

FORM A

Format Of Covering Letter Of The Annual Audit Report To Be Filed  
With The Stock Exchanges

1.	Name of the Company:	SHAHI SHIPPING LIMITED
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable

*Refer Our Audit Report dated 29/05/2014 on the Financial Statements of the Company*  
FOR M/S. N. D. HEDA & CO, CHARTERED ACCOUNTANTS  
*Firm Registration No: 103604W*

*N D Heda*  
N. D. HEDA PROPRIETOR  
M. N. 0322450

FOR SHAHI SHIPPING LIMITED

*Meena Asati*

*Meena*  
MEENA ASATI

CMDE M. BHADA I.N. (RETD.)

CHAIRMAN (AUDIT COMMITTEE)

( CHIEF FINANCIAL OFFICER)

*S. K. Shahi*

MR. S. K. SHAHI PROMOTER

(EXECUTIVE CHAIRMAN & MANAGING DIRECTOR)

**24<sup>th</sup> Annual Report 2013-2014**  
**SHAHI SHIPPING LIMITED**

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**BOARD OF DIRECTORS**

Mr. S. K. Shahi	Chairman & Managing Director
Mr. B. B. Bhawsar	Whole Time Director
Commodore. M. Bhada I. N. (Retd.)	Director
Capt. Subhash Kumar	Director
Ms. Hema Thakur	Additional Director (w.e.f. 12/08/2014)

**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](http://www.shahilogistics.com)  
E-mail: [shahi@bom3.vsnl.net.in](mailto: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](mailto:zip@sysss.com)



## NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of **Shahi Shipping Limited** (Formerly Known SKS Logistics Ltd) will be held on Saturday, the 27<sup>th</sup> September 2014 at Sunville, Banquets & Conference Room' situated at 9, Dr. Annie Besant Road, (Middle of Worli Flyover), Near Poonam Chambers, Worli, Mumbai – 400 018 at 10:00 a.m., 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 2014.
2. 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 (Firm Registration No. 103604W), 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:

3. To appoint Commodore Medioma Bhada I N (Retd.) [DIN 00035423], as an Independent Director.  
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Commodore Medioma Bhada I. N. (Retd.) (DIN 00035423), who was appointed as a Director liable to retire by rotation and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company, for a period of 5 (five) with effect from 27<sup>th</sup> September, 2014, and not liable to retire by rotation.”

4. To appoint Captain Subhash Kumar (DIN 02715172), as an Independent Director  
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Captain Subhash Kumar (DIN 02715172), who was appointed as a Director liable to retire by rotation and meets the criteria of independence under Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company, for a period of 5 (five) with effect from 27<sup>th</sup> September, 2014, and not liable to retire by rotation.”

5. To appoint Ms. Hema Thakur (DIN 01363454) as an Independent Director:  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Hema Thakur (DIN 01363454), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of 5 (five) with effect from 27<sup>th</sup> September, 2014, and not liable to retire by rotation.”

6. To appoint a Director in place of Mr. B. B. Bhawsar (DIN 00107014), a Whole Time Director, as s Special Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V of the Companies Act, 2013 & the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), read with the Articles of Association of the Company, and subject to necessary approvals to be obtained from the Central Government, if any/ as and when required, approval be and is hereby accorded for the re-appointment of Mr. B. B. Bhawsar (DIN 00107014), as Whole Time Director of the Company,



for a further period of one year with effect from 16<sup>th</sup> February, 2014 upon such terms and conditions including remuneration of ₹3,72,000 per annum, with liberty to the Board of Directors to alter and vary any such terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. B. B. Bhawsar.”

“RESOLVED FURTHER THAT the Board of Directors / Nominations and Remuneration Committee be and is hereby authorised to alter and vary any such terms and conditions of the said appointment and remuneration or revise the remuneration in such manner as may be acceptable to between the Board and Mr. B. B. Bhawsar, subject to the same not exceeding limit or ceiling specified in Schedule V to the Companies Act, 2013 (or any statutory modifications or re- enactment thereof) and the agreement entered into, if any, between the Company and Mr. B. B. Bhawsar, shall be suitably amended to give effect to such modification, relaxation or variation.”

“RESOLVED FURTHER THAT the terms of re- appointment between the Company and Mr. B. B. Bhawsar shall carry a condition that it may be terminated by either party by giving to the other party three months notice in writing.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps including acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. To re-appoint Mr. Sarvesh Kumar Shahi (DIN 00359535) as Managing Director of the Company:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V of the Companies Act, 2013 & the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), read with the Articles of Association of the Company, and subject to necessary approvals to be obtained from the Central Government if any/ as and when required, approval be and is hereby accorded for the re-appointment of Mr. Sarvesh Kumar Shahi (DIN 00359535) as Managing Director of the Company, for a further period of three years with remuneration of ₹ 3.50 lacs per month with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2017 upon the terms and conditions as set out in the Agreement entered / to be entered into between the Company and Mr. Sarvesh Kumar Shahi (DIN 00359535) in this regard, with liberty to the Board of Directors to alter and vary any such terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Sarvesh Kumar Shahi.”

“RESOLVED FURTHER THAT the Board of Directors / Nominations and Remuneration Committee be and is hereby authorised to alter and vary any such terms and conditions of the said appointment and remuneration or revise the remuneration in such manner as may be acceptable to between the Board and Mr. Sarvesh Kumar Shahi, subject to the same not exceeding limit or ceiling specified in Schedule V to the Companies Act, 2013 (or any statutory modifications or re- enactment thereof) and the agreement entered into, if any, between the Company and Mr. Sarvesh Kumar Shahi shall be suitably amended to give effect to such modification, relaxation or variation.”

“RESOLVED FURTHER THAT the terms of re- appointment between the Company and Mr. Sarvesh Kumar Shahi shall carry a condition that it may be terminated by either party by giving to the other party three months notice in writing and an Agreement shall be entered into between Mr. Sarvesh Kumar Shahi and the Company covering all the aspects as spelt out in this resolution and it shall be binding on both the parties.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps including acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

8. Borrowing powers of the Board:

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the Shareholders, on 22<sup>nd</sup> September, 2006 and pursuant to the provisions of Section 180(1) (c) of the Companies Act 2013, the Rules made there under and its related and applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Article of Association of the Company, the Company hereby accords its consent to and authorises the Board of Directors (herein after called “the Board”, which term shall be deemed to include any other Committee of the Board, which the Board may have constituted or hereinafter constitute for the time being, to exercise its powers conferred on the Board of Directors by this resolution on, or any person(s) authorised by the Board or its Committee for such purpose) of the Company for borrowing any sum or sums of money from time to time whether in Indian Rupees or foreign currency (including External Commercial Borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any in this respect) from any one or more Companies/ Bankers and / or from any one or more Persons, Firms, Bodies Corporate, Financial Institutions, Banks or other acceptable source whether by way of advances, deposits, loans, debentures, bonds or other securities whether convertible into equity/preference shares and/ or securities with or without detachable warrants with a right exercisable by the



warrant holder(s) to convert or subscribe for equity/preference shares to, Bank(s), Financial or other Institutions, Mutual Fund(s), Non-Resident Indians, Foreign Institutional Investors or any other Person(s), Body(ies) Corporate, etc., whether shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, any sum or sums of monies which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided such excess amount so borrowed by the Board shall not at any time exceed the limit of ₹ 1,000 Crores (One Thousand Crores Only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient."

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved ratified and confirmed in all respects."

