Mumbai
2008-2009	AGM	25.09.2009	11.30 AM	Walchand Hirachand Hall, Churchgate, Mumbai
2009-2010	AGM	23.09.2010	12.00 noon	Kilachand Conference Room, Indian Merchants Chamber, Mumbai

7. SUBSIDIARIES

The Company has two subsidiaries namely SKS waterways Ltd & Royal Logistics (Ship) Ltd which have not yet started their operations. For winding up of Shahi Shipping (BD) Ltd, necessary formalities are in process. Hence the consolidated financial statement of the SKS Logistics Limited and its subsidiaries SKS waterways Ltd Royal Logistics (Ship) Ltd & Shahi Shipping(BD) Ltd has not been prepared.

8. DISCLOSURES

During the last three years, no penalty or strictures have been imposed on the Company by the Stock Exchange/ SEBI/Statutory Authorities on matters related to capital markets.

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large, except as reported elsewhere in the report/ accounts.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments during the year and there are no such instruments, which are outstanding as of the date of this Report.

The Company has complied with the mandatory requirements and has not adopted any non-mandatory requirement of Clause 49 of the Listing Agreements.

9. INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has, effective February 20, 2002, introduced amendments to the existing Insider Trading Regulations of 1992 which require new action steps by the corporate and market intermediaries for the purpose of prevention of Insider Trading.



Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the company has adopted a "Code of Conduct for Prevention of Insider Trading". The code is applicable to all the Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the company.

Mr. Tippana Jog is the compliance officer for adherence to the Regulations.

10. CODE OF CONDUCT

The Board of Directors have adopted a Code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the directors and Senior Management. The code is also uploaded on the company's website www.shahilogistics.com.

11. MEANS OF COMMUNICATION

The approved financial results are forthwith sent to the Listed Stock Exchange and are published in the leading national newspapers namely Free Press Journal and Navshakti (Marathi) within forty-eight hours of approval thereof. These results and other official releases are also available at the company's website www.shahilogistics.com and of the Bombay Stock Exchange Ltd, Mumbai at www.bseindia.com. (The Management Discussion and Analysis Report forms part of the Annual Report.)

12. COMPLIANCE CERTIFICATE OF THE AUDITORS

The statutory auditors have certified that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement with the stock exchange and the same is annexed to the Directors Report and Management Discussion and Analysis.

The certificate from the auditors will be sent to the stock exchange where company's shares are listed.

13. GENERAL SHAREHOLDER INFORMATION

(a) ANNUAL GENERAL MEETING:

Date and time : Tuesday, September 27, 2011 at 3.30 P M
Venue : Kilachand Conference Room, 2nd Floor,
Indian Merchants', Chamber, Churchgate,
Mumbai - 400 020

(b) FINANCIAL CALENDAR

Financial reporting for
Quarter ending 30th June 2011 : August 12, 2011
Quarter ending 30th September 2011 : November 14, 2011
Quarter ending 31st December 2011 : February 14, 2012
Year ending 31st March 2012 : May 15, 2012

(c) DATE OF BOOK CLOSURE : 20th September 2011 to 27th September 2011
(both days inclusive)

(d) Listing of Equity shares : Bombay Stock Exchange Limited

The equity shares of the company are listed on Bombay Stock Exchange Limited (BSE). Annual listing fees has been paid to the Bombay Stock Exchange Limited as and when it fall due for payment.

(e) Scrip code : 526508 SKS LOGISTICS LIMITED

(f) Demat ISIN No : INE 825 D 01016

**(g) Stock market data**

:

The month-wise movement (High & Low) of the equity shares of the Company at the Bombay Stock Exchange Limited, Mumbai, during each month for the year ended 31st March 2011 is as under:

Month	High ₹	Low ₹
April 2010	22.70	16.25
May 2010	38.00	17.60
June 2010	41.05	29.45
July 2010	40.65	31.35
August 2010	33.30	22.55
September 2010	24.95	20.70
October 2010	23.20	19.70
November 2010	24.20	18.75
December 2010	24.40	15.50
January 2011	20.95	14.20
February 2011	17.50	14.00
March 2011	18.30	15.00

(h) Registrar and Share Transfer Agent:

System Support Services
209, Shivai Industrial Estate,
89, Andheri-Kurla Road,
Sakinaka, Mumbai - 400 072.
Telephone: 28500835.
Fax: 28501438, E-mail: zip@sysss.com

(i) Distribution of shareholding as on 31st March 2011:

Shareholding	No of Share holders	% to no of Share holders	No. of Shares	% to paid-up Capital
Up to 500	5587	85.441	1088161	7.507
501 - 1000	513	7.845	427891	2.952
1001 - 2000	218	3.334	346748	2.392
2001 - 3000	55	0.841	141608	0.977
3001 - 4000	36	0.551	128848	0.889
4001 - 5000	27	0.413	129095	0.891
5001 - 10000	38	0.581	271919	1.876
10001 and above	65	0.994	11960604	82.516
Total	6539	100	14,494,874	100.000

(j) Distribution of shareholding as on 31st March 2011:

Category	No. of Shares	Percentage
Promoters	8744394	60.327
Mutual fund	200	0.001
Bank /Financial / Institutions	200	0.001
Corporate bodies	2088744	14.410
FII / NRI / OCB	161561	1.115
Indian Public	3499775	24.146
Total	14,494,874	100.000



(k) Dematerialization of shares

The Company's shares are compulsorily traded in dematerialized form. As on 31st March 2011, 96,43,981 shares were in dematerialisation form with the NSDL & CDSL. This work out to 66.53% of the total number of shares.

