



Annual Report 2011-12





Sarvesh Kumar Shahi
Chairman & Managing Director



22nd Annual Report 2011-2012

SKS LOGISTICS LIMITED

BOARD OF DIRECTORS

Mr. S. K. Shahi	Chairman & Managing Director
Mr. B. B. Bhawsar	Wholetime Director (w.e.f. 16/2/2012)
Commodore. M. Bhada I. N. (Retd.)	Director
Mr. Homiyar Madan	Director (Till 11/3/2012)
Capt. Subhash Kumar	Additional Director (From 11/5/2012)

BANKERS

State Bank of Indore, Mumbai
Bank of India, 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: zip@syssss.com

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NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the members of SKS Logistics Ltd will be held on Wednesday, 26th September, 2012 at 3.00 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 Statement of Accounts together with Directors Report as also the Auditors Report thereon for the year ended March 31, 2012.
2. To declare a dividend on equity shares.
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”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Capt. Subhash Kumar who was appointed by the Board of Directors as an Additional Director of the company and who holds office upto the ensuing Annual General Meeting under section 260 of the Companies Act 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be & is hereby appointed as Director of the Company, liable to retire by rotation.

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310, 311 schedule XIII and other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re enactment thereof, approval of the shareholders by way of Special Resolution be and is hereby accorded for revision in the remuneration of Shri Sarvesh Kumar Shahi, Chairman and Managing Director to a sum of Rs 3.50 lacs per month with effect from April 01, 2011 for a period of three years on the terms and conditions as set out in the draft agreement to be entered into between the company and Mr S K Shahi a copy whereof initialed by Mr B B Bhawsar, Director of the company for the purpose of identification is placed before this meeting.

RESOLVED FURTHER THAT authority be and is hereby given to the Board of Directors (hereinafter referred to as the Board) which term shall be deemed to include any committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of remuneration subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re enactments thereof.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By order of the Board of Directors

S K SHAHI
Chairman and Managing Director

Place: Mumbai

Date: 14th August 2012

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/herself 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. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of items 4 & 5 of the Notice as set out above is annexed.
4. 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.
5. Register of Members and Share Transfer books will be closed from Thursday, 20th September 2012 to Wednesday, 26th September 2012 (both days inclusive) for the purpose of dividend/AGM.
6. 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.
7. Members who wish to obtain any information on the Company as regards the accounts for the financial year 31st March 2012 are requested to write to the Company at least 10 days before the Annual General Meeting.
8. 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.
9. 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.
10. 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.
11. Members who hold shares in dematerialized form are requested to bring their depository account number for identification.
12. 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 dividend warrants issued for the years 2004-2005 to 2010-2011 are requested to immediately forward the same for revalidation to our Share Registrars M/s System Support Services. Shareholders are requested to note that no claims shall lie against the Company in respect of any amount of unclaimed dividend once the same is transferred to the above fund.
13. Details of the Director seeking re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.

Sr No		
1	Name of the Director	Capt. Subhash Kumar
2	Date of Birth	28/12/1950
3	Date of Appointment on the Board	11 th May 2012
4	Qualifications	Master Mariner
5	Expertise/Experience in specific functional areas and positions held	Capt. Subhash Kumar has a career spanning of 34 years with wide range of experience in all major Ports in India. His last position was Chairman of Chennai Port Trust.
6	Directorships held in other public companies(excluding foreign and private companies)	NIL
7	Chairmanships/Memberships of committees across	NIL
8	Shareholding of Non Executive Directors	NIL
9	Relationships between Directors inter se	NIL



14. 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.
15. 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: 14th August 2012
Registered Office:
404, Abhay Steel House,
Baroda Street,
Mumbai – 400 009



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No 4

Capt Subhash Kumar was appointed as an Additional Director of the Company by the Board of Directors effective from May 11, 2012 and holds office of Director upto the date of ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956.

Pursuant to Section 257 of the Act, the Company has received Notice, together with requisite deposit, from a member signifying his intention to propose Capt Subhash Kumar as a candidate for the office of Director of the Company, liable to retire by rotation.

Capt Subhash Kumar is interested in the resolution as set out at Item No 4 of the accompanying Notice since it relates to his appointment.

The Board recommends the passing of the resolution as set out in item No 4 of the Notice.

Item No 5

Mr S K Shahi has been the Chairman and Managing Director of the Company. The present proposal is to seek approval of the members to the revision/continuation in the remuneration payable to Mr S K Shahi as Chairman and Managing Director of the Company.

In this connection, the Remuneration Committee has approved the proposal subject to approval of the Board and the members in the General Meeting. The Board at its meeting held on 14th August 2012 has approved the revision subject to approval of the members.

The Broad particulars of the remuneration payable to Mr Shahi are contained in the agreement, copy whereof duly initialed by Mr B B Bhawsar, Director is available for inspection of the members at the registered office of the company on all working days during office hours. The details of the remuneration and other terms and conditions are as follows.

Salary : Total remuneration of Rs 3.50 lacs per month including the perquisites as mentioned in category A below plus the perquisites as mentioned in category B and C below.

