



**Annual Report  
2012- 2013**



**Sarvesh Kumar Shahi**  
**Chairman & Managing Director**



**23rd Annual Report 2012-2013**  
**SKS LOGISTICS LIMITED**

**BOARD OF DIRECTORS**

Mr. S. K. Shahi	Chairman & Managing Director
Mr. B. B. Bhawsar	Wholetime Director
Commodore. M. Bhada I. N. (Retd.)	Director
Capt. Subhash Kumar	Director

**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: zip@sysss.com

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## NOTICE

**Notice is hereby given that the Twenty third Annual General Meeting of the members of SKS Logistics Ltd will be held on Monday, the 30<sup>th</sup> September, 2013 at 11.00 A. M. at Kilachand Conference Room, Indian Merchants' Chamber Building (2<sup>nd</sup> Floor), Churchgate, Mumbai – 400 020, to transact the following business:**

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited statement of accounts together with Directors Report as also the Auditors Report thereon for the year ended 31<sup>st</sup> March 2013.
2. To appoint a Director in place of Commodore Medioma Bhada, who retires by rotation and, being eligible, offers himself for reappointment.
3. 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

**S K SHAHI**

Chairman and Managing Director

Place : Mumbai

Date : 30 May 2013

### **Registered Office:**

404, Abhay Steel House,  
Baroda Street,  
Mumbai – 400 009

### **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 Monday the 23<sup>rd</sup> September 2013 to Monday the 30<sup>th</sup> September 2013 (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 31<sup>st</sup> March 2013 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. Members who have not encashed their dividends warrants issued for the year 2005-2006 to 2011-2012 are requested to immediately forward the same for revalidation to our Share Transfer Registrar 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 the Director	Commodore Medioma Bhada I.N. (Retd.)
2.	Date of Birth	21.03.1940
3.	Experience in specific functional area and Position held	Comde Bhada was General Manager, Projects and Corporate Administration Functional area and of Mahindra and Mahindra Limited and was handed over additional Position Held: 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 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.
4.	Qualification	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 Private and Foreign Companies)	NIL
6.	Chairmanships / Memberships of Committee across	NIL
7.	Shareholding of Non Executive Directors	NIL
8.	Relationships between Directors interested	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

S K SHAHI  
 Chairman and Managing Director

Place: Mumbai  
 Date : 30 May 2013

**Registered Office:**  
 404, Abhay Steel House,  
 Baroda Street,  
 Mumbai – 400 009

**DIRECTORS' REPORT**

To

The Members of SKS Logistics Limited

Your directors have pleasure in presenting the 23<sup>rd</sup> Annual Report together with the Audited Accounts of the company for the financial year ended on 31st March 2013.

**1. FINANCIAL RESULTS:**

The summary of financial results of the company for the year ended 31st March 2013 is furnished below.

Particulars	2012-2013 ₹ In Lacs	2011-2012 ₹ in Lacs
Gross Profit/Loss	582	1050
Less: Interest and Finance Charges	356	420
Less: Provision for Depreciation	438	470
Profit before Tax	<b>(212)</b>	<b>160</b>
Less: Provision for Taxation:		
Current Tax	-	32
Taxation of Earlier Year	-	44
Deferred Tax	55	(9)
Profit After Tax	<b>(157)</b>	<b>93</b>

**2. DIVIDEND:**

Your directors did not recommend any dividend due to inadequacy of profits during the year. Your company continues with its task to build business with long term goals based on its intrinsic strength in terms of its strong brand, quality of service, customer relationships and streamlining operations.

**3. PERFORMANCE:**

Income from operations during the current year was ₹ 21.45 Crores as against ₹ 22.83 crores in the previous year. This indicates a decline of about 6.04% over the previous year. The gross profit of ₹ 5.82 crores registered a decrease of about 44.48% over the previous year's ₹ 10.50 crores. During the current year the interest and finance charges have decreased from ₹ 4.20 crores to ₹ 3.56 crores.

**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 report and a report on corporate governance are 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 | ₹ Nil       |
| (b) Foreign Exchange outgo  | ₹ 1.56 Lacs |

**10. SUBSIDIARIES:**

The Company has formed two Joint Venture Company with Inland Waterways authority of India Company namely SKS waterways Ltd & Royal Logistics (Ship) Ltd which have not started their operations during the year. For the winding up of Shahi Shipping (BD) Ltd, necessary formalities are being in final stage. 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. 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.

**12. ACKNOWLEDGEMENTS:**

Your directors take this opportunity to place on record the 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 the levels without whose support the growth levels achieved by the company would never have been possible.

For and on behalf of the Board of Directors

**S K SHAHI**  
Chairman and Managing Director

Place: Mumbai  
Date: 30 May 2013





## 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 economy has been battered by turbulence. From the industry perspective, there is clear disappointment and despondency. Selling by FIIs have clearly accelerated and almost \$ 4bn exited India's equity market in last four months.

"India's 'macro muddle' is fast approaching crisis proportions... It is expected that the palpable downside risks facing the Indian economy to largely crystallise over the next 6-9 months.

The GDP growth rate may well be just 3.7 per cent in FY'2014 instead of 5.2 per cent targeted earlier. This 3.7 per cent is not only easily the lowest forecast, but would represent the lowest annual growth since 1991-1992, it added.

#### (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 Handy sized 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 23 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**

1. The process of setting up dry-dock facility at Alibaug, in the state of Maharashtra, is in its finalization stage and the commencement of work will take place soon. The project is spread over 35 Acres of land.
2. Your Company will start its ship repair facility at Mumbai Harbour to be acquired shortly. The Company will initially invest ₹15 Crores to purchase the fully automated Floating Dry Dock for the purpose of ship repairs services. The Company expects order worth ₹ 150 Crores in 5 years once the repairs services is commenced, which will significantly grow the profitability of the Company.