(l) Share Transfer System

Share transfer in physical form are processed and returned to the shareholders within stipulated time. Half yearly Transfer Audit and Quarterly Secretarial Audits are carried out by a Practicing Company Secretary.

(m) Plant Locations

The Company does not have any plant since it is engaged in the business of Shipping.

(n) Investors Correspondence

System Support Services,
209 Shivai Industrial Estate
89, Andheri Kurla Road,
Sakinaka, Mumbai- 400072.
E-mail: zip@sysss.com

Mrs. Mamta D. Jain, Compliance Officer
404, Abhay Steel House, Baroda Street,
Mumbai - 400 009.
E-mail: cs@shahilogistics.com

Place : Mumbai
Date : 12th August 2011

S. K. Shahi
Chairman and Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
SKS Logistics Ltd.
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by SKS Logistics Ltd. (the Company) for the year ended 31st March 2011, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the mandatory conditions of the clause 49 of the Listing Agreement, except that in the last Annual General Meeting dated 23rd September 2010, the Chairman of the Audit Committee was not present.

We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For N. D. HEDA & CO
Chartered Accountants
Firm Registration No. 103604W

Place : Mumbai
Date : 12th August 2011

N. D. HEDA
Proprietor
Membership No. 32450



AUDITORS' REPORT

TO THE MEMBERS OF SKS LOGISTICS LIMITED

- (1) We have Audited the attached Balance Sheet of SKS LOGISTICS LIMITED as at 31st March, 2011 and also the annexed Profit and Loss Account of the Company for the year ended on that date annexed thereto and Cash Flow Statement of company for the year ended on that date. These financial statement are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditors Report) Order, 2003 (as amended) 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 of the matters specified in paragraphs 4 and 5 of the said Order.
- (4) Further to our comments in the annexure referred to in paragraph 3 above :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of accounts.
 - (d) In our opinion, and to the best of our information the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956, to the extent applicable.
 - (e) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, none of the Directors is prima-facie disqualified as on 31st March, 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) Disclosure of Deferred Tax Liability is made under the head "Reserve and Surplus" for the reasons stated in note 26 of schedule 19.
 - (g) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the Significant Accounting Policies and other Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - I) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011.
 - II) In the case of the Profit and Loss Account of the Profit for the year ended on that date.
 - III) In the case of Cash Flow Statement of the Cash Flow for the year ended on. that date.

For N. D. HEDA & CO
Chartered Accountants
Firm Registration No. 103604W

Place : Mumbai
Date : 12th August 2011

N. D. HEDA
Proprietor
Membership No. 32450

**ANNEXURE TO THE AUDITORS' REPORT :-**

(Referred to in paragraph 3 of our Report of even date on the accounts of SKS Logistics Limited for the year ended 31st March, 2011).

1. (a) The Company has maintained on year to year basis the records showing particulars including quantitative details of fixed assets and company is in process of updating the fixed assets register.
(b) Some fixed assets have been physically verified by the management during the year in accordance with phased program of verification adopted by the company. No material discrepancies between the book records and physical inventory were noticed in respect of assets physically verified during the year.
(c) The company has not disposed off substantial part of its fixed assets during the year.
2. The Company is in Shipping business, therefore clauses (ii)(a), (ii)(b) and (ii)(c) of Para 4 of the above mentioned order regarding inventory and its physical verification, etc., do not apply in its case. The Company does purchase stores and spare parts for its ships & barges which are directly treated as consumed as and when supplied to its ships & barges.
3. (a) The Company has not given any Loans, secured or unsecured to companies, firm or other parties listed in the register maintained under section 301 of Companies Act, 1956. The company has taken unsecured loan from Companies and a Director listed in the registered maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding during the year is Rs.442.45 lacs. (Previous Year Rs 466.45 Lacs)
(b) In our opinion and according to the information and explanation given to us the unsecured loans taken by the company are interest free, the same are repayable on demand and therefore question of overdue amount does not arise.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business With regards to purchases of stores, spare parts, fixed assets and services rendered. During the course of our audit, no major weakness has been noticed in the internal controls.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of any party.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under. No order Low been passed by the Company Law Board or National Company Law Tribunal, or Reserve bank of India, or any Court, or any other Tribunal.
7. In our opinion the company has internal Audit system commensurate with the size and nature of its business.
8. As informed to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956, in respect of activities carried on by the company.
9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed material statutory dues in respect of provident fund, investor education and protection fund, employees state insurance, sales-tax, income-tax, wealth-tax, customs duty, excise duty, cess and other material statutory dues as applicable, have been generally regularly deposited by the Company during the year with the appropriate authorities except due is respect of Service Tax. The extent of the arrears of statutory dues outstanding as at



31/03/2011 for a period of more than six months from the date became payable in respect of Service Tax pertaining to financial years, 2010-2011 Rs 54.50 Lacs .

(b) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty or Cess Outstanding on account of any dispute.

10. The Company does not have any accumulated losses nor has it incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders, as at the balance sheet date.

The Company has not granted any loans and advances on the basis of security by way of pledge of shares etc.

13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, etc.

15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. In our opinion and according to the information and explanations given to us and on an overall examination, the term loans have been applied for the purpose for which they were raised.