9. Creation of Charge on the Assets of the Company:

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as a Special Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the Shareholders, on 22<sup>nd</sup> September, 2006 and pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013, the Rules made there under and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification on or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Board of Directors of the Company (herein after called "the Board", which term shall be deemed to include any other Committee of the Board, which the Board may have constituted or hereinafter constitute for the time being, to exercise its powers conferred on the Board of Directors by this resolution on, or any person(s) authorised by the Board or its Committee for such purpose) be and is hereby authorised to create such charges, mortgages and hypothecations created or to be created by the, on such movable and immovable properties, both present and future, or the whole, or substantially the whole, of the undertaking or undertakings of the Company, and with such ranking as to priority and for such time and on such terms and in such manner as the Board may think fit, in favour of lenders, agents, trustees and other agencies to secure the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or Indian Rupee) and /or working capital facilities and/or Securities issued/ to be issued by the Company, from time to time, up to an aggregate amount of ₹ 1,000 (One Thousand Crores Only), together with interests, compound/additional interest, commitment charges, costs, expenses and all other monies payable by the Company to the concerned lenders.

By order of the Board of Directors

**S K SHAHI**  
Chairman and Managing Director

Place : Mumbai

Date : 12<sup>th</sup> August, 2014.

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.**

Proxies/ power of Attorneys, 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. A blank Proxy form is annexed to this Annual Report.

2. A Body Corporate being a member shall be deemed to be personally present at the meeting, if represented in accordance with the provisions of Companies Act, 2013. The 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. .
3. Members are requested to bring their copies of the annual Report to the meeting.

4. **Explanatory Statement**

The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business items is given below and forms part hereof.

5. Directors proposed to be appointed/ re-appointed: Members may kindly refer items is given below and forms part hereof.
6. **Book Closure:**  
Register of Members and Share Transfer books will be closed from 22<sup>nd</sup> September, 2014 to 27<sup>th</sup> September, 2014 (both days inclusive) for the purpose of AGM.
7. 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 the Companies Act, 2013, may submit the prescribed Form to System Support Services (RTA).
8. Members who wish to obtain any information on the Company as regards the accounts for the financial year 31<sup>st</sup> March 2014 are requested to write to the Company at least 10 days before the Annual General Meeting.
9. 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.
10. 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.
11. 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.
12. Members who hold shares in dematerialized form are requested to bring their depository account number for identification.

13. 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 2006-2007 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.

14. **Important Communication to Members:**

The Ministry of Corporate Affairs (MCA), has taken a "Green Initiative in Corporate Governance" vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011, respectively, by allowing paperless compliances by companies through electronic mode. Thus, companies are now permitted to send various communications / documents (including Notice of General Meetings, Audited Financial Statements, Directors Report, Auditors Report and all other documents including Postal Ballot documents) to its Members through electronic mode, to the registered e-mail address of the Members. In view of above, your company request you to register your e-mail address with your DP for the purpose of serving documents by the Company in electronic mode, if your e-mail address, if not registered with your Depository Participant (DP) so far, or get it updated in company register as well as depository's records to facilitate implementation of such nature friendly initiative.





## 15. Listing Fees:

The Company has paid the listing fees for the year 2014-2015, to the Stock Exchange, Mumbai where the equity shares of the Company are listed.

## 16. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting.

## I. The procedure and instructions for the voting through electronic means is, as follows:

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- ii. Click on "Shareholders" tab.
- iii. Now, select the "Shahi Shipping Ltd/ (SKS Logistics Ltd)" from the drop down menu and click on "SUBMIT"
- iv. Now, enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant < Shahi Shipping Ltd/ (SKS Logistics Ltd)> on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Institutional Shareholders & Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) .
- II. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company.
- III. E-voting period will commence from 22<sup>nd</sup> September, 2014 at 10:00 a.m. and will end on 24<sup>th</sup> September, at 6.00 p.m.
- IV. Mr. Prashant Tayshete, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is [ptayshete@gmail.com](mailto:ptayshete@gmail.com) .
- V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VI. The Results shall be declared on or after the date of AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website <http://www.shahilogistics.com> and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.





17. 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	C o m m o d o r e Medioma Bhada I.N. (Retd) (DIN 00035423),	Capt. Subhash Kumar (DIN 02715172)	Ms. Hema Thakur (DIN 01363454)	Mr. Sarvesh Kumar Shahi (DIN 00359535)	Mr.B.B.Bhawsar (DIN 00107014)
2. Date of Birth	21.03.1940	28/12/1950	08/05/1954	07/03/1957	04/11/1944
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.	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.	Ms. Hema Thakur has her professional career spanning of 36 years in various capacities at IDBI. She retired as DY. General Manager, Corporate Banking Group. Presently working for BRICS Corporate Advisors Private Ltd. As General Manager (Finance) and possess with wide range of experience.	Mr. S.K. Shahi, has a career spanning more than 38 years of rich and varied experience in shipping industry. He is founder promoter of the Company.	Mr. B. B. Bhawsar has a career spanning 41 years & has wide range of experience in areas of accounts, costing & execution of multifarious activities. He has been associated with the company for the last 16 years. He has been served in several senior positions with various companies in manufacturing sector.
4. Qualification	Graduate from the National Defense Academy, M.Sc (Defense Studies), Certificate in Advance Management from Jamnalal Bajaj Institute of Management, Mumbai.	Master Mariner	BA (Hons) (Economics), Bachelor of General Law, Certificate Associate in Institute of Indian Banking.	Done Executive Management Course at Massachusetts Institute of Technology (MIT) Boston, USA .	M.Com



1. Name of the Director	C o m m o d o r e Medioma Bhada I.N. (Retd) (DIN 00035423),	Capt. Subhash Kumar (DIN 02715172)	Ms. Hema Thakur (DIN 01363454)	Mr. Sarvesh Kumar Shahi (DIN 00359535)	Mr.B.B.Bhawsar (DIN 00107014)
5. Directorship in other Companies (excluding Private and Foreign Companies)	1. Royal Logistics (Ship) Limited 2. SKS Waterways Limited	NIL	NIL	1. Royal Logistics (Ship) Limited 2. SKS Waterways Limited 3. Shahi Gasol Limited 4. India First Logis- tics Limited	1. Royal Logistics (Ship) Limited
6. Chairmanships / Memberships of Committee across other Companies	NIL	NIL	NIL	NIL	NIL
7. Shareholding	NIL	NIL	NIL	846234	NA
8. Relationships between Directors interested	NIL	NIL	NIL	NIL	NIL

By order of the Board of Directors

**S K SHAHI**

Chairman and Managing Director

Place: Mumbai

Date: 12<sup>th</sup> August, 2014.

Registered Office:

404, Abhay Steel House,  
Baroda Street,  
Mumbai – 400 009**Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013****ITEM NO. 3 & 4.**

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The term shall be effective prospectively.

Commodore Medioma Bhada I. N. (Retd.) (DIN 00035423) and Captain Subhash Kumar (DIN 02715172) are the Independent Directors of the Company and have held the positions as such for about five years or more. The provisions of the Companies Act, 2013 read with amended clause 49 of the Listing Agreement inter-alia stipulate the conditions for appointment of Independent Directors by a listed Company. It is proposed to appoint Commodore Medioma Bhada I. N. (Retd.) and Captain Subhash Kumar Commodore as an Independent Directors under Section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement for a term of 5(five) consecutive years. Commodore Medioma Bhada I. N. (Retd.) and Captain Subhash Kumar are not disqualified from being appointed as Directors in terms of Section 164 and other applicable provisions of the Companies Act, 2013.

In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made there under for their appointment as Independent Directors of the Company and they are Independent of the management. These Directors are not disqualified from being appointment as a Director in terms of Section 164 of the Companies Act, 2013.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. The Company has received a declaration from both Commodore Medioma Bhada I.