**(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 Certification to safeguard the interest of the Company and is on continuous journey towards continual 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 appraised 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 two 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 other Committee Directorship	
			Chairman	Member
Mr. S. K. Shahi	Promoter, Executive Chairman & Managing Director	5	-	-
Cmdr. M. Bhada I. N. (Retd.)	Non Promoter, Non Executive Independent Director	2	-	-
Mr. B. B. Bhawsar	Non Promoter, Wholetime Director	1	-	-
Capt. Subhash Kumar	Non Promoter, Non Executive, Independent Director	-	-	-



\*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 14<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 12<sup>th</sup> November 2012, 13<sup>th</sup> February 2013 and 15<sup>th</sup> March 2013.

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	Meetings held during the tenure of the said Director	Meetings attended	Attendance during the General Body Meeting
Mr. S. K. Shahi	5	5	YES
Mr. M. Bhada	5	5	YES
Mr. B. B. Bhawsar	5	5	YES
Capt. Subhash Kumar	5	4	YES

### **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 comprises three 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

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

Name of Director	Designation	Status	No. of meeting held	No. of meeting attended
Cmde M. Bhada I.N. (Retd.)	Chairman	Non Executive, Independent Director	4	4
Mr. B. B. Bhawsar	Member	Non Promoter, Whole time Director	4	4
Capt. Subhash Kumar	Member	Non Executive, Independent Director	4	3

During the year 2012-2013 four meetings of the Audit Committee were held on the following dates: 14<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 12<sup>th</sup> November 2012 and 13<sup>th</sup> February 2013.

## 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, two are Independent Non Executive Directors and one wholetime Director. 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
Cmde. M. Bhada I. N. (Retd)	Chairman	Independent, Non Executive
Mr. B. B. Bhawsar	Member	Non Promoter, Whole time Director
Capt. Subhash Kumar	Member	Independent, Non Executive

During the year 2012-2013, no meeting of the committee was held.

### REMUNERATION POLICY

#### (A) REMUNERATION TO NON-EXECUTIVE DIRECTORS

The Non Executive Directors were paid sitting fees @ Rs 5000/- for each meeting/Sub-committee 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.

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	-	3 years w.e.f 1 <sup>st</sup> April 2011
Cmde. M. Bhada I. N. (Retd.)	Non Executive Independent Director	45,000	-	-	No service contract



Name of Directors	Category/Status	Sitting Fees (₹)	Salary & Perquisites (₹)	Bonus/ Commission (₹)	Service Contract
Mr. B. B. Bhawsar	Non Promoter, Whole time Director	-	3,54,581	-	1 year w.e.f. 16/2/13
Capt. Subhash Kumar	Non Executive Independent Director	35,000	-	-	No service contract

#### 5. SHAREHOLDERS' / INVESTORS GRIEVANCES COMMITTEE

The Shareholders / Investors Grievances Committee consist of the following:

Name of Directors	Designation	Status
Mr. B. B. Bhawsar	Chairman	Whole time Director
Cmdr. M. Bhada I. N. (Retd.)	Member	Independent, Non-Executive
Capt. Subhash Kumar	Member	Independent, Non-Executive

The committee met during the year 5 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	: 5
Number of complaints not solved to the satisfaction of shareholders	: NIL
Number of pending share transfer	: NIL

(Except those rejected on technical grounds)

#### 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

#### 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
2009-2010	AGM	23.09.2010	12.00 Noon	Kilachand Conference Room, Indian Merchants Chamber, Mumbai
2010-2011	AGM	27.09.2011	3.30 P.M	Kilachand Conference Room, Indian Merchants Chamber, Mumbai
2011-2012	AGM	26.09.2012	3.00 P.M	Kilachand Conference Room, Indian Merchants Chamber, Mumbai

## 7. SUBSIDIARIES

The Company has two subsidiaries Company 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 has 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](http://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](http://www.shahilogistics.com) and of the Bombay Stock Exchange Ltd, Mumbai at [www.bseindia.com](http://www.bseindia.com)

## 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	: Monday, September 30, 2013 at 11.00 A M
Venue	: Kilachand Conference Room, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai – 400 020

#### (b) FINANCIAL CALENDAR

Financial reporting for	
Quarter ending 30th June 2013	: Before August 15, 2013
Quarter ending 30th September 2013	: Before November 15, 2013
Quarter ending 31st December 2013	: Before February 15, 2014
Year ending 31st March 2014	: Before May 30, 2014

#### (c) DATE OF BOOK CLOSURE : Monday the 23<sup>rd</sup> September 2013 to Monday the 30<sup>th</sup> September 2013 (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 have 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 2013 is as under:

Month	High (₹)	Low (₹)
April 2012	11.80	8.86
May 2012	10.87	7.60
June 2012	11.25	8.56
July 2012	11.20	8.56
August 2012	10.13	8.67
September 2012	10.00	9.00
October 2012	10.04	8.71
November 2012	9.96	8.58
December 2012	9.40	8.61
January 2013	9.49	8.65
February 2013	9.28	7.71
March 2013	8.68	6.01

#### (h) Registrar and Share Transfer Agent:

##### System Support Services

209, Shivai Industrial Estate,  
89, Andheri-Kurla Road,  
Sakinaka, Mumbai – 400 072.

Telephone: 28500835.