17. Based on our examination and the information and explanation given to us, we report that the Company has not utilised any funds raised on short term basis for long term investments and vice-versa.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

19. The Company has not issued any secured debentures during the year.

20. The company has not raised any money by public issue during the year.

21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For N. D. HEDA & CO
Chartered Accountants
Firm Registration No. 103604W

Place : Mumbai
Date : 12th August 2011

N. D. HEDA
Proprietor
Membership No. 32450

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	SCHEDULE No.	As At 31st March 2011	As At 31st March 2010
<u>SOURCES OF FUNDS</u>			
Share Capital	1	144,948,740	144,948,740
Reserves & Surplus	2	227,229,828	206,233,098
Secured Loans	3	274,095,920	390,329,661
Unsecured Loans	4	50,458,589	53,807,494
		<u>696,733,077</u>	<u>795,318,993</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	5	499,520,289	492,583,593
Investments	6	892,413	892,413
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Sundry Debtors	7	135,093,157	216,432,022
Cash & Bank Balances	8	13,227,773	6,807,809
Other Current Assets	9	64,761,911	64,607,825
Loans & Advances	10	71,578,531	139,281,421
		<u>284,661,372</u>	<u>427,129,077</u>
<u>LESS: CURRENT LIABILITIES & PROVISIONS</u>			
Current Liabilities	11	72,876,405	64,587,235
Provisions	12	16,602,342	61,836,605
		<u>89,478,747</u>	<u>126,423,840</u>
NET CURRENT ASSETS		<u>195,182,625</u>	<u>300,705,237</u>
MISCELLANEOUS EXPENDITURE	13	1,137,750	1,137,750
(to the extent not written off or adjusted)			
		<u>696,733,077</u>	<u>795,318,993</u>
<u>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</u>			
	19		
The Schedules referred to above form an integral part of Balance Sheet			

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

For N. D. HEDA & CO.
Firm Registration No. 103604W
Chartered Accountants**S. K. SHAHI**
Chairman & Managing Director**N. D. HEDA**
Proprietor
Membership No. 32450**Cmdr. M. BHADA**
(Director)**HOMIYAR MADAN**
(Director)**B. B. BHAWSAR**
(Director)Place : Mumbai
Dated : 12th August 2011

**PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2011**

	SCHEDULE No.	As At 31st March 2011	As At 31st March 2010
INCOME			
Income from Operations	14	442,252,987	294,241,764
Other Income	15	1,431,471	5,868,041
Profit on sale of Assets		91,691	135,871
		443,776,149	300,245,676
EXPENDITURE			
Direct Operation expenses	16	157,389,751	118,085,165
Administrative expenses	17	144,320,108	46,188,957
Financial expenses	18	54,844,731	68,918,916
Depreciation		47,926,938	57,780,689
Loss on Sale of Assets		6,228	101,446,672
		404,487,756	392,420,399
Profit/Loss before Taxation		39,288,393	(92,174,723)
Less : Current Tax		7,946,653	228,575
Less : Deferred Tax		(3,230,425)	(10,447,000)
Less: Taxation of earlier years		1,921,858	0
Less : Fringe Benefit Tax		0	(83,458)
Profit/Loss after Tax		32,650,307	(81,872,840)
Add: Surplus from Previous Year		37,607,827	119,480,667
BALANCE available for appropriations		70,258,134	37,607,827
Less: Proposed Dividend		7,247,437	-
Less: Tax on Proposed Dividend		1,175,715	-
BALANCE CARRIED FORWARD		61,834,982	37,607,827
Earnings per share (Rs.) (Basic & Diluted)		2.25	(5.65)

SIGNIFICANT ACCOUNTING POLICIES AND**NOTES TO THE ACCOUNTS****19**

The Schedules referred to above form an integral part of Profit & Loss Account

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

For N. D. HEDA & CO.Firm Registration No. 103604W
Chartered Accountants**S. K. SHAHI**

Chairman & Managing Director

N. D. HEDAProprietor
Membership No. 32450**Cmdr. M. BHADA**

(Director)

HOMIYAR MADAN

(Director)

B. B. BHAWSAR

(Director)

Place : Mumbai

Dated : 12th August 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	(Rs. In'000s) 2010-2011	(Rs. In'000s) 2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	39,288	(92,175)
Adjustment for		
Depreciation	47,927	57,781
Bad Debt Written off	79,424	
Loss /(Profit) on sale of Assets (Net)	(85)	1,01,311
Dividend Income	(18)	(12)
Interest Income	(1,261)	(123)
Interest Expenses	53,191	66,645
Operating Profit before working Capital Changes	2,18,466	1,33,427
Adjustment for		
Trade & Other receivables	71,187	1,836
Trade Payables	(50,037)	(21,778)
Cash generated from operation	2,39,616	1,13,485
Direct Taxes paid	(3,492)	(252)
Interest paid	(56,470)	(72,620)
Net cash from operating Activities(A)	1,79,654	40,613
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(55,119)	(51,482)
Sale of Fixed Assets	341	1,15,772
Dividend Received	18	12
Interest Received	1,108	164
Purchase of shares in Subsidiary company	-	(700)
Net Cash used in Investing Activities(B)	(53,652)	63,766
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	(1,19,582)	(1,00,360)
Net Cash used in Financing Activities(C)	(1,19,582)	(1,00,360)
Net Changes in cash & cash equivalents(A+B+C)	6,420	4,019
Cash & cash equivalents in - opening Balance	6,808	2,789
Cash & cash equivalents in - Closing Balance	13,228	6,808
	<u>6,420</u>	<u>4,019</u>

Note:

1. Purchase of Fixed Assets are stated inclusive of capital work- in progress and advances for capital goods, between beginning and end of the year and is treated as part of investing activities.
2. Proceeds from borrowings are shown as net of repayments.