N. (Retd.) and Captain Subhash Kumar that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, both Commodore Medioma Bhada I. N. (Retd.) and Captain Subhash Kumar fulfill the conditions for their appointment as an Independent Director as specified in the Companies Act, 2013 read with clause 49 of the listing agreement.

The Board commends the Ordinary Resolution set out at Item Nos. 3 and 4 of the Notice for approval by the shareholders. Commodore Medioma Bhada I. N. (Retd.) and Captain Subhash Kumar are interested in the resolutions set out respectively with regard to their respective appointment. The relatives of Commodore Medioma Bhada I. N. (Retd.) and Captain Subhash Kumar may be deemed to be interested in the resolutions set out respectively at item No.3 & 4 of this Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 and 4 of the Notice.

#### **ITEM NO. 5**

Pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company have appointed Ms. Hema Thakur as an Additional Director of the Company with effect from 12<sup>th</sup> August, 2014. In terms of said Section 161, Ms. Hema Thakur (DIN 01363454) would hold office up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Hema Thakur (DIN 01363454), for the office of Director of the Company. Ms. Hema Thakur (DIN 01363454) is not disqualified from being appointed as a Director in terms of Section 164 and other applicable provisions of the Act and has given his consent to act as a Director. Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. In this regard, the Company has received a declaration from Ms. Hema Thakur (DIN 01363454) that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Ms. Hema Thakur (DIN 01363454) fulfils the conditions for appointment as an Independent Director as specified in the Act and Rules made there under and the Listing Agreement. Ms. Hema Thakur (DIN 01363454) is independent of the Management. As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and she shall not be included in the total number of Directors for retirement by rotation.

The Board commends the Ordinary Resolution set out at Item Nos. 5 of the Notice for approval by the shareholders. Ms. Hema Thakur is interested in the resolutions set out in notice with regard to her appointment. The relatives of Ms. Hema Thakur may be deemed to be interested in the resolutions set out at item No.5 of this Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under clause 49 of the listing Agreement, are provided at the end of the notice section.

#### **Item no. 6**

Mr. B. B. Bhavsar, was appointed as Whole Time Director w.e.f. from 16/02/2012 and was further re-appointed for one more year. The remuneration committee recommended his appointment for further one more term on same terms and conditions with annual salary of ₹ 3,72,000/-. The Board commends the Special Resolution set out at Item Nos. 6 of the Notice for approval by the shareholders. Mr. B. B. Bhavsar, is interested in the resolutions set out in notice with regard to his appointment.

The relatives of Mr. B. B. Bhavsar may be deemed to be interested in the resolutions set out at item No.6 of this Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice. The proposed resolution to be passed as Special Resolution.

A brief profile Mr. B. B. Bhavsar, to be appointed as Whole Time Director, including nature of their expertise and other disclosure as required under clause 49 of the listing Agreement, are provided at the end of the notice section.

#### **Item no. 7**

Mr. S. K. Shahi, is present heading Shahi Shipping Limited (formerly known as SKS Logistics Ltd.). He has ventured in shipping business, way back in 1985 and established the Company in 1990. Being Managing Director of the Company since 26/10/1990, he has laid success story for company's business from its inception. He is being promoter of the Company has taken utmost care to maintain company's business moving forward all these years.

Mr. S. K. Shahi (DIN 00359535), aged 57, has wide experience and knowledge of shipping industry. He has successfully completed training a 'Cadet Officer' in 1976-77, on Training Ship "Rajendra". He has also completed training course in 'Container Distribution' with Cambridge University, London in 1991. He has completed training course on managing with



Small Scale Industries. Mr. S.K. Shahi is also conducting training program in the field of shipping and logistics. He is regular speaker of various seminar and national and international conferences in field of shipping management.

He was member of National Shipping Board, Director on Indian National Ship Owner's Association (INSA), President of Indain Barge Owners Association and Trustee of Mormugao Port Trust, Gao.

Considering notable contributions of Mr. S. K. Shahi as Chairman and Managing Director, all more particularly during the challenging times and the prevailing managerial remuneration in the industry, it is also proposed to pay remuneration of ₹ 42 Lacs per annual with such additional perquisites and retirement benefit, expressly permitted by Schedule V of the Companies Act, 2013 and the details of which set out in the resolution at item No.7 of the Notice. The total remuneration is within the prescribed limits specified in Schedule V of the Companies Act, 2013. It is proposed to seek the Members approval for the said re-appointment of and remuneration payable to Mr. S. K. Shahi (DIN 00359535) as Managing Director, in terms of the applicable provisions of the Companies Act, 2013.

Brief resume of Mr. S. K. Shahi, nature of his expertise in specific functional areas, names of companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships amongst Directors *inter-se* as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in notice section of annual report.

The Board of Directors at its meeting held on 12<sup>th</sup> August, 2014, re-appointed Mr. Sarvesh Kumar Shahi, as the Managing Director for further term of three years with effect from 1s April, 2014. In terms of said Section 196, 197 read with Schedule V of the Companies Act, 2013, the appointment of Mr. S.K. Shahi is subject to shareholders' approval at general body meeting. The Company has received a notice in writing from a Member, proposing the candidature of Mr. S. K. Shahi (DIN 00359535), for the office of Managing Director of the Company. Mr. S. K. Shahi (DIN 00359535) is not disqualified from being appointed as a Managing Director in terms of Section 164 and other applicable provisions of the Act and has given his consent to act as a Managing Director. Based on the recommendation of the Remuneration Committee held on 12/02/ 2014, the Board of Directors recommended appointment of Mr. S. K. Shahi (DIN 00359535) as Managing Director for a term of three years from 1<sup>st</sup> April, 2014, subject to shareholders' approval and said appointment shall not liable to retire by rotation.

The proposed remuneration at present is as per the companies Act, 2013 and may exceed the prescribed limit under the Companies Act, 2013, in case effective capital of the Company falls below, limits prescribed by the Act and hence an application would be made, in due course of time to the Central Government, for seeking its necessary permission(s) for payment of the proposed remuneration, if any.

An abstract of the terms of appointment together with the memorandum of concern or interest of the Directors therein, in pursuance of Section 302 of the Companies Act, 1956, is set out below:

The material terms and conditions of appointment of Mr. S. K. Shahi are as follows:

- 1) Period of appointment: Three Years (1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2017).
- 2) Mr. S. K. Shahi would be entrusted with substantial powers of management subject to the supervision and control of the Board of Directors.
- 3) Remuneration
  - a. By way of Salary and Perquisites (hereinafter referred to as "remuneration") at a maximum ceiling of ₹ 3.5 lacs (Three lacs Fifty Thousand) per month or ₹ 42 ( Forty Two Lacs) per annum as the context may require.
  - b. The Perquisites shall include furnished /non furnished accommodation and / or house rent allowance, gas, electricity, water, medical reimbursement, leave travel concession for self and family, club fees, medical insurance, personal accident insurance, Company maintained car, telephone and such other perquisites in accordance with the rules applicable to management staff as may be agreed between the Company and Mr. S. K. Shahi, the monetary value of such perquisites to be determined in accordance with the Income tax Rules, 1962, as framed from time to time.
  - c. Company's contribution to Provident Fund, Gratuity and encashment of leave at the end of the tenure are as per rules applicable to Company's management staff shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.
  - d. In the event of absence or inadequacy of profits in any financial year, the approved remuneration shall be payable to Mr. S. K. Shahi as minimum remuneration provided the same is within the limits prescribed in Schedule V of the Companies Act, 2013 or as statutorily modified from time to time, any amount drawn in excess of such limit on minimum remuneration shall be refundable by Mr. S. K. Shahi to the Company.
  - e. Provision, if any, for use of Company car for official duties and telephone(s) at residence, mobile phones (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
4. The Board of Directors, through remuneration committee, during the term of appointment, may, within the overall ceiling, fix such salary and perquisites and vary the same from time to time, as it may, in its sole discretion, deem appropriate after taking into consideration all the relevant factors.