Fax 2850143, E-mail: zip@sysss.com

**(i) Distribution of shareholding as on 31st March 2013:**

Shareholding	No of Share holders	% to no of Share holders	No. of Shares	% to paid up Capital
Up to 500	5158	85.313	997892	6.884
501 – 1000	472	7.807	392590	2.708
1001 – 2000	188	3.109	295393	2.038
2001 – 3000	55	0.910	141174	0.974
3001 – 4000	41	0.678	147337	1.016
4001 – 5000	29	0.480	135429	0.935
5001 – 10000	44	0.728	314094	2.168
10001 and above	59	0.975	12070965	83.277
<b>Total</b>	<b>6046</b>	<b>100.00</b>	<b>14494874</b>	<b>100.00</b>

**(j) Distribution of shareholding as on 31<sup>st</sup> March 2013:**

Category	No. of Shares	Percentage
Promoters	8815534	60.819
Mutual fund	200	0.001
Bank /Financial / Institutions	200	0.001
Corporate bodies	2022515	13.953
FII / NRI / OCB	148980	1.028
Indian Public	3507445	24.198
<b>Total</b>	<b>14494874</b>	<b>100.00</b>

**(k) Dematerialization of shares**

The Company's shares are compulsorily traded in dematerialized form. As on 31st March 2013, 96,60,331 shares were in dematerialisation form with the NSDL & CDSL. This work out to 66.64% 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](mailto:zip@sysss.com)  
Mr. Tippana Jog, Compliance Officer  
404, Abhay Steel House, Baroda Street,  
Mumbai – 400 009.  
E-mail: [admin@shahilogistics.com](mailto:admin@shahilogistics.com)

By order of the Board of Director

**S K SHAHI**  
CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai  
Date: 30 May 2013



## **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 31<sup>st</sup> March 2013, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange, with the relevant records and documents maintained by the Company and furnished to us and the records on Corporate Governance as approved by the Board of Directors.

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.

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.**  
Firm Registration No. 103604W  
Chartered Accountants.

**N. D. HEDA**  
Proprietor  
Membership No. 32450

Place : Mumbai  
Date : 30/05/2013



## **INDEPENDANT AUDITORS' REPORT**

### **TO THE MEMBERS OF SKS LOGISTICS LIMITED**

#### **Report on the Financial Statement**

We have audited the accompanying financial statement of the **SKS LOGISTICS LIMITED**, (The Company), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956, (The Act) and in accordance with the Accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. Those standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedure to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by managements, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principal generally accepted in India.

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013.
- ii) In the case of the Statement Profit and Loss, of the Profit for the year ended on that date and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that

#### **Report on Other Legal and Regulatory Requirements**

- (1) As required by The Companies (Auditors Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- (2) As required by section 227(3) of the Company Act, we report that :
  - (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 it appears from our examination of such books.



- (c) The Balance Sheet and Statement Profit and Loss 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 Statement of Profit and Loss 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 31<sup>st</sup> March 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

**(N. D. HEDA)**  
Proprietor  
M. N. 32450

**Place : Mumbai**  
Date : 30/05/2013

**ANNEXURE TO THE AUDITOR REPORT :-**

(Referred to in paragraph (1) under the heading "Report on other Legal and Regulatory Requirement" of our Report of even date on the accounts of SKS Logistics Limited for the year ended 31<sup>st</sup> March, 2013).

1. (a) The Company is maintaining the records showing particulars including quantitative details and situation of fixed assets.
  - (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 ₹632.89 lacs. (Previous Year ₹ 340.45 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 ₹ 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 has 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 in respect of Income Tax & Service Tax. The extent of the arrears of statutory dues outstanding as at 31/03/2013 for a period of more than six months from the date became payable in respect of Income Tax and Service Tax pertaining to financial years, 2010-2011 & 2011-2012 ₹ 157.95 Lacs.



- (b) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Customs 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. According to the information and explanations given by the management, the Company has overdue repayment of loan instalment of Bank Term Loans aggregating to ₹ 3,19,48,547/- and overdue instalment of Interest on Bank Term Loans aggregating to ₹ 77,63,379/- relating to Financial Year 2012-2013. There are no Debenture Holders.
12. 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.**

Firm Registration No. 103604W

Chartered Accountants.

**N. D. HEDA**

Proprietor

Membership No. 32450

Place : Mumbai

Date : 30/05/2013

**Balance Sheet as at 31st March 2013**

Particulars	Note No.	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	144,948,740	144,948,740
(b) Reserves and surplus	3	163,170,436	178,855,446
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	56,950,950	81,415,592
(b) Deferred tax liabilities (Net)	5	49,596,717	55,074,357
(c) Long-term provisions	6	2,768,810	2,823,739
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	129,368,484	125,477,153
(b) Trade payables	8	43,471,945	23,970,049
(c) Other current liabilities	9	129,908,158	135,557,881
(d) Short-term provisions	10	1,697,970	6,186,609
<b>TOTAL</b>		721,882,210	754,309,566
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets	11	338,485,654	410,522,509
(ii) Capital work-in-progress		40,175,535	40,175,535
(b) Non-current investments	12	807,413	892,413
(c) Long-term loans and advances	13	17,043,868	13,925,957
(d) Other non-current assets	14	1,137,750	1,137,750
<b>2 Current assets</b>			
(a) Trade receivables	15	249,305,288	174,601,901
(b) Cash and cash equivalents	16	6,534,489	6,216,763
(c) Short-term loans and advances	17	3,829,387	2,567,231
(d) Other current assets	18	64,562,826	104,269,507
<b>TOTAL</b>		721,882,210	754,309,566

The Notes are an Integral part of these financial statements

**AS PER REPORT OF EVEN DATE**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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)**B. B. Bhawsar**  
(Director)PLACE : MUMBAI  
DATED: 30/05/2013



**Statement of Profit and loss for the year ended 31st March 2013**

Particulars	Refer Note No.	For the year	For the year
		2012-13	2011-12
		₹	₹
I. Revenue from operations	19	214,475,528	228,305,497
II. Other income	20	1,022,017	11,259,318
<b>III. Total Revenue (I + II)</b>		215,497,545	239,564,816
IV. Expenses:			
Employee benefits expense	21	16,733,050	21,097,189
Finance costs	22	35,634,996	42,066,051
Depreciation and amortization expense	11	43,807,259	47,019,800
Operation and Other expenses	23	140,484,890	113,371,528
Total expenses		236,660,195	223,554,568
<b>V. Profit before tax (III- IV)</b>		(21,162,650)	16,010,248
VI. Tax expense:			
(1) Current tax		-	3,251,541
(2) Taxation of Earlier Years		-	4,374,102
(3) Deferred tax		(5,477,640)	(879,218)
<b>VII Net Profit for the period (V-VI)</b>		(15,685,010)	9,263,823
VIII Earnings per equity share:			
(1) Basic		(1.08)	0.64
(2) Diluted		(1.08)	0.64