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

For N. D. HEDA & CO.Firm Registration No. 103604W
Chartered Accountants**S. K. SHAHI**

Chairman & Managing Director

N. D. HEDAProprietor
Membership No. 32450**Cmdr. M. BHADA**

(Director)

HOMIYAR MADAN

(Director)

B. B. BHAWSAR

(Director)

Place : Mumbai

Dated : 12th August 2011

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011**

	As At 31st March 2011	As At 31st March 2010
SCHEDULE :1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
300,00,000 EQUITY SHARES OF RS. 10/-EACH	<u>300,000,000</u>	<u>300,000,000</u>
(Previous year 3,00,00,000 Equity Shares of Rs.10/- each)		
ISSUED, SUBSCRIBED & PAID UP		
1,44,94,874 EQUITY SHARES OF RS.10/-EACH FULLY PAID	<u>144,948,740</u>	<u>144,948,740</u>
(Previous year 1,44,94,874 Equity Shares of Rs.10/- each fully paid)		
(Out of the above 72,47,437 Equity Shares of Rs.10/- each was allotted as fully paid-up bonus shares by capitalisation of general reserve)		
SCHEDULE :2		
RESERVES & SURPLUS		
GENERAL RESERVE		
AS PER LAST BALANCE SHEET	<u>106,979,421</u>	<u>106,979,421</u>
	<u>106,979,421</u>	<u>106,979,421</u>
RESERVES U/S 115VT of Income Tax Act,1961		
AS PER LAST BALANCE SHEET	<u>2,461,850</u>	<u>2,461,850.00</u>
	<u>2,461,850</u>	<u>2,461,850</u>
DEFERRED TAX RESERVE		
AS PER LAST BALANCE SHEET	<u>59,184,000</u>	<u>69,631,000</u>
Less: Transferred to Profit & Loss A/c.	<u>(3,230,425)</u>	<u>(10,447,000)</u>
	<u>55,953,575</u>	<u>59,184,000</u>
PROFIT AND LOSS ACCOUNT		
	<u>61,834,982</u>	<u>37,607,827</u>
	<u>227,229,828</u>	<u>206,233,098</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011**

	As At 31st March 2011	As At 31st March 2010
SCHEDULE :3		
SECURED LOANS		
<u>Term Loans from Banks</u>		
Secured by hypothecation of specific barges and personal guarantee of some of the Directors	160,025,452	207,433,990
Secured by Book Debts, hypothecation of specific barges, equitable mortgage of Office premises & personal guarantee of certain Directors	17,401,749	28,511,828
Secured by hypothecation of specific barges, equitable mortgage of Office premises & personal guarantee of certain Directors	61,254,299	90,000,000
Secured by Personal guarantee of Director	-	239,357
<u>Cash Credit Facility from Bank</u>		
Secured by Book Debts, hypothecation of specific barges & personal guarantee of certain Directors	31,966,445	60,274,548
<u>Vehicle Loans from Banks</u>		
Secured by hypothecation of Motor vehicles.	2,626,454	2,368,589
<u>Vehicle Loans from Company</u>		
Secured by hypothecation of Motor vehicles.	821,521	1,501,349
TOTAL	<u>274,095,920</u>	<u>390,329,661</u>
SCHEDULE :4		
UNSECURED LOANS		
From Corporate Bodies	27,963,133	21,312,494
From Director	20,795,456	31,995,000
From Others	1,700,000	500,000
	<u>50,458,589</u>	<u>53,807,494</u>



SCHEDULE : 5
FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 31.3.2010 Rs.	ADDITIONS DURING THE YEAR Rs.	DEDUCTIONS DURING THE YEAR Rs.	AS AT 31.03.2011 Rs.	UP TO 31.03.2010 Rs.	DEP. FOR THE YEAR Rs.	ADJUSTMENT IN RESPECT OF ASSETS SOLD	UP TO 31.03.2011 Rs.	AS AT 31.03.2011 Rs.	AS AT 31.3.2010 Rs.
FREEHOLD LAND	845,316	-	-	845,316	-	-	-	-	845,316	845,316
LEASE HOLD LAND	4,709,760	-	-	4,709,760	487,536	78,496	-	566,032	4,143,728	4,222,224
FLEET	992,708,582	45,921,963	-	1,038,630,545	580,500,426	41,905,419	-	622,405,845	416,224,700	412,208,156
MACHINERY	10,489,358	950,000	-	11,439,358	6,448,862	594,255	-	7,043,117	4,396,241	4,040,496
TANKERS	1,615,728	-	-	1,615,728	1,513,021	30,812	-	1,543,833	71,895	102,707
BUILDINGS*	22,140,786	-	-	22,140,786	6,220,258	796,026	-	7,016,284	15,124,502	15,920,528
ELECTRICAL INSTLTNS.	2,008,505	-	-	2,008,505	1,213,461	110,591	-	1,324,052	684,453	795,044
FURNITURE, FIXTURES	9,799,803	1,242,221	42,004	11,000,020	5,869,289	839,095	21,776	6,686,608	4,313,412	3,930,514
TYPE WRITER	54,103	-	-	54,103	48,765	743	-	49,508	4,595	5,338
COMPUTER	4,876,858	492,256	26,346	5,342,768	4,343,474	270,052	24,083	4,589,443	753,325	533,384
OFFICE EQUIPMENT	5,868,470	389,590	-	6,258,060	3,580,975	341,769	-	3,922,744	2,335,316	2,287,495
VEHICLES	34,032,151	5,394,020	1,843,016	37,583,155	24,955,136	2,927,948	1,609,270	26,273,814	11,309,341	9,077,015
SUNDRY ASSETS COSTING BELOW RS. 5000/- WRITTEN OFF	528,965	55,388	-	584,353	528,965	31,732	-	560,697	23,656	-
	1,089,678,385	54,445,438	1,911,366	1,142,212,457	635,710,168	47,926,938	1,655,129	681,981,977	460,230,480	453,968,217
CAPITAL WORK-IN-PROGRESS & ADVANCES FOR CAPITAL GOODS	38,615,376	875,276	200,843	39,289,809	-	-	-	-	39,289,809	38,615,376
TOTAL RUPEES	1,128,293,761	55,320,714	2,112,209	1,181,502,266	635,710,168	47,926,938	1,655,129	681,981,977	499,520,289	492,583,593
PREVIOUS YEAR	1,364,202,051	51,482,060	287,390,350	1,128,293,761	648,237,068	57,780,689	70,307,589	635,710,168	492,583,593	-