5. The payment of remuneration is approved by a resolution passed by the Remuneration Committee taking into account, financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.
6. The appointment may be terminated by either party giving to the other three months' notice.
7. Mr. S. K. Shahi shall not be entitled to supplement his earnings with any buying and selling commission. He shall also not become interested or otherwise concerned, directly or indirectly in any selling agency of the Company without the prior approval of the Central Government.

None of the Directors, except Mr. S. K. Shahi, is concerned or interested in the appointment. Mr. S. K. Shahi holds 846234 equity shares in dematerialized mode in the Company.

In view of the requirements of Part B, Section II, Part II of Schedule V of the Companies Act, 2013, the resolution is proposed as a Special Resolution. The prescribed information is as per Annexure to this explanatory statement.

**(i) General Information:**

1.	Nature of Industry	Shipping / Logistics
2.	Date or expected date of commencement of commercial production	NA ( Already operationalised)
3.	In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus.	NA
4.	Financial Performance based on given indicators	As disclosed in this Annual Report 2013-14.
5.	Foreign Investments or Collaboration, if any	NA

**(ii) Information about the appointee:**

1.	Background details	Mr. S. K. Shahi, is presently heading Shahi Shipping Limited (formerly known as SKS Logistics Ltd.) as Managing Director since its establishment. Being Managing Director of the Company since 26/10/1990, he has laid success story for company's business from its inception. He is being promoter of the Company has taken utmost care to maintain company's business moving forward all these years. Mr. S. K. Shahi (DIN 00359535), aged 57, has wide experience and knowledge of shipping industry.
2.	Past Remuneration	Period Amt. in 2011-12; ₹ 43.80 lakhs p.a. 2012-13; ₹ 43.80 lakhs p.a. 2013-14; ₹ 43.80 lakhs p.a.
3.	Recognition or awards	NO
4.	Job profile and his suitability	As mentioned in preamble of Explanatory Statement
5.	Remuneration proposed	As specified in the Resolution.



6.	Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would w.r.t. the Country of his Origin).	Comparative industries pay on lower side of more than 1 crore plus package for its managerial personal
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	He is founding Promoter and Managing Director of the Company holds 846234 equity shares of the Company.

**(iii) Other information:**

1.	Reasons of loss or inadequate profits.	Loss on sale of Assets
2.	Steps taken or proposed to be taken for improvement.	Have sold old barges and in process to acquire new barges to maintain business operation.
3.	Expected increase in productivity and profits in measurable terms.	Unable to quantify due to competition and nature of industry

**IV. Disclosures:** The relevant disclosure as to remuneration package of Mr. S.K. Shahi has been made in Corporate Governance Report, forming part of Annual Report.

**Item No. 8**

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. Under the provisions of Section 180(1)(c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company. The borrowing limit of ₹ 1,000 Crores under the earlier resolution passed on 22<sup>nd</sup> September, 2006 by the shareholders, remains unchanged. The Board commends the Resolution at Item No.8 of the Notice for approval of the shareholders by a Special Resolution. None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.

**Item No. 9**

Under the erstwhile Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds etc., to secure the repayment of moneys borrowed by the Company (including Temporary Loans obtained from the Company's Bankers in the ordinary course of business). Under the provisions of Section 180(1)(a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including Temporary Loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180(1)(a) of the Companies Act, 2013, by way of a Special Resolution. The existing limit of ₹ 1,000 Crores under the earlier resolution dated 22<sup>nd</sup> September, 2006 passed by the shareholders remains unchanged. The Board commends the Resolution at Item No. 9 of the Notice for approval of the shareholders by a Special Resolution. None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No.9



**DIRECTORS' REPORT**

To  
The Members of  
Shahi Shipping Limited (Formerly known as SKS Logistics Ltd.)

Your directors have pleasure in presenting the 24<sup>th</sup> Annual Report together with the Audited Accounts of the company for the financial year ended on 31<sup>st</sup> March 2014.

**1. FINANCIAL RESULTS:**

The summary of financial results of the company for the year ended 31<sup>st</sup> March 2014 is furnished below.

Particulars	2013-2014 ₹ In Lacs	2012-2013 ₹ in Lacs
Gross Profit	150	582
Less: Interest and Finance Charges	290	356
Less: Provision for Depreciation	321	438
Profit before Tax	(461)	(212)
Less: Provision for Taxation:		
Current Tax	1	-
Deferred Tax	(111)	(55)
Profit After Tax	(351)	(157)

**2. DIVIDEND:**

In view of the losses incurred during the year under review, your Board of Directors have not recommended any dividend.

**3. PERFORMANCE:**

Income from operations during the current year was ₹ 19.40 Crore as against ₹ 21.45 Crore in the previous year. The decline in income was about 9.56% as compared to the previous year. During year under review, finance cost was further reduced to ₹ 2.90 Crores from ₹3.56 Crores. Your company continues with its uphill task to rebuild business with long term goals based on its intrinsic strength in terms of its strong brand, quality of service, customer relationships and streamlining operations.

**4. DIRECTORS:**

In accordance with the requirements of the Companies Act, 2013 the board recommended reappointment of Commodore Medioma Bhada I N (Retd.) [DIN 00035423], Captain Subhash Kumar (DIN 02715172) as an independent directors for fresh term of five years, details of which are refereed in notice convening Annual General Meeting. Further, Mr. B. B. Bhavsar, Executive Director has been recommended to be re-appointed for next term of one year with effect from 16<sup>th</sup> February, 2014. Mr. Sarvesh Kumar Shahi Chairman and Managing Directors of the Company, has been recommended to be re-appointed for next term of three years with effect from 1<sup>st</sup> April, 2014.

Pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Ms. Hema Thakur as an Independent Director for five consecutive years for a term from 12<sup>th</sup> August, 2014. Detail of the proposal for appointment of Ms. Hema Thakur, as an independent director along with others have been mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 24<sup>th</sup> Annual General Meeting.

The members are recommended to approve the same.

**5. 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.

**6. 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.

**7. 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 judgments 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.

**8. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:**

Report on Management discussion and analysis and corporate governance are given as annexure to this report. A certificate from the statutory auditors of the company regarding compliances of conditions of corporate governance is also enclosed hereto.

**9. 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. The Shareholders interested in obtaining this information may write to Compliance Officer of the Company.

**10. 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  | ₹ 2,34,919/- |

**11. SUBSIDIARIES:**

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

**12. AUDITORS:**

At the Annual General Meeting, Members will be required to appoint Auditors for the next term. M/s. N. D. Heda & Co, Chartered Accountants, Mumbai, the existing Auditors have furnished a certificate, confirming that if re-appointed, their re-appointment will be in accordance with section 139 read with Section 141 of the Companies Act, 2013. The members are requested to consider their re-appointment as Auditors of the Company for the next term of one year, and authorize the Board of Directors to fix their remuneration.

**13. 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 ever have been possible.

For and on behalf of the Board of Directors

**S K SHAHI**  
Chairman and Managing Director

Place: Mumbai

Date: 12<sup>th</sup> August, 2014



## Annexure A

**MANAGEMENT DISCUSSION, ANALYSIS AND REVIEW****(a) INDUSTRY STRUCTURE AND DEVELOPMENT****Overview of the World Economy**

The global economic environment remains fragile and prone to pressure, although the balance of risks is now less skewed to the downside than it has been in recent years. According to World Bank, global growth performance was relatively weak at 2.3% in 2014 and is expected to gradually strengthen to 3.3% in years ahead.