The Notes are an Integral part of these financial statements

**AS PER REPORT OF EVEN DATE**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

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

**S. K. SHAHI**  
Chairman & Managing Director

**N. D. HEDA**  
PROPRIETOR  
MEMBERSHIP NO. 32450

**Cmde. M. BHADA**  
(Director)

**B. B. Bhawsar**  
(Director)

**PLACE : MUMBAI**  
**DATED: 30/05/2013**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013**

	Amount in ₹ 2012-13	Amount in ₹ 2011-12
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	(21162650)	16,010,248
<b>Adjustment for</b>		
Depreciation	43,807,259.00	47,019,800
Sundry Credit Balance written back	(81,538.00)	(953,613)
Bad Debt Written off	0.00	9,802,463
Profit / loss on sale of Assets (Net)	15,236,016.00	(8,860,433)
Profit of Sale of Investment	(796,429.35)	-
Dividend Income	(22,000.00)	(19,700)
Interest Income	(118,905.00)	(1,415,438)
Foreign Exchange difference	(3,145.00)	(10,136)
Interest Expenses	34,984,852.60	38,992,017
	<u>93006110</u>	<u>84,554,961</u>
<b>Operating Profit before working Capital Changes</b>	<b>71,843,460</b>	<b>100,565,209</b>
<b>Adjustment for</b>		
Trade & Other receivables	(32,436,878)	(59,423,801)
Trade Payables	16,242,983	(17,618,080)
	<u>55,649,566</u>	<u>23,523,328</u>
<b>Cash generated from operation</b>		
Direct Taxes (Refund / Paid)	0	13,666,081
Interest paid	(33,481,032)	(34,311,780)
<b>Net cash from operating Activities(A)</b>	<u>22,168,534</u>	<u>2,877,629</u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(8858438.00)	(39,787,121)
Sale of Fixed Assets	21851958.00	50,450,000
Dividend Received	22000.00	19,700
Interest Received	121520.00	1,611,909
Proceeds from sale on investment	881429.35	-
	<u>14,018,469</u>	<u>12,294,488</u>
<b>Net Cash used in Investing Activities(B)</b>		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	(34,187,792)	(13,770,111)
Foreign Exchange earnings	3145	10,136
Dividend paid	(1,684,630)	(8,423,152)
	<u>(35,869,277)</u>	<u>(22,183,127)</u>
<b>Net Cash used in Financing Activities( C )</b>		
<b>Net Changes in cash &amp; cash equivalents(A+B+C)</b>	<b>317,726</b>	<b>(7,011,011)</b>
<b>Cash &amp; cash equivalents in - opening Balance</b>	<b>6216763</b>	<b>13,227,774</b>
<b>Cash &amp; cash equivalents in - Closing Balance</b>	<b>6534489</b>	<b>6,216,763</b>
	<u>317,726</u>	<u>(7,011,011)</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.
3. Figures in brackets indicates cash outflow

**AS PER REPORT OF EVEN DATE**

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

N. D. HEDA  
PROPRIETOR  
MEMBERSHIP NO. 32450

PLACE : MUMBAI

DATED: 30/05/2013

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**S. K. SHAHI**  
Chairman & Managing Director

**Cmdr. M. BHADA**  
(Director)

**B. B. Bhawsar**  
(Director)

**NOTE No.-1 SIGNIFICANT ACCOUNTING POLICIES****I Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention except for accounting for bonus, leave encashment and receipt of insurance claims which are accounted on cash basis.

**II Tangible Assets**

Tangible Assets are stated at cost of acquisition including interest during construction period. If any, less accumulated depreciation.

**III 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.

**IV Investments**

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

**V Foreign currency transactions and translations**

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

**VI Revenue Recognition**

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

**VII 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 on cash basis.

**VIII 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 carry a long benefit and in the nature of capital expenditure, the same are added to the cost of the respective vessels.

**IX Stores & Spares**

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

**X Current & Deffered Tax**

Tax expense for the period, comprising Current Tax and Deferred Tax are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in India.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted by the Balance Sheet date. At each Balance Sheet date, the company re-assesses unrecognized deferred tax assets, if any.

**NOTE 2 : SHARE CAPITAL**

<u>Particulars</u>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
<b>Authorised</b>		
3,00,00,000 Equity Shares of ₹10 each	300,000,000	300,000,000
(Previous year 3,00,00,000 Equity Shares of ₹10/- each)		
	300,000,000	300,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
1,44,94,874 Equity Shares of ₹ 10 each, fully paid	144,948,740	144,948,740
(Previous year 1,44,94,874 Equity shares of ₹10/- each fully paid)		
<b>Total</b>	144,948,740	144,948,740

**(a) Reconciliation of Equity Share Capital**

<b>Particulars</b>	<b>As at 31st March 2013</b>		<b>As at 31st March 2012</b>	
	No of Equity Shares	Amount ₹	No of Equity Shares	Amount ₹
<b>At the beginning of the year</b>	14,494,874	144,948,740.00	14,494,874	144,948,740.00
<b>Add : Issued During the year</b>	-	-	-	-
<b>Closing balance</b>	14,494,874	144,948,740.00	14,494,874	144,948,740.00

**(b) Details of Shareholders holding more than 5% of Equity shares in the Company**

<b>Name of Shareholder</b>	<b>As at 31 March 2013</b>		<b>As at 31 March 2012</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Shahi Gasol Ltd	3,480,804	24.01%	3,480,804	24.01%
Sarvesh Kumar Shahi*	793,115	5.47%	-	
Vikas Koli	2,461,996	16.99%	2,461,996	16.99%
Anjana Shahi	1,029,917	7.11%	1,029,917	7.11%
Hugali Finvest Solution Pvt Ltd	793,602	5.48%	793,602	5.48%
Ace Shipping and Offshore Co. Pvt Ltd	780,315	5.38%	780,315	5.38%

\* The holding of Sarvesh Kumar Shahi has increased from 4.98% as at March 31,2012 to 5.47% (representing 793115 shares ) as at March 31,2013

**(c) Equity Shares Issued for consideration other than cash**

Out of total Issued, Subscribed & Paid Up Equity Shares, 72,47,437 Equity shares of ₹10/- each was allotted as fully paid-up bonus shares by capitalisation of General Reserve

**d) Terms / Rights - Equity Shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹10/- per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India.