* The Building includes Rs.1750/= being the value of shares hold in co-operative Societies

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011**

	As At 31st March 2010	As At 31st March 2009
SCHEDULE :6		
INVESTMENTS		
Investments in Equity Shares (at cost)		
Quoted :		
Other Than Trade		
Equity Shares of Bank of Baroda (1000 Equity Shares of Rs.10/- each fully paid) (Market Value Rs. 9,63,150/-)	85,000	85,000
Unquoted :		
I. Other Than Trade		
Equity Shares of Shamrao Vithal Co-op Bank (400 Equity Shares of Rs.25/- each Fully Paid)	10,000	10,000
Equity Shares of Saraswat Co-op Bank Ltd. (1005 Equity Shares of Rs.10/- each Fully Paid)	10,050	10,050
II. Trade		
In Subsidiary Companies:		
Equity Shares of SKS Waterways Ltd. (34,994 Equity shares of Rs. 10/- each)	349,940	349,940
Equity Shares of Royal Logistics (Ship) Ltd. (34,994 Equity shares of Rs. 10/- each)	349,940	349,940
Equity Shares of Shahi Shipping (Bangladesh) Ltd. (997 Equity Shares of 100 Bangladesh Takka each)	87,483	87,483
	<u>892,413</u>	<u>892,413</u>
SCHEDULE :7		
SUNDRY DEBTORS (Considered Good)		
Debts outstanding for a period exceeding six months (Refer Note 13 on Schedule 19)	40,671,311	123,017,862
Other Debts	94,421,846	93,414,160
	<u>135,093,157</u>	<u>216,432,022</u>
SCHEDULE :8		
CASH & BANK BALANCES		
Cash balance on hand	205,608	207,144
Foreign Currency in hand	62,887	102,062
Bank balances with Scheduled Banks :		
Margin Money Deposit against Guarantees	9,948,881	1,628,137
Current Accounts	2,203,842	3,967,523
Dividend Accounts	806,555	902,943
	<u>13,227,773</u>	<u>6,807,809</u>
SCHEDULE :9		
OTHER CURRENT ASSETS		
Interest accrued on Bank FDR's	238,767	84,681
Interest Subsidy Receivable (Refer Note 15 on Schedule 19)	64,523,144	64,523,144
	<u>64,761,911</u>	<u>64,607,825</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011**

	As At 31st March 2011	As At 31st March 2010
SCHEDULE :10		
LOANS & ADVANCES (Considered good)		
Tax paid (including TDS)	20,709,271	85,536,909
Deposit with statutory bodies	2,791,343	3,099,381
Deposit with others	6,735,160	7,188,192
Advances Recoverable in Cash or in kind for value to be received *	41,342,757	43,456,939
* Includes Rs.1,95,685/- (Previous year Rs. 36,56,245/-) dues from subsidiaries and other companies where directors are interested	<u>71,578,531</u>	<u>139,281,421</u>
SCHEDULE :11		
CURRENT LIABILITIES		
Sundry Creditors	67,869,850	62,234,293
Advances	2,750,000	-
Trade Deposits	1,450,000	1,450,000
Unclaimed Dividend*	806,555	902,942
*(Includes sum of Rs. 85,275/- to be credited to Investor Protection Fund)	<u>72,876,405</u>	<u>64,587,235</u>
SCHEDULE :12		
PROVISIONS		
For Taxation	8,179,190	59,770,575
For Fringe Benefit Tax	-	2,066,030
For Proposed Dividend	7,247,437	-
For Tax on Proposed Dividend	1,175,715	-
	<u>16,602,342</u>	<u>61,836,605</u>
SCHEDULE :13		
MISCELLANEOUS EXPENDITURE		
Expenditure incurred for Public Issue (To the extent of not written off or adjusted)	1,137,750	1,137,750
	<u>1,137,750</u>	<u>1,137,750</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	As At 31st March 2011	As At 31st March 2010
SCHEDULE :14		
<u>INCOME FROM OPERATIONS</u>		
Income from Operations	442,252,987	294,241,764
	<u>442,252,987</u>	<u>294,241,764</u>
SCHEDULE :15		
<u>OTHER INCOME</u>		
Interest from Banks	250,374	123,505
Interest on Income tax Refund	1,010,964	-
Dividend Received	18,200	12,500
Excess provision written back	23,095	262,102
Rebate and Discount Received	-	357,007
Sundry balances written back (Net)	128,838	5,081,198
Misc. Income	-	31,729
	<u>1,431,471</u>	<u>5,868,041</u>
SCHEDULE :16		
<u>DIRECT OPERATION EXPENSES</u>		
Hire Transportation, Cargo Handling & Water Charges	27,283,204	10,075,749
Agency fees	4,344,722	3,285,000
Crane Charges	58,675	14,000
Repairs & Maintainance (Fleet)	41,789,971	24,316,565
Barge Operation Expenses	29,115,832	27,340,803
Port Dues	17,166,762	8,029,919
Fuel & Oil	35,173,427	40,274,545
Insurance Charges	1,374,369	2,684,770
Survey Charges	1,082,789	2,063,814
	<u>157,389,751</u>	<u>118,085,165</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	As At 31st March 2011	As At 31st March 2010
SCHEDULE :17		
ADMINISTRATIVE EXPENSES		
Salary& Bonus & Gratuity etc.	17,100,381	14,687,265
Contribution to PF & other Funds	1,300,417	1,425,701
Staff welfare	857,352	835,478
Rent, rates & taxes	1,888,919	1,711,854
Insurance charges	164,204	128,866
Travelling expenses	2,118,484	2,462,526
Telephone,Telex ,Fax Expenses	1,077,879	1,053,617
Auditors remuneration	474,500	401,533
Advertisement & publicity expenses	1,964,120	684,388
Bad debts written off	79,424,373	1,355,497
Directors remuneration	4,324,950	3,754,821
Directors sitting fees	62,500	50,000
Electricity charges	882,096	885,637
Printing & Stationery expenses	537,334	723,612
Legal,professional & consultancy charges	4,017,025	3,775,326
Secretarial expenses	152,731	198,643
conveyance expenses	719,430	1,261,978
Other expenses	10,040,242	5,028,117
Rebates & discounts	13,213,728	2,853,016
Repairs & maintenance - Building	37,500	27,925
Repairs & maintenance (others)	3,789,399	2,867,572
Loss on exchange rate difference	172,544	15,584
	<u>144,320,108</u>	<u>46,188,957</u>
SCHEDULE :18		
FINANCE EXPENSES		
Interest	53,191,234	66,645,062
Bank Charges & Commission	1,653,497	2,273,854
	<u>54,844,731</u>	<u>68,918,916</u>