**Overview of the Indian Economy**

The Indian economy while being optimistic on growth reviving in the next fiscal, calls for curbing the fiscal deficit and cutting down on wasteful subsidies to that end. Inflation continues to remain the biggest concern in the Indian economy as economists warn of high food and global oil prices. With global economic scenario expected to remain sluggish, internal demand and domestic consumption would be key drivers of growth. The Change of guard at Union government and its commitment by allocating funds for shipping industry seems positive sign for our business.

**(b) OUTLOOK ON OPPORTUNITIES**

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

India has emerged as one of the leading economic power house on the International arena. Its success story has redefined the International business environment, with service sector contributing handsomely to the Gross Domestic Product (GDP) of the country. The economic sentiments of India Inc are positive as most sectors are registering growth and the capital market is growing each passing day.

The world sea-borne-trade constituting 95% of the total merchandise trade and has been growing at around 2.5 percent the past one decade. In terms of value, the global shipping industry is estimated to be more than USD 300 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 cannot be over emphasized.

**(c) THREATS, RISKS AND CONCERNS**

Indian shipping industry 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. The industry is also capital intensive and needs huge funds to acquire the barges at advanced rates. In such a scenario, the ship owner or potential ship owner wishing to acquire a vessel finds finding difficulties to arrange funds to acquire barges equipped with latest technology and facilities. The presence of large size shipping companies also makes it difficult to sustain share for smaller and medium size companies, in these competitive service segment.

**(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 lighter age operations of Petroleum & Chemical Products, lighter age 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 vessels. The business development period provides an opportunity to create value and lean period provide to undertake major repairs and maintenance of vessels. The fleet utilization during the period under review was 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 advance stage. The project is spread over 35 Acres of land.
2. Your Company has carried out a market survey on Indian costal business opportunities and based on its finding proposing to acquire suitable petroleum and allied carrying vessels, which if commenced, 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 to latest gradation standards. 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**

Shahi Shipping Limited (SSL) (Formerly Known SKS Logistics Ltd) 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, SSL 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 Shahi Shipping Ltd 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 Shahi Shipping Ltd 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 DIRECTORS**

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	-	-
Mr. B. B. Bhawsar	Non Promoter, Wholetime Director	1	-	-
Cmde. M. Bhada I. N. (Retd.)	Non Promoter, Non Executive Independent Director	2	-	-
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 30<sup>th</sup> May 2013, 16<sup>th</sup> August 2013, 24<sup>th</sup> October 2013, 15<sup>th</sup> November 2013 and 12<sup>th</sup> February 2014.

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. B. B. Bhawsar	5	5	YES
Cmdr M Bhada	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 Chairperson and attendance details of the Audit Committee are as under:

Name of Director	Designation	Status	No. of meeting held	No. of meeting attended
Cmdr 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 2013-14 four meetings of the Audit Committee were held on the following dates: 30<sup>th</sup> May 2013, 16<sup>th</sup> August 2013, 15<sup>th</sup> November 2013 and 12<sup>th</sup> February 2014.



**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, out of which two are Independent Non Executive Directors. The Chairman of the committee is an Independent Non Executive Director nominated by the Board.

The Composition of the Remuneration Committee is as follows.

Name of Director	Designation	Status
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 2013-2014, no meeting of the committee was held.

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

The Non Executive Directors were paid sitting fees @ ₹ 5,000/- 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 2014
Mr. B. B. Bhawsar	Non Promoter, Whole time Director	-	3,26,968/-	-	1 year w.e.f. 16th February, 2014
Cmde. M. Bhada I. N. (Retd.)	Non Executive Independent Director	40,000/-	-	-	No service contract
Capt. Subhash Kumar	Non Executive Independent Director	30,000/-	-	-	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	Non Independent, Whole time Director
Cmde. 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**

Mr. Tippana Jog was holding office of Compliance Officer and on his resignation w. e f. 18/11/2013, Mr. Nutan Kumar Duragkar, was appointed in his place.

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

Number of Shareholders complaints received during the year:	1
Number of complaints not solved to the satisfaction of shareholders:	0
Number of pending share transfer:	0

(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 29/05/2014.

#### **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
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
2012-2013	AGM	30.09.2013	11.00 A.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 Shahi Shipping 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 was holding office of Compliance Officer and on his resignation w.e.f. 18/11/2013, Mr. Nutan Kumar Duragkar, was appointed in his place, in accordance with the regulation.

#### 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 : 27<sup>th</sup> September 2014, Saturday @ 10.00 a.m

Venue : Sunville, Banquets & Conference Room' 9, Dr. Annie Besant Road, (Middle of Worli Flyover), Near Poonam Chambers, Worli, Mumbai – 400 018

##### (b) FINANCIAL CALENDAR

Financial reporting for

Quarter ending 30<sup>th</sup> June 2014

Before August 15, 2014

Quarter ending 30<sup>th</sup> September 2014:

Before November 15,2014

Quarter ending 31<sup>st</sup> December 2014:

Before February 15,2015

Year ending 31<sup>st</sup> March 2015:

Before May 30, 2015

##### (c) DATE OF BOOK CLOSURE: 22/09/2014 to 27/09/2014 (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.

##### (e) Scrip code:

526508 SKS LOGISTICS LIMITED  
(SHAHI SHIPPING 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 31<sup>st</sup> March 2014 is as under:

Month	High (₹)	Low (₹)
April 2013	7.42	5.38
May 2013	8.09	6.39
June 2013	8.05	6.66
July 2013	8.00	6.51
August 2013	8.20	7.25
September 2013	7.24	6.41
October 2013	7.35	6.10
November 2013	7.00	5.00
December 2013	5.78	4.95
January 2014	7.56	5.85
February 2014	7.17	5.10
March 2014	7.64	4.90

**(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 31<sup>st</sup> March 2014:**

Shareholding	No of Share holders	% to no of Share holders	No. of Shares	% to paid up Capital
Up to 500	5064	85.238	9,70,893	6.698
501 – 1000	476	8.012	3,95,976	2.732
1001 – 2000	189	3.181	2,96,179	2.043
2001 – 3000	53	0.892	1,36,784	0.944
3001 – 4000	30	0.505	1,09,537	0.756
4001 – 5000	29	0.488	1,35,540	0.935
5001 – 10000	42	0.708	3,06,996	2.118
10001 and above	58	0.976	1,21,42,969	83.774
<b>Total</b>	<b>5941</b>	<b>100.00</b>	<b>14,494,874</b>	<b>100.00</b>

**(j) Distribution of shareholding as on 31<sup>st</sup> March 2014:**

Category	No. of Shares	Percentage
Promoters	1,04,42,570	72.040
Mutual fund	200	0.001
Bank /Financial / Institutions	200	0.001
Corporate bodies	3,54,278	2.440
FII / NRI / OCB	1,58,401	1.098
Indian Public	35,39,225	24.420
<b>Total</b>	<b>1,44,94,874</b>	<b>100.00</b>

**(k) Dematerialization of shares**

The Company's shares are compulsorily traded in dematerialized form. As on 31<sup>st</sup> March 2014, 96,61,931 shares were in dematerialisation form with the NSDL & CDSL. This work out to 66.66% 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  
Mr. Nutan kumar Duragkar, Compliance Officer  
404, Abhay Steel House, Baroda Street, Mumbai – 400 009.  
E-mail: admin@shahilogistics.com

**BY ORDER OF THE BOARD OF DIRECTOR**

**S K SHAHI**  
**CHAIRMAN AND MANAGING DIRECTOR**

Place: Mumbai  
Date: 29<sup>th</sup> May 2014



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
**Shahi Shipping Ltd.**  
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by Shahi Shipping Ltd. (Formerly Known SKS Logistics Ltd) for the year ended 31<sup>st</sup> March 2014, 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 carried out in accordance with the Guidance Note on Certification of Corporate Governance (as Stipulated in Clause 49 of Listing Agreement ) issued by the Institute of Chartered Accountants of India and 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.**  
Chartered Accountants.  
Firm Registration No. 103604W

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

Place : Mumbai  
Date : 29/05/2014



## **CERTIFICATE OF COMPLIANCE BY THE CEO/CFO OF THE COMPANY**

We, Sarvesh Kumar Shahi, Chief Executive Officer and Managing Director, and Meena Asati, Chief Financial Officer of Shahi Shipping Limited, hereby certify on behalf of the Board of Directors.