**NOTE 3 : RESERVES AND SURPLUS**

<u>Particulars</u>	<u>As at</u> <u>31 March 2013</u> ₹	<u>As at</u> <u>31 March 2012</u> ₹
<b>a. General Reserve</b>		
As per last Balance Sheet	106,979,421	106,979,421
Add: Transfer from Tonnege Tax Reserve Account	911,850	-
(A)	<u>107,891,271</u>	<u>106,979,421</u>
<b>b. Other Reserve</b>		
Reserve U/s 115VT of Income Tax Act, 1961 As per last Balance Sheet	2,461,850	2,461,850
Less: Amount transfered to General Reserve (Unutilised)	911,850	-
(B)	<u>1,550,000</u>	<u>2,461,850</u>
<b>c. Surplus in Statement of Profit and Loss</b>		
As per last Financial Statements	69,414,175	61,834,982
(+) Net Profit /(Loss) after tax transferred from Statement of Profit and Loss	(15,685,010)	9,263,823
Amount Available For appropriation	53,729,165	71,098,805
Less: Appropriation		
(-) Proposed Dividends	-	(1,449,487)
(-) Dividend Distribution Tax	-	(235,143)
Closing Balance	<u>53,729,165</u>	<u>69,414,175</u>
<b>Total (A)+(B)+(C)</b>	<u><u>163,170,436</u></u>	<u><u>178,855,446</u></u>

**NOTE 4 : LONG TERM BORROWINGS**

Particulars	As at	As at	As at	As at
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
	Non Current		Current	
<b>SECURED</b>				
<b>Term Loan From Banks</b>	47,646,722	77,581,594	88,540,907	102,054,353
<b>Vehicle Loan From Bank</b>	704,726	1,081,510	531,529	1,040,216
	<b>48,351,448</b>	<b>78,663,104</b>	<b>89,072,436</b>	<b>103,094,569</b>
<b>Vehicle Loan from Others</b>	8,599,502	2,752,488	1,204,736	797,083
	<b>8,599,502</b>	<b>2,752,488</b>	<b>1,204,736</b>	<b>797,083</b>
<b>Amount Disclosed under the head "Other Current Liabilities" (Note 9)</b>			<b>(90,277,172)</b>	<b>(103,891,653)</b>
<b>TOTAL</b>	<b>56,950,950</b>	<b>81,415,592</b>	<b>0</b>	<b>0</b>

**Terms of Borrowing and other details**
**Outstanding  
Balance as on  
31/03/2013**
**Term Loan From Bank**

- a) Repayable in quarterly 16 installment, Last Installment falling due on 1st April 2014, Interest Rate 13.25%. Overdue Installement of loan sum of ₹ 5000000/- and interest sum of ₹207349/- exist as on 31-03-2013. 29925964  
Term loans is secured by hypothecation of specific Barges And personal guarantee of director.
- b) Repayable in monthly 60 equal installments, Last Installment falling due 31st March 2018, Interest Rate 16.40%. Overdue interest sum of ₹ 293183/- exist as on 31-03-2013 3328039  
Term loan are secured by hypothecation on Office Premises and personal guarantee of director.
- c) Repayable in Monthly 60 equal installments, Last Installment falling due 31st March 2018, Interest Rate 16.40%. Overdue interest sum of ₹ 983928/- exist as on 31-03-2013. 11706460  
Term loans are secured by hypothecation on Office Premises & specific Barges and personal guarantee of director.
- d) Repayable in Monthly 60 equal installments, Last Installment falling due 31st March 2018, Interest Rate 16.40%. Overdue interest sum of ₹ 1344560/- exist as on 31-03-2013. 13800876  
Term loans are secured by hypothecation on Office Premises & specific Barges and personal guarantee of director.
- e) Repayable in Monthly 120 equal installments, Last Installment falling due on 31 Oct 2022, Interest Rate 15%.Overdue installment loan sun of ₹ 171846/- and interest sum of ₹ 556796/- exist as on 31-03-2013. 14845022  
Term loan are secured by hypothecation on Office Premises and personal guarantee of director.
- f) Repayable in quartely 28 equal installments, Last Installment falling due 1st Sept 2013, Interest Rate 14.75%.Overdue installment of loan sum of ₹ 14899310/- and interest sum of ₹ 1115678/- exist as on 31-03-2013. 24899310  
Term Loan is Secured by hypothecation of specific Barges & Book debts.
- g) Repayable in quartely 20 equal installments, Last Installment falling due 1st Sept 2013, Interest Rate 14.75%. Overdue installment loan sum of ₹ 11877391/- and interest sum of ₹ 1790931/- exist as on 31-03-2013. 20757391  
Term Loan is Secured by hypothecation of specific Barges & Book debts.



h)	Repayable in quarterly 30 equal installments Last Installment falling due 30th June 2016, Interest Rate 14.75%, overdue interest sum of ₹ 1470954/- exist as on 31-03-2013 Term Loan is Secured by hypothecation of specific Barges & Book debts. <b>Loan From Bank (Vehicle)</b>	16924566
i)	Repayable in monthly 60 equal installments Last Installment falling due 7th Aug 2016, Interest Rate 12.50%. Loan is secured by hypothecation of specific vehicle	522539
j)	Repayable in monthly 60 equal installments, Last Installment falling due 15th Aug 2015, Interest Rate 10.05%. Loan is secured by hypothecation of specific vehicle <b>Loan From Others (Vehicle)</b>	713716
k)	Repayable in monthly 84 equal installments, Last Installment falling due 1st March 2019, Interest Rate 12.00%. Loan is secured by hypothecation of specific vehicle	3113813
l)	Repayable in monthly 83 equal installments, Last Installment falling due 16th March 2019, Interest Rate 11.25%. Loan is secured by hypothecation of specific vehicle	6690425
		147228121