**SCHEDULE: 19****Significant Accounting Policies and Notes to the Accounts: -****1. Method of Accounting:**

The accounts are prepared under historical cost convention and are based on the accrual basis of accounting except that liability for bonus, leave encashment and receipt of insurance claims, which are accounted on cash basis.

2. Fixed Assets:

Fixed assets are stated at cost of acquisition including interest during construction period, if any, less accumulated depreciation.

3. Capital Work in Progress and Advances for Capital Goods:

Capital work-in-progress and Advances for capital goods includes advances for projects and advances for capital goods.

4. Depreciation:

- (i) Depreciation is provided on the Written Down Value Method at rates specified in the Schedule XIV of the Companies Act, 1956
- (ii) Depreciation on addition to Assets and sale of Assets is calculated pro-rata, from the date of such addition and up to the date of such sale respectively.
- (iii) Cost of lease-hold land is amortised over the period of lease.

5. Investments:

All Investments are considered as long term Investments and are stated at cost.

6. Foreign Exchange Transaction:

Loan in foreign currency from banks and financial institutions for acquisition of fixed assets are converted at the rate of exchange prevailing on the date of Balance Sheet.

Government of India, Ministry of Corporate Affairs vide notification No. GSR 225 (E) dated 31st March 2009 issued Companies (Accounting Standards) Amendment Rules, 2009 with effect from Accounting year commencing on or after 7th December, 2006.

In terms of the notification referred above, exchange differences arising on reporting of long term foreign currency loans, so far as they relate to acquisition of depreciable Capital Assets. Is added to or deducted from the cost of the assets and depreciated over the balance life of the assets and in other cases it is accumulated in Foreign Currency Monetary items Translation Difference Account and amortized over balance period of such long term liability but not beyond 31st March, 2011. The Government of India vide its notification dated 11th May, 2011, has extended the period upto 31st March, 2012.

The difference in translation of all other monetary assets and liabilities and realized gains and losses on other foreign currency transactions are recognized in the Profit and Loss Account.

7. Revenue Recognition:

Income from operation consists of vessel hire charges on time charter and spot charter basis. In certain cases, time charter hire charges are billed at a composite rate, which includes reimbursement of incidental expenses.

8. Retirement Benefits:

Company's contribution to Employees' Provident Fund and Employees State Insurance are being charged to the Profit & Loss Account. Liability for gratuity in case of shore staff is determined on accrual basis and is provided in the books of accounts. In case of crew members, gratuity is accounted for on cash basis.

9. Treatment of major repairs:

Major repairs including survey expenses carried out on vessels are written off to revenue in the year the expenses are incurred. However, in the opinion of the management if such expenses are carry a long term benefit and in the nature of a capital expenditure, the same are added to the cost of the respective vessels.

**10. Stores & Spares:**

Stores & Spares purchased are directly issued to the Barges and the values of such purchases are charged to the Revenue and are included in Repairs and Maintenance Account.

11. Taxes on Income

Provision for current tax is made, based on tax payable under Income Tax Act 1961. The Company provides for Deferred Tax Liability which arises due to the timing difference between accounting income & taxable income.