- (a) We have reviewed the financial statements and the cash flow statements for the year ended 31<sup>st</sup> March, 2014 and that to the best of their knowledge and belief.
  - (i) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) Statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) the significant changes, if any, in internal control over financial reporting during the year.
  - (ii) the Significant changes in accounting policies during the year and that the same have been disclosed in the notes to Financial Statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

### **ON BEHALF OF BOARD OF DIRECTORS**

**Mr. S.K Shahi**  
CEO & Managing Director

**Mrs. Meena Asati**  
CFO

Place: Mumbai

Date: 29/05/2014





## **INDEPENDANT AUDITORS' REPORT**

**TO THE MEMBERS OF Shahi Shipping Limited.**

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

We have audited the accompanying financial statement of the **Shahi Shipping Ltd.**, (Formerly Known SKS Logistics Ltd) ,which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014 , 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) (which continue to be applicable in respect of Section 133 of the Companies Act , 2013 in terms of General Circular 15/2013 dated 13 September , 2013 of the Ministry of Corporate Affairs ) 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, 2014.
- ii) In the case of the Statement Profit and Loss, of the Loss 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 and cash flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act , 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs)
- (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2014, 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 : 29/05/2014

**ANNEXURE TO THE AUDITOR REPORT :-**

(Referred to in paragraph 3 of our Report of even date on the accounts of Shahi Shipping Ltd. for the year ended 31<sup>st</sup> March, 2014).

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 ₹ 720.24 lacs. (Previous Year ₹ 632.89 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 31/03/2014 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 ₹ 100.76 Lacs.



- (b) According to the information & explanation given to us the Income Tax Demand under The Income Tax Act 1961 sum of ₹ 73.79 Lacs for financial year 2004-05, sum of ₹ 166.33 Lacs for the financial year 2005-06 in respect of Appellate Order passed in favour of Company by the Commissioner of Income Tax (Appeal) and by the Income Tax Appellate Tribunal, the Income Tax Department has preferred appeals against the above said orders before in High Court and for financial year 2009-2010 sum of ₹ 686.85 Lacs disputed before the Commissioner of Income Tax (Appeals) which have not been deposited by the Company on account of dispute with concerned authorities.
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 ₹ 420.15 Lacs and overdue instalment of Interest on Bank Term Loans aggregating to ₹ 180.67 Lacs relating to Financial Year 2013-2014. 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 : 29/05/2014

**Balance Sheet as at 31<sup>st</sup> March 2014**

Particulars	Note No.	As at 31 March 2014 ₹	As at 31 March 2013 ₹
<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	128,102,336	163,170,436
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	40,317,993	56,950,950
(b) Deferred tax liabilities (Net)	5	38,456,979	49,596,717
(c) Long-term provisions	6	2,623,298	2,768,810
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	139,092,587	129,368,484
(b) Trade payables	8	47,219,400	43,471,945
(c) Other current liabilities	9	103,936,764	129,908,158
(d) Short-term provisions	10	-	1,697,970
<b>TOTAL</b>		<b><u>644,698,097</u></b>	<b><u>721,882,210</u></b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets	11	254,521,398	338,485,654
(ii) Capital work-in-progress		40,388,476	40,175,535
(b) Non-current investments	12	807,413	807,413
(c) Long-term loans and advances	13	24,847,170	17,043,868
(d) Other non-current assets	14	-	1,137,750
<b>2 Current assets</b>			
(a) Trade receivables	15	253,263,961	249,305,288
(b) Cash and cash equivalents	16	3,284,700	6,534,489
(c) Short-term loans and advances	17	3,011,991	3,829,387
(d) Other current assets	18	64,572,988	64,562,826
<b>TOTAL</b>		<b><u>644,698,097</u></b>	<b><u>721,882,210</u></b>

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: 29/05/2014**

**Statement of Profit and loss for the year ended 31st March, 2014**

Particulars	Refer Note No.	For the year 2013-14 ₹	For the year 2012-13 ₹
I. Revenue from operations	19	193,984,608	214,475,528
II. Other income	20	<u>233,948</u>	<u>1,022,017</u>
<b>III. Total Revenue (I + II)</b>		<b>194,218,556</b>	<b>215,497,545</b>
IV. Expenses:			
Employee benefits expense	21	16,143,422	16,733,050
Finance costs	22	29,042,574	35,634,996
Depreciation and amortization expense	11	32,054,414	43,807,259
Operation and Other expenses	23	<u>163,117,474</u>	<u>140,484,890</u>
Total expenses		<b>240,357,884</b>	<b>236,660,195</b>
<b>V. Profit before tax (III- IV)</b>		<b>(46,139,328)</b>	<b>(21,162,650)</b>
VI. Tax expense:			
(1) Current tax		69,160	-
(2) Taxation of Earlier Years		(650)	-
(2) Deferred tax		<u>(11,139,738)</u>	<u>(5,477,640)</u>
<b>VII Net Profit for the period (V-VI)</b>		<b><u>(35,068,100)</u></b>	<b><u>(15,685,010)</u></b>
VIII Earnings per equity share:			
(1) Basic		(2.42)	(1.08)
(2) Diluted		(2.42)	(1.08)

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: 29/05/2014**

**Cash Flow Statement For The Year Ended 31.03.2014**

	Amount in ₹ 2013-14	Amount in ₹ 2012-13
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	(46,139,328)	(21,162,650)
<b>Adjustment for</b>		
Depreciation	32,054,414	43,807,259
Sundry Credit Balance written back	(145,512)	(81,538)
Bad Debt Written off	45,608,951	-
Profit / loss on sale of Assets (Net)	34,928,074	15,236,016
Profit of Sale of Investment	-	(796,429)
Dividend Income	(3,589)	(22,000)
Interest Income	(82,703)	(118,905)
Foreign Exchange Rate difference	(2,144)	(3,145)
Interest Expenses	28,098,115	34,984,853
<b>Operating Profit before working Capital Changes</b>	<b>94,316,278</b>	<b>71,843,460</b>
<b>Adjustment for</b>		
Trade & Other receivables	(16,854,802)	(32,436,878)
Trade Payables	(42,360,412)	16,242,983
<b>Cash generated from operation</b>	<b>35,101,064</b>	<b>55,649,566</b>
Interest paid	(14,224,521)	(33,481,032)
<b>Net cash from operating Activities(A)</b>	<b>20,876,543</b>	<b>22,168,533</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(12,031,173)	(8,858,438)
Sale of Fixed Assets	28,799,999	21,851,958
Dividend Received	3,589	22,000
Interest Received	72,541	121,520
Proceeds from sale on investment	-	881,429
<b>Net Cash used in Investing Activities(B)</b>	<b>16,844,956</b>	<b>14,018,469</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	(40,973,432)	(34,187,792)
Foreign Exchange Rate Difference	2,144	3,145
Dividend paid	-	(1,684,630)
<b>Net Cash used in Financing Activities( C )</b>	<b>(40,971,288)</b>	<b>(35,869,277)</b>
<b>Net Changes in cash &amp; cash equivalents(A+B+C)</b>	<b>(3,249,789)</b>	<b>317,726</b>
<b>Cash &amp; cash equivalents in - opening Balance</b>	<b>6,534,489</b>	<b>6,216,763</b>
<b>Cash &amp; cash equivalents in - Closing Balance</b>	<b>3,284,700</b>	<b>6,534,489</b>
	(3,249,789)	317,726