**NOTE 5 : DEFERRED TAX LIABILITY (NET)**

Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
Deferred Tax Liability	53,289,144	59,781,663
Difference between Book and Tax Depreciation		
Deferred Tax Assets	3,692,427	4,707,306
Disallowance U/S 43B of Income Tax Act, 1961		
<b>Total</b>	<b>49,596,717</b>	<b>55,074,357</b>

**NOTE 6 : LONG TERM PROVISIONS**

Particulars	As at 31 March 2013 ₹	As at 31 March 2012 ₹
Provision for Employees benefit		
Provision for Gratuity	2,768,810	2,823,739
<b>Total</b>	<b>2,768,810</b>	<b>2,823,739</b>

**NOTE 7 : SHORT TERM BORROWINGS**

Particulars	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>Secured</b>		
<b>(a) From Bank</b>		
Working capital Borrowings repayable on demand *	61,542,550	60,623,697
<b>Unsecured</b>		
<b>(b) Loans and advances from related parties</b>		
From Related parties	54,525,934	32,595,456
From Others	13,300,000	32,258,000
<b>Total</b>	<b>129,368,484</b>	<b>125,477,153</b>

\* Working Capital Borrowings repayable on demand is secured by principal security of hypothecation of Book Debts & collateral security of: 1) extension of mortgage on the Registered Office Premises 2) Exclusive 1st charge over specific barges of the company by way of mortgage/hypothecation.

**NOTE 8 : TRADE PAYABLES**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Trade payables	43,471,945	23,970,049
<b>Total</b>	<b><u>43,471,945</u></b>	<b><u>23,970,049</u></b>

**NOTE 9 : OTHER CURRENT LIABILITIES**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>a) Current Maturities of Long Term Debt (refer Note .4)</b>	89,072,436	103,094,569
<b>b) Current Maturities of Other Loans (refer Note .4)</b>	1,204,736	797,083
<b>c) Interest Accrued and Due</b>	9,345,096	7,841,276
<b>d) Unclaimed dividends*</b>	853,220	633,169
<b>e) Other payables</b>		
(i) Trade / security deposits received	1,450,000	1,450,000
(ii) Others		
- Salary & Remuneration	8,572,602	3,236,435
- Other Outstanding Expenses	503,076	542,161
- Statutory Dues	14,280,116	15,504,405
- Other Payable	4,626,876	2,458,784
<b>Total</b>	<b><u>129,908,158</u></b>	<b><u>135,557,882</u></b>

\* There is no amount due & outstanding as on 31st March 2013 to be credited to investors education & protection fund.

**NOTE 10 : SHORT TERM PROVISIONS**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Provision - Others		
(i) Proposed equity dividend	-	1,449,487
(ii) Dividend Distribution Tax	-	235,143
(iii) Provision for Tax (net of advance tax/ TDS ₹ 1,38,46,667/-)	1,697,970	4,501,979
<b>Total</b>	<b><u>1,697,970</u></b>	<b><u>6,186,609</u></b>





**NOTE 11 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 31st March 2012	Addition during the year	Deduction during the year	As at 31st March 2012	Depreciation / Amortisation for the year	Adjustment in respect of assets sold	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>a</b>									
<b>Tangible Assets</b>									
Freehold Land	845,316	-	-	845,316	-	-	845,316	845,316	845,316
Leasehold Land	4,709,760	-	-	4,709,760	644,528	78,496	3,986,736	4,065,232	4,065,232
Buildings *	22,140,786	-	4,174,750	17,966,036	7,772,509	1,097,661	10,696,226	14,368,277	14,368,277
Plant and Machinery	11,439,358	-	-	11,439,358	7,654,634	526,455	3,258,269	3,784,724	3,784,724
Furniture & Fixtures	11,075,132	-	-	11,075,132	7,479,162	650,870	2,945,099	3,595,970	3,595,970
Vehicles	42,901,435	8,823,688	4,299,988	47,425,135	28,930,687	5,534,432	15,664,677	13,970,748	13,970,748
Office Equipments	12,618,847	34,750	-	12,653,597	9,827,512	552,706	2,273,379	2,791,335	2,791,335
Electrical Instalments	2,008,505	-	-	2,008,505	1,419,259	81,964	507,282	589,246	589,246
Fleets	950,950,233	-	110,192,146	840,758,088	584,438,573	35,787,434	298,308,669	366,511,660	366,511,660
<b>Total (a)</b>	<b>1,058,689,372</b>	<b>8,858,438</b>	<b>118,666,884</b>	<b>948,880,927</b>	<b>648,166,864</b>	<b>43,807,259</b>	<b>338,485,653</b>	<b>410,522,509</b>	<b>410,522,509</b>
<b>b</b>									
<b>Capital Work-in-progress</b>	40,175,535	-	-	40,175,535	-	-	40,175,535	40,175,535	40,175,535
<b>Total (b)</b>	<b>40,175,535</b>	<b>-</b>	<b>-</b>	<b>40,175,535</b>	<b>-</b>	<b>-</b>	<b>40,175,535</b>	<b>40,175,535</b>	<b>40,175,535</b>
<b>TOTAL</b>	<b>1,098,864,907</b>	<b>8,858,438</b>	<b>118,666,884</b>	<b>989,056,462</b>	<b>648,166,864</b>	<b>43,807,259</b>	<b>378,661,188</b>	<b>450,698,044</b>	<b>450,698,044</b>
Previous year	1,181,502,226	39,787,121	122,424,480	1,098,864,907	681,981,977	47,019,800	450,698,044	499,520,289	499,520,289

\* The Building includes ₹ 1750/- (Previous year ₹ 1750/-) being the value of shares held in Co-operative societies.