12. Contingent liability not provided for:

- a) On account of guarantees executed by the company's Bankers for Rs. 258.43 lacs (previous year Rs. 108.15 lacs), which is partly secured by the Margin Money amounting to Rs. 99.49 lacs (previous year Rs. 16.28 lacs) retained by the Bank.
- b) Claim against the Company not acknowledged as debts Rs.30.37 lacs (previous year Rs. 30.37 lacs.)
13. Debtors include Rs. 22.67 lacs (Previous year Rs. 22.67 lacs) in respect of cases which are under arbitration/ dispute. In the opinion of the management the said debts are considered good.
14. On account of being a shipping company, details in connection with Para 3 of Part II of Schedule VI of the Companies Act, 1956 have not been given.
15. The other current assets in schedule 9 includes Rs. 645.23 lacs (Previous year Rs. 645.23 lacs) of interest subsidy receivable from Central Government Inland Waterways Authority. To recover the same the petition is pending before the Delhi High Court. The amount outstanding is considered good by the management,
16. The company has lodged the claim of sum of Rs 396.23 lacs in the Financial Year 2009-10, in respect of main engine break down of a ship during the voyage. The salvage expenses sum of Rs 316.58 lacs which has been incurred on account of above has been shown in the books of accounts in Loan & Advances. As per Company accounting policy the insurance claim are accounted on cash basis, the above said insurance claim has not been received hence not recorded in the books of accounts.
17. The Sundry Debtors, Sundry Creditors, Loans, Deposits and Loans & Advances are subject to confirmation.
18. In the opinion of the Board, Current Assets, Loan and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
19. The company is engaged only in the business of shipping and as such there is no separate reportable segment as per Accounting Standard 17.
20. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes on account of principal amount together with the interest and accordingly no additional disclosures have been made.
The above information regarding Micro, Small and Medium Enterprises, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
21. The company's two Subsidiary Company namely SKS Waterways Ltd and Royal Logistics (Ship) Ltd has not yet started operation. Shahi Shipping (BD) Ltd, is in the process of liquidation, hence the consolidated financial statement of the SKS Logistics Limited and its subsidiaries SKS Waterways Ltd, Royal Logistics (Ship) Ltd and Shahi Shipping (BD) Ltd has not been prepared.
22. Previous year's figures have been regrouped and rearranged wherever necessary to confirm to those of the current year.
23. Expenditure in Foreign Currency:
- | | 31st March 2011
(Rs.) | 31st March 2010
(Rs.) |
|-----------|--------------------------|--------------------------|
| Traveling | 98463 | 152840 |



24. Earnings in Foreign Currency:		
From Operations	85280128	NIL
25. Auditors' Remuneration includes:		
For Company Law Audit	1,60,000	1,60,000
For Tax Audit	50,000	50,000
For Taxation	1,12,500	30,000
For Certification	1,52,000	1,57,900
For Reimbursement of Expenses	NIL	3,633

26. The break-up of net Deferred Tax Liability is as under:		
Deferred Tax Assets	(Rs. In Lacs)	(Rs. In Lacs)
	NIL	NIL
Deferred Tax Liability		
Difference between Book & Tax Depreciation	559.54	591.84
Net deferred tax liability on account timing differences	559.54	591.84

As in the past years the accumulated credit balance in the Deferred Tax Account has been shown under the head "Reserves & Surplus ", as in the opinion of the management the liability for deferred tax does not exist on the date of the Balance Sheet.

27. There was no impairment loss on fixed assets on the basis of review carried out by the management in accordance with the Accounting Standard 28 issued by the Institute of Chartered Accountants of India.

28. Earnings per Share	31st March 2011	31st March 2010
Profit /(Loss) after taxation as per Profit & Loss Account	32,650,307	(81,872,840)
Number of equity shares outstanding for basic and diluted EPS	14,494,874	14494874
Basic & diluted EPS	Rs.2.25	Rs. (5.65)
Face value per share	Rs.10/-	Rs.10/-

29. Prior period expenses debited during the year was 18.38 lacs (previous year was Rs. 2.93 Lacs).

30. Remuneration to Directors including Managing Director & Whole-time Directors.		
	Rs. In Lacs	Rs. In Lacs
	2010-11	2009-10
Salary, Bonus & Perquisites	43.25	37.55
Contribution to Provident Fund and other funds	1.80	1.80
Commission to Managing Director	NIL	NIL
	45.05	39.35



31 Related Party Disclosures :

RELATED PARTY RELATIONSHIPS:

- a) Where control exists: Shahi Shipping (BD) Limited
India First Logistics Limited
Shahi Gasol Limited
SKS Shipyard Pvt. Ltd.
Royal Logistics (Ship) Ltd.
SKS Waterways Ltd.
- b) Key Management Personnel: Mr. S. K. Shahi
Chairman & Managing Director

TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR :

TYPE OF RELATED PARTY	NATURE OF TRANSACTIONS	Rs. In Lacs AMOUNT 2010-11	Rs. In Lacs AMOUNT 2009-10
Where control exists	Advance given	-	5.37
	Loans Taken	-	22.50
	Loans Repaid	42	-
	Reimbursement Expenses	35.54	44.04
	Professional Fees	0.27	1.08
	Equity Contribution	-	7
Key Management Personnel	Remuneration paid to Key Management Personnel	45.05	39.35
	Loans Taken	21.80	290.95
	Loans Repaid	119.80	4

OTHER BALANCES OUTSTANDING AS AT THE YEAR END

	Rs. In Lacs AMOUNT 2010-11	Rs. In Lacs AMOUNT 2009-10
1. Where Control Exists		
Advances given	28.41	63.02
Unsecured Loans taken	87.50	129.50
Sundry Creditors	3.43	8.01
2. Key Management Personnel		
Unsecured Loans taken	209.95	307.95

**33. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

Registration Number

0 5 8 6 8 0

State Code

1 1

Balance Sheet Date

3 1 0 3 2 0 1 1

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Issue

N I L

III. Position of Mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities

0 7 8 6 2 1 2

Total Assets

0 7 8 6 2 1 2

Source of Funds

Paid up Capital

1 4 4 9 4 9

Reserves & Surplus

2 2 7 2 3 0

Secured Loans

2 7 4 0 9 6

Unsecured Loans

5 0 4 5 8

Application of Funds

Net Fixed Assets

4 9 9 5 2 0

Investments

8 9 2

Net Current Assets

1 9 5 1 8 3

Misc. Expenditure

1 1 3 8

Accumulated Losses

N I L

IV. Performance of Company (Amount in Rs Thousands)

Turnover (Gross Revenue)

4 4 3 7 7 6

Total Expenditure

4 0 4 4 8 8

Profit(+)/ Loss(-) before Tax

3 9 2 8 9

Profit(+)/ Loss(-) after Tax

3 2 6 5 0

Earning per Share in Rs.