CATEGORY A

- a. Housing:
 - (1) Fully furnished Residential accommodation or HRA @ 60% of salary
 - (2) Company shall provide such furniture and furnishing as may be required by the Chairman and Managing Director
 - (3) The expenditure on gas, electricity, water and other utilities shall be borne/reimbursed by the company
- b. Medical Reimbursement:

Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges, for self and family as per company rules.
- c. Leave Travel Concession:

Leave Travel Concession for self and family once in a year to and from any place in India or outside India
- d. Club Fees: Reimbursement of Membership for maximum of two clubs
- e. Insurance: Accident insurance for an amount, the all inclusive premium for which shall not exceed Rs 25,000/ per annum.
- f. Children Education Allowance:

In case of children studying in or outside India, allowance/actual expenses incurred to be borne/reimbursed by the company.
- g. Other perquisites

Subject to overall ceiling on remuneration mentioned hereinabove, the Chairman and Managing Director may be given any other allowances, benefits, perquisites as the Remuneration Committee and the Board of Directors may decide and approve.

Explanation: Perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such rule, perquisites shall be evaluated at cost.

In the event, the approval of the shareholders is received for an amount of less than Rs 3.50 lacs, per month, such amount as may be approved by the shareholders by way of special resolution will be payable to the Chairman and Managing Director.



CATEGORY B

- a. Company's contribution to the Provident Fund/Superannuation Fund/Annuity Fund: The company's contribution to the Provident Fund/Superannuation Fund/Annuity Fund shall be as per the rules of the company applicable to senior executives.
 - a. Gratuity: Gratuity in accordance with the Rules and Regulations in force in the company from time to time.
 - b. Conveyance facility: Car and driver for official purpose.
 - c. Telephone and Fax: The company shall provide Telephone, Fax and other communication facilities at the residence of the Chairman and Managing Director.

CATEGORY C

Commission:

Such remuneration by way of commission, in addition to salary and perquisites and allowances payable to Mr S K Shahi, Chairman and Managing Director calculated with reference to the net profits of the company in a particular financial year as may be determined by the Board of Directors of the company at the end of each financial year subject to the overall ceiling stipulated in section 198, 309 and other applicable provisions of the Companies Act, 1956.

OTHER TERMS

- a. Earned Leave: One month's leave with full pay and allowances for every 11 month's completed service. However, leave accumulated and not availed during his tenure as Chairman and Managing Director may be allowed to be encashed at the end of his tenure.
- b. Reimbursement of Expenses: Reimbursement of Travelling, Entertainment and other expenses incurred by Mr S K Shahi during the course of the business of the company.
- c. Sitting Fees: Mr S K Shahi shall not be entitled to any sitting fees for attending the meetings of the Board or the committee of the Board.
- d. Termination Clause: By giving six months notice on either side.

OTHER CONDITIONS:

- 1. Over all remuneration.

The aggregate of the salary, perquisites and commission in any financial year shall not exceed the limits prescribed from time to time under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act as may be in force from time to time.

- 2. For all other terms and conditions not specifically stated above, the Rules and orders of the company shall apply. Shri S K Shahi is interested in this resolution as set out in item No 5 of the Notice which pertains to revision/continuation of the remuneration payable to him.

Save and except as above, none of the Directors of the Company is, in any way, concerned or interested in this resolution.

The Board recommends the resolution as set out in item No 5 of the Notice for approval of the members.

By order of the Board of Directors

S K SHAHI
Chairman and Managing Director

Place: Mumbai

Date: 14th August 2012

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 22nd Annual Report together with the Audited Accounts of the company for the financial year ended on 31st March 2012.

1. FINANCIAL RESULTS:

The summary of financial results of the company for the year ended 31st March 2012 is furnished below.

Particulars	2011-2012 ₹ in Lacs	2010-2011 ₹ in Lacs
Gross Profit	1050	1421
Less: Interest and Finance Charges	420	549
Less: Provision for Depreciation	470	479
Profit before Tax	160	393
Less: Provision for Taxation:		
Current Tax	76	79
Taxation of Earlier Year	0	19
Deferred Tax	-9	-32
Profit After Tax	93	327

2. DIVIDEND:

Your directors are pleased to recommend payment of dividend of ₹ 0.10 (1%) for each equity share of ₹ 10/- each for the financial year ended 31st March 2012. 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 26th September 2012 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 ₹ 16.85 Lakhs including tax on dividend.

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 ₹ 22.83 Crores as against ₹ 44.22 crores in the previous year. This indicates a decline of about 52% over the previous year. The gross profit of Rs. 10.50 crores registered a decrease of about 26% over the previous year's ₹ 14.21 crores. During the current year the interest and finance charges have decreased from ₹ 5.48 crores to ₹ 4.21 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	₹ 5.31 lacs

10. SUBSIDIARIES:

The Company has formed two subsidiary companies namely SKS waterways Ltd & Royal Logistics (Ship) Ltd which have not started its operations during the year. For the SKS Logistics (Singapore) Pte Ltd. necessary winding up process has been completed and for winding up of Shahi Shipping (BD) Ltd, necessary formalities are being 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

Mr. Homiyar Madan, Independent Director resigned with effect from 12/03/2012 due to personal reasons. The Board places on record its gratitude for the valuable guidance provided by Mr. Homiyar Madan during his tenure.

Capt. Subhash Kumar, a prominent Master Mariner, has been co opted as an Additional Director of the company with effect from 11th May 2012. He retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Company has received a notice from a member of the intention to propose his candidature for the post of Directorship under section 257 of the Act.