**NOTE 12 : NON CURRENT INVESTMENTS**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Investments (At cost):		
A. Trade Investment		
<b>Equity share - Unquoted</b>		
(i) Subsidiaries		
SKS waterways Ltd (34994 Equity shares of ₹10 each Fully paid)	349,940	349,940
Royal Logistics (Ship) Ltd (34994 Equity shares of ₹10 each Fully paid)	349,940	349,940
Shahi Shipping (Bangladesh) Ltd (997 Equity shares of 100 Bangladesh Takka each Fully Paid)	87,483	87,483
B. Non Trade Investment		
(a) <b>Equity share - Quoted</b>		
Bank of Baroda (1000 Equity shares of ₹10 each Fully paid)	-	85,000
(b) <b>Equity share - Unquoted</b>		
Shamrao Vithal Co-op Bank (400 Equity shares of ₹25 each Fully paid)	10,000	10,000
Saraswat Co-op Bank Ltd (1005 Equity shares of ₹10 each Fully paid)	10,050	10,050
<b>Total</b>	<b>807,413</b>	<b>892,413</b>
Aggregate market value of Quoted Investment	-	793,413

Note: All the above Investments are intended to be held on a long term basis and have been classified accordingly.

**NOTE 13 : LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>Unsecured, considered good</b>		
(a) <b>Security deposits</b>	9,204,625	6,109,714
(b) <b>Loans and advances to related parties *</b>	2,841,333	2,841,333
(c) <b>To Others</b>		
Electricity Deposits	63,006	63,006
Telephone Authorities	90,650	90,650
Others (Operating in nature)	4,844,254	4,821,254
<b>Total</b>	<b>17,043,868</b>	<b>13,925,957</b>

\* Due from Subsidiaries and Other Companies where Directors are interested

**NOTE 14 : OTHER NON CURRENT ASSETS**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(a) Unamortised expenses</b>		
Share Issue Expenses	1,137,750	1,137,750
<b>Total</b>	<b>1,137,750</b>	<b>1,137,750</b>

**NOTE 15 : TRADE RECEIVABLES**

Particulars	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	178,424,971	94,889,275
Others	70,880,317	79,712,626
<b>Total</b>	<b>249,305,288</b>	<b>174,601,901</b>

**NOTE 16 : CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March 2013 ₹	As at 31 March 2012 ₹
(a) Cash on hand	1,844,357	2,861,111
(b) Balances with banks		
(i) In current accounts	3,086,911	637,208
(ii) In earmarked accounts		
- Unpaid dividend accounts	853,221	718,445
- Margin Money deposit	750,000	2,000,000
<b>Total</b>	<b>6,534,489</b>	<b>6,216,763</b>

**NOTE 17 : SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>Unsecured, Considered good</b>		
(a) Balances with government authorities		
Service tax Credit Receivable	1,587,988	621,899
(b) Loans and advances to employees	1,373,875	1,089,485
(c) Prepaid expenses	197,260	469,313
(d) To Others		
Advance for Operative expenses	556,370	272,640
Others	113,894	113,894
<b>Total</b>	<b>3,829,387</b>	<b>2,567,231</b>

**NOTE 18 - OTHER CURRENT ASSETS**

Particulars	As at	As at
	31 March 2013	31 March 2012
	₹	₹
<b>(a) Accruals</b>		
Interest accrued on Fixed deposit	39,682	42,297
<b>(b) Others</b>		
Interest Subsidy Receivable (refer note (iii) on Note.24)	64,523,144	64,523,144
Salvage	-	32,224,066
Receivable on Sale of Fixed Assets	-	7,480,000
<b>Total</b>	<b>64,562,826</b>	<b>104,269,507</b>

**NOTE 19 - REVENUE FROM OPERATIONS**

Particulars	2012-2013	2011-2012
	₹	₹
<b>Revenue from Operation</b>		
Freight (Net)	214,475,528	228,305,497
<b>Revenue from operations (Total)</b>	<b>214,475,528</b>	<b>228,305,497</b>

**NOTE 20 - OTHER INCOME**

Particulars	2012-2013	2011-2012
	₹	₹
<b>1) Interest Income</b>		
i) From Bank		
Fixed Deposit	118,905	650,880
ii) Interest on Income Tax refund	-	764,558
<b>2) Dividend Income on other than Trade Investments</b>		
From Domestic Company	22,000	19,700
<b>3) Other Non-Operating Income</b>		
(i) Sundry balances written back	81,538	953,612
(ii) Gain on Foreign Currency	3,145	10,136
(iii) Profit on sale of Assets (Net)	-	8,860,433
(iv) Profit on sale on Investment	796,429	-
<b>Total</b>	<b>1,022,017</b>	<b>11,259,318</b>

**NOTE 21 -EMPLOYEES BENEFIT EXPENSES**

Particulars	2012-2013	2011-2012
	₹	₹
Salaries, Bonus and allowances	15,804,808	19,579,556
Contribution to Provident Fund and Other funds	649,684	870,043
Staff Welfare Expenses	278,558	647,590
<b>Total</b>	<b>16,733,050</b>	<b>21,097,189</b>

**NOTE 22 - FINANCE COST**

Particulars	2012-2013	2011-2012
	₹	₹
Interest	34,984,853	38,992,017
Other borrowing costs	650,143	3,074,034
<b>Total</b>	<b>35,634,996</b>	<b>42,066,051</b>