2 . 2 5

Dividend Rate (%)

5

V. Generic Names of Three principal Products/ Services of the Company (as per Monetary Terms)

Item Code No. (ITC Code)

N I L

Product Description

S H I P P I N G

Signatures to "Schedule 1" to "Schedule 19" forming part of accounts.

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

For N. D. HEDA & CO.Firm Registration No. 103604W
Chartered Accountants**S. K. SHAHI**

Chairman & Managing Director

N. D. HEDAProprietor
Membership No. 32450**Cmdr. M. BHADA**

(Director)

HOMIYAR MADAN

(Director)

B. B. BHAWSAR

(Director)

Place : Mumbai

Dated : 12th August 2011

**DETAILS OF FLEET AS ON 31ST MARCH 2011**

NAME OF VESSELS	TYPE OF VESSELS	LOADED DRAFT METERS	DEAD WEIGHT TONNES
BULK CARGO CARRIERS			
1. M.V. ROYAL AMBA	BULK CARRIER	3.20	2458
2. M.V. YAMUNA	BULK CARRIER	3.20	2458
3. M.V. ROYAL SARASWATI	BULK CARRIER	3.20	2458
4. M.V. ROYAL TAPI	BULK CARRIER	3.20	2458
5. M.V. ROYAL SHARAVATI	BULK CARRIER	3.20	2458
6. M.V. ROYAL GANGA	BULK CARRIER	3.20	2450
7. M.V. ROYAL GOA	BULK CARRIER	3.20	2450
8. M.V. ROYAL VIKRANT	BULK CARRIER	3.16	1804
9. M.V. ROYAL KALI	BULK CARRIER	3.11	1804
10. M.V. VISHAL LAXMI	BULK CARRIER	2.80	1150
LIQUID CARGO CARRIERS			
11. M.V. ROYAL GOMATI	CHEMICAL CARRIER	3.20	2450
12. D.B. ROYAL PETROL	(CHEMICAL) DUMB BARGE	3.10	2800
13. D.B. MAHANADI	DUMB BARGE	1.25	200
14. D.B. PRIYABANDHU	DUMB/FLOATING BARGE	2.50	650
15. M.V. SHASTHA	OIL TANKER	1.80	450
16. M.V. KRISHNA	OIL TANKER	1.60	310
17. M.V. ROYAL GANDAK	TANKER	2.40	710
18. M.V. SUPER	TANKER	1.50	300
19. M.V. ROYAL PAMBA	TANKER	2.00	350
20. M.V. ROYAL JOSNA	TANKER	1.70	200
MULTIPURPOSE VESSELS (BCD/CONTAINER)			
21. M.V. ROYAL SUTLEJ	MPV (BCD/CONTAINER)	4.20	3600
22. M.V. ROYAL BRAHMPUTRA	MPV (BCD/CONTAINER)	4.20	3600
23. M.V. ROYAL HUGLI	MPV (BCD/CONTAINER)	4.20	3600
OTHER			
24. M.V. ROYAL GODAVARI	TUG (TOWING)	3.10	121*
25. M.V. VIMLA	TUG	4.00	428*
26. M.V. ROYAL SEWREE	MOTOR LAUNCH	1.50	9.30*
27. M.V. ROYAL OCEANPRIDE	MOTOR LAUNCH	2.12	31.59*

*Denotes the gross Registered Tonnage.



SKS LOGISTICS LTD.

Regd. Office: 404, Abhay Steel House, Baroda Street, Mumbai - 400 009.

PROXY FORM

DP ID * _____ Master Folio _____

Client ID * _____ No. of Shares _____

I/We _____ of _____

being a member / members of SKS LOGISTICS LTD. hereby appoint _____ of _____

or falling him / her _____ of _____

as my / our proxy to vote for me / us on my / our behalf at the TWENTYFIRST ANNUAL GENERAL MEETING of the Company be held on Tuesday the 27th September 2011 at 3.30 pm and at any adjournment thereof.

Signed this _____ day of _____ 2011 Signature _____

Affix
1 Rupee
Revenue
Stamp

Notes: The form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.

Tear Here

Tear Here



SKS LOGISTICS LTD.

Regd. Office: 404, Abhay Steel House, Baroda Street, Mumbai - 400 009.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

21st ANNUAL GENERAL MEETING - Tuesday the 27th September 2011

I hereby record my presence at the TWENTYFIRST ANNUAL GENERAL MEETING of the Company at Kilachand Conference Hall, Second Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020. on Tuesday the 27th September 2011 at 3.30 pm.

Full Name of the Member : _____
(in BLOCK LETTER)

DP ID * : _____ Master Folio: _____

Client ID * : _____ No. of Shares: _____

Full Name of proxy : _____
(in BLOCK LETTER)

Member's / Proxy's Signature : _____