**Note:**

- 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.
- Proceeds from borrowings are shown as net of repayments.
- Figures in brackets indicates cash outflow

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: 29/05/2014**



**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>	<u>As at 31 March 2014</u> ₹	<u>As at 31 March 2013</u> ₹
<b>Authorised</b>		
3,00,00,000 Equity Shares of ₹10 each (Previous year 3,00,00,000 Equity Shares of ₹10/- each)	300,000,000	300,000,000
	<u>300,000,000</u>	<u>300,000,000</u>
<b>Issued, Subscribed &amp; Paid up</b>		
1,44,94,874 Equity Shares of ₹ 10 each, fully paid (Previous year 1,44,94,874 Equity shares of ₹10/- each fully paid)	144,948,740	144,948,740
<b>Total</b>	<u>144,948,740</u>	<u>144,948,740</u>

<b>(a) Reconciliation of Equity Share Capital</b>				
Particulars	As at 31st March 2014		As at 31st March 2013	
	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>(b) Details of Shareholders holding more than 5% of Equity shares in the Company</b>				
Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shahi Gasol Ltd	5,054,721	34.87%	5,054,721	34.87%
Sarvesh Kumar Shahi	846,234	5.84%	796,115	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%

**(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 31 March 2014</u> ₹	<u>As at 31 March 2013</u> ₹
<b>a. General Reserve</b>		
As per last Balance Sheet	107,891,271	106,979,421
Add: Transfer from Tonnege Tax Reserve Account	-	911,850
(A)	107,891,271	107,891,271
<b>b. Other Reserve</b>		
Reserve U/s 115VT of Income Tax Act, 1961 As per last Balance Sheet	1,550,000	2,461,850
Less: Amount transferred to General Reserve (Unutilised)	-	911,850
(B)	1,550,000	1,550,000
<b>c. Surplus in Statement of Profit and Loss</b>		
As per last Financial Statements	53,729,165	69,414,175
(+) Net Profit /(Loss) after tax transferred from Statement of Profit and Loss	(35,068,100)	(15,685,010)
Amount Available For appropriation	18,661,065	53,729,165
Closing Balance	18,661,065	53,729,165
<b>Total (A)+(B)+(C)</b>	<b>128,102,336</b>	<b>163,170,436</b>

**NOTE 4 : LONG TERM BORROWINGS**

Particulars	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2014	As at 31 March, 2013
	Non Current		Current	
<b>SECURED</b>				
<b>Term Loan From Banks</b>	32,672,298	47,646,722	54,402,756	88,540,907
<b>Vehicle Loan From Bank</b>	396,817	704,726	459,213	531,529
	<b>33,069,115</b>	<b>48,351,448</b>	<b>54,861,969</b>	<b>89,072,436</b>
<b>Vehicle Loan from Others</b>	7,248,877	8,599,502	1,350,625	1,204,736
	<b>7,248,877</b>	<b>8,599,502</b>	<b>1,350,625</b>	<b>1,204,736</b>
<b>Amount Disclosed under the head "Other Current Liabilities" (Note 9)</b>			(56,212,594)	(90,277,172)
	<b>40,317,993</b>	<b>56,950,950</b>	<b>0</b>	<b>0</b>

**Terms of Borrowing and other details****Outstanding  
Balance as on  
31/03/2014****Term Loan From Bank**

- a) Repayable in monthly 60 equal installments, Last Installment falling due 31<sup>st</sup> March 2018, Interest Rate 16.40%. Overdue interest sum of ₹ 47,798/- exist as on 31-03-2014  
Term loan are secured by hypothecation on Office Premises and personal guarantee of director. 33,04,925
- b) Repayable in Monthly 60 equal installments, Last Installment falling due 31<sup>st</sup> March 2018 ,Interest Rate 16.40%. Overdue interest sum of ₹ 4,70,177/- exist as on 31-03-2014.  
Term loans are secured by hypothecation on Office Premises & specific Barges and personal guarantee of director. 96,99,540
- c) Repayable in Monthly 60 equal installments, Last Installment falling due 31<sup>st</sup> March 2018, Interest Rate 16.40%. Overdue interest sum of ₹ 16,04,340/- exist as on 31-03-2014.  
Term loans are secured by hypothecation on Office Premises & specific Barges and personal guarantee of director. 1,13,17,290
- d) Repayable in Monthly 120 equal installments, Last Installment falling due on 31<sup>st</sup> Oct 2022 ,Interest Rate 15%.Overdue installment loan sun of ₹ 29,04,024/- and interest sum of ₹ 26,46,182 /- exist as on 31-03-2014.  
Term loan are secured by hypothecation on Office Premises and personal guarantee of a director. 1,41,17,475
- e) Repayable in quartely 28 equal installments, Last Installment was due 1<sup>st</sup> Sept 2013 ,Interest Rate 14.75%.Overdue installment of loan sum of ₹ 18614153 /- and interest sum of ₹ 45,09,815/- exist as on 31-03-2014.  
Term Loan is Secured by hypothecation of specific Barges &Personel Guarantee of a Director. 1,86,14,153
- f) Repayable in quartely 20 equal installments, Last Installment was due 1st Sept 2013, Interest Rate 14.75%. Overdue installment loan sum of ₹ 1,45,77,104/- and interest sum of ₹ 46,13,135 /- exist as on 31-03-2014.  
Term Loan is Secured by hypothecation of specific Barges and personal guarantee of a director. 1,45,77,104
- g) Repayable in quartely 30 equal installmentsLast Installment falling due 30th June 2016, Interest Rate 14.75%, overdue installment of Loan sum of ₹ 59,20,000/- and overdue interest sum of ₹ 41,75,354/- exist as on 31-03-2014  
Term Loan is Secured by hypothecation of specific Barges and personal guarantee of a director. 1,54,44,567

**Loan From Bank (Vehicle)**

- h) Repayable in monthly 60 equal installments Last Installment falling due 7<sup>th</sup> Aug 2016 ,Interest Rate 12.50%.  
Loan is secured by hypothication of specific vehicle 4,19,847
- i) Repayable in monthly 60 equal installments, Last Installment falling due 15<sup>th</sup> Aug 2015, Interest Rate 10.05%.  
Loan is secured by hypothication of specific vehicle 4,36,183

**Loan From Others (Vehicle)**

- j) Repayable in monthly 84 equal installments,Last Installment falling due 1<sup>st</sup> March 2019, Interest Rate 12.00%.  
Loan is secured by hypothication of specific vehicle 27,36,662
- k) Repayable in monthly 83 equal installments,Last Installment falling due 16<sup>th</sup> March 2019, Interest Rate 11.25%  
Loan is secured by hypothication of specific vehicle 58,62,841

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

Particulars	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Deferred Tax Liability	40,293,596	53,289,144
Difference between Book and Tax Depreciation		
Less : Deferred Tax Assets	1,836,617	3,692,427
Disallowance U/S 43B of Income Tax Act, 1961		
<b>Total</b>	<b>38,456,979</b>	<b>49,596,717</b>