**NOTE 23 - OTHER EXPENSES**

Particulars	2012-2013	2011-2012
	₹	₹
Power and fuel	656,708	864,628
Repairs and Maintenance- Barge	32,107,604	34,372,344
Repairs and Maintenance- Others	201,408	286,983
Rent	137,946	884,038
Rates and taxes	1,770,793	1,109,143
Insurance	1,238,802	1,182,718
Payment to Auditors	385,000	480,500
Legal and Professional expenses	1,239,730	3,241,734
Motor car expenses	1,081,948	2,376,230
Bad debts	-	9,802,463
Loss on Sale of Assets (Net)	15,236,016	-
Barge Operation Expenses	11,473,119	9,226,892
Fuel & Oil (Barges)	5,721,601	19,785,716
Salvage Expenses	28,732,810	-
Hire Transportation and Water Charges	17,509,204	8,965,716
Port Related Expenses	10,396,941	7,275,288
Miscellaneous Expenses	12,595,260	13,517,135
<b>Total</b>	<b>140,484,890</b>	<b>113,371,528</b>

**NOTE NO-24 NOTES TO ACCOUNTS****I Contingent liability not provided for:**

- (a) On account of guarantees executed by the company's Bankers for ₹ 74.28 lacs (previous year ₹ 169.87 lacs), which is partly secured by the Margin Money amounting to ₹ 7.50 lacs (previous year ₹ 20.00 lacs) retained by the Bank.
- (b) Claim against the Company not acknowledged as debts ₹30.37 Lacs (previous year ₹ 30.37 lacs)
- (c) Demand in respect of additional ESI Contribution disputed in Industrial Court sum of ₹ 83.62 lacs and the industrial court has granted stay to the company. (Previous Year : NIL)
- II Debtors include ₹ 22.67 lacs (Previous year ₹ 22.67 lacs) in respect of cases which are under arbitration/ dispute. In the opinion of the management the said debts are considered good.
- III The other current assets in Note No.18 includes ₹ 645.23 lacs (Previous year ₹ 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,
- IV The company had lodged a claim for ₹ 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 of ₹ 321.58 lacs, which has been incurred on account of above has been shown in the books of accounts in other current assets till 31.03.2012. During the current year, the said claim has been settled by the insurance company by making the full and final payment of ₹ 34.25 lacs, As per Company accounting policy the insurance claim are accounted on cash basis. Accordingly, the above said insurance claim which has been settled and received during the year has been credited to above stated Salvage Expenses and remaining balance amount sum of ₹ 287.33 lacs has been charge to Profit & Loss a/c under the head Salvage Expenses.
- V As per representation received from the Management of the Company, the Other Current Liabilities Note No.9 includes the sum of ₹ 21.68 lacs outstanding dues to Bank subject to reconciliation.
- VI Trade receivable, Trade Payable, Loans, Advances & Deposit Taken, Loan, Advances & Deposit given are subject to confirmation.
- VII In the opinion of the Board, Current Assets, Loans, Advances and Deposit 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.
- VIII The company is engaged only in the business of shipping and as such there is no separate reportable segment as per Accounting Standard 17.



**IX** 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.

**X** The company's two Joint Venture 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.

<b>XI</b> Expenditure in Foreign Currency: )	<b>31st March 2013</b>	<b>31st March 2012</b>
	(₹)	(₹)
Travelling	155823	531477
<b>XII</b> Earnings in Foreign Currency: From Operations	NIL	NIL
<b>XIII</b> Auditors' Remuneration includes:		
For Company Law Audit	1,60,000	1,60,000
For Tax Audit	50,000	50,000
For Taxation	65,000	139500
For Certification	1,10,000	131,000

**XIV** 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.

<b>XV</b> Earnings per Share	<b>31 st March 2013</b>	<b>31st March 2012</b>
Profit after taxation as per Statement of Profit & Loss	(15685010)	9263823
Number of equity shares outstanding for basic and diluted EPS	1,44,94,874	1,44,94,874
Basic & diluted EPS	₹ (1.08)/-	₹ 0.64
Face value per share	₹ 10/-	₹ 10/-

**XVI** Prior period expenses debited during the year was 2.65 lacs (previous year was ₹ 2.61 Lacs).

**XVII** Previous year's figures have been regrouped and rearranged wherever necessary to confirm to those of the current year.

**XVIII Related parties Disclosures:**

<b>Description of relationship</b>	<b>Names of related parties</b>
(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 and Relatives	Mr.S.K Shahi Chairman & Managing Director Mrs.Anjana Shahi Relative of Mr.S.K.Shahi

**TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR**

Type of Related Party	Nature Of Transaction	₹ In Lacs Amount 2012-13	₹In Lacs Amount 2011-12
Where Control Exists	Loans Received	4.77	57.75
	Loan Repaid	38.79	12.75
Key Management Personnel or Relatives	Remuneration paid to Key management Personnel	43.8	43.8
	Loans Taken	155.78	9.90
	Loans Repaid	120.03	19.40
	Sale of Fixed Assets	46.00	0.00

**OTHER BALANCES OUTSTANDING AS AT THE YEAR END**

	₹ In Lacs As on 31st march 2013	₹ in Lacs As on 31st march 2012
<b>Where Control Exists</b>		
Advances Given	28.41	28.41
Unsecured Loans taken	321.05	132.50
Sundry Creditors	3.29	0
Key Management Personnel & Relatives		
Unsecured Loans taken	239.22	203.45

The Notes are an Integral part of these financial statements

**AS PER REPORT OF EVEN DATE**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

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)

**B. B. Bhawsar**  
(Director)

PLACE : MUMBAI  
DATED: 30/05/2013







**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 TWENTY THIRD ANNUAL GENERAL MEETING of the Company be held on Monday the 30th September 2013 at 11.00 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013 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)

**23rd ANNUAL GENERAL MEETING - Monday the 30th September 2013**

I hereby record my presence at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company be held on Monday the 30th September 2013 at 11.00 a.m.

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 : \_\_\_\_\_



Book-Post



**SKS LOGISTICS LIMITED**

404, Abhay Steel House, Baroda Street, Mumbai - 400 009. India.  
Tel: 91 (22) 61454545/23487340/41/42 Fax: 91 (22) 23487350, 23487349  
Website : [www.shahilogistics.com](http://www.shahilogistics.com)