**NOTE 6 : LONG TERM PROVISIONS**

Particulars	As at 31 March 2014 ₹	As at 31 March 2013 ₹
<b>Provision for Employees benefit:-</b>		
Provision for Gratuity	2,623,298	2,768,810
<b>Total</b>	<b>2,623,298</b>	<b>2,768,810</b>

**NOTE 7 : SHORT TERM BORROWINGS**

Particulars	As at 31 March 2014 ₹	As at 31 March 2013 ₹
<b>Secured</b>		
<b>(a) From Bank</b>		
Working capital Borrowings repayable on demand *	59,377,828	61,542,550
<b>Unsecured</b>		
<b>(b) Loans and advances from related parties</b>		
From Related parties	66,914,759	54,525,934
From Others	12,800,000	13,300,000
<b>Total</b>	<b>139,092,587</b>	<b>129,368,484</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, 2014 ₹	As at 31 March, 2013 ₹
Trade payables	47,219,400	43,471,945
<b>Total</b>	<b>47,219,400</b>	<b>43,471,945</b>

**NOTE 9 : OTHER CURRENT LIABILITIES**

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
a) Current Maturities of Long Term Debt (refer Note .4)	54,861,969	89,072,436
b) Current Maturities of Other Loans (refer Note .4)	1,350,625	1,204,736
c) Interest Accrued and Due	23,218,690	9,345,096
d) Unclaimed dividends*	692,531	853,220
<b>e) Other payables</b>		
(i) Trade / security deposits received	1,450,000	1,450,000
(ii) Others		
- Salary & Remuneration	6,901,289	8,572,602
- Other Outstanding Expenses	1,670,331	503,076
- Statutory Dues	11,309,803	14,280,116
- Other Payable	2,481,525	4,626,876
<b>Total</b>	<b>103,936,764</b>	<b>129,908,158</b>

\* There is no amount due & outstanding as on 31st March 2014 to be credited to investors education & protection fund.

**NOTE 10 : SHORT TERM PROVISIONS**

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Provision - Others		
Provision for Tax (net of advance tax/ TDS ₹ 1,38,46,667/-)	-	1,697,970
<b>Total</b>	<b>-</b>	<b>1,697,970</b>



**NOTE 11 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 31st March 2013	Addition during the year	Deduction during the year	As at 31st March 2014	As at 31st March 2013	Depreciation / Amortisation for the year	Adjustment in respect of assets sold	As at 31st March 2014	As at 31st March 2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>									
Freehold Land	845,316			845,316	-	-	-	845,316	845,316
Leasehold Land	4,709,760			4,709,760	723,024	78,496		3,908,240	3,986,736
Buildings *	17,966,036			17,966,036	7,269,810	534,812		10,161,414	10,696,226
Plant and Machinery	11,439,358			11,439,358	8,181,089	453,225		2,805,044	3,258,269
Furniture & Fixtures	11,075,132			11,075,132	8,130,033	533,063		2,412,036	2,945,099
Vehicles	47,425,135	804,855	1,512,852	46,717,138	31,760,458	4,068,343	1,223,186	12,111,523	15,664,677
Office Equipments	12,653,597	110,360		12,763,957	10,380,218	460,895		1,922,844	2,273,379
Electrical Instalments	2,008,505	24,000		2,032,505	1,501,223	71,944		459,338	507,282
Tankers	1,615,728			1,615,728	1,580,499	10,569		24,660	35,229
Fleets	839,142,361	10,879,017	223,965,667	626,055,711	540,868,919	25,843,067	160,527,260	219,870,983	298,308,669
<b>Total (a)</b>	<b>948,880,927</b>	<b>11,818,232</b>	<b>225,478,519</b>	<b>735,220,641</b>	<b>610,395,274</b>	<b>32,054,414</b>	<b>161,750,446</b>	<b>254,521,398</b>	<b>338,485,653</b>
<b>Capital Work-in-progress</b>	40,175,535	212,941	-	40,388,476	-	-	-	40,388,476	40,175,535
<b>Total (b)</b>	<b>40,175,535</b>	<b>212,941</b>		<b>40,388,476</b>				<b>40,388,476</b>	<b>40,175,535</b>
<b>TOTAL</b>	<b>989,056,462</b>	<b>12,031,173</b>	<b>225,478,519</b>	<b>775,609,117</b>	<b>610,395,274</b>	<b>32,054,414</b>	<b>161,750,446</b>	<b>294,909,874</b>	<b>378,661,188</b>
Previous year	1,098,864,907	8,858,438	118,666,884	989,056,462	648,166,864	43,807,259	81,578,910	378,661,188	450,698,044

\* 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, 2014 ₹	As at 31 March, 2013 ₹
Investments (At cost):		
<b>A. Trade Investment</b>		
Equity share - Unquoted		
Subsidiaries		
SKS waterways Ltd	349,940	349,940
(34994 Equity shares of ₹10 each Fully paid)		
Royal Logistics (Ship) Ltd	349,940	349,940
(34994 Equity shares of ₹10 each Fully paid)		
Shahi Shipping (Bangladesh) Ltd	87,483	87,483
(997 Equity shares of 100 Bangladesh Takka each Fully Paid)		
<b>B. Non Trade Investment</b>		
Equity share - Unquoted		
Shamrao Vithal Co-op Bank	10,000	10,000
(400 Equity shares of ₹ 25 each Fully paid)		
Saraswat Co-op Bank Ltd	10,050	10,050
(1005 Equity shares of ₹ 10 each Fully paid)		
<b>Total</b>	<b>807,413</b>	<b>807,413</b>

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, 2014 ₹	As at 31 March, 2013 ₹
<b>Unsecured, considered good</b>		
<b>(a) Security deposits</b>	10,301,677	9,204,625
<b>(b) Loans and advances to related parties *</b>	2,841,333	2,841,333
<b>(c) To Others</b>		
Electricity Deposits	57,166	63,006
Telephone Authorities	82,650	90,650
Others (Operating in nature)	5,227,719	4,844,254
<b>(d) Advance tax (₹ 139695/- Net of Provision)</b>	6,336,625	-
<b>Total</b>	<b>24,847,170</b>	<b>17,043,868</b>

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

**NOTE 14 : OTHER NON CURRENT ASSETS**

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Unamortised expenses</b>		
Share Issue Expenses	11,37,750	
Less :- Written off during the year	11,37,750	1,137,750
<b>Total</b>	<b>-</b>	<b>1,137,750</b>

**NOTE 15 : TRADE RECEIVABLES**

Particulars	As at 31 March 2014 ₹	As at 31 March 2013 ₹
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	218,004,456	178,424,971
Others	35,259,505	70,880,317
<b>Total</b>	<b>253,263,961</b>	<b>249,305,288</b>

**NOTE 16 : CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March 2014 ₹	As at 31 March 2013 ₹
(a) Cash on hand	847,565	1,844,357
(b) Balances with banks		
(i) In current accounts	626,709	3,086,911
(ii) In earmarked accounts		
- Unpaid dividend accounts	692,532	853,221
- Margin Money deposit	1,117,894	750,000
<b>Total</b>	<b>3,284,700</b>	<b>6,534,489</b>

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

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>Unsecured, Considered good</b>		
(a) Loans and advances to employees	1,350,875	1,373,875
(b) Prepaid expenses	339,577	197,260
(c) To Others		
Advance for Operative expenses	608,541	556,370
Others	712,998	1,701,882
<b>Total</b>	<b>3,011,991</b>	<b>3,829,387</b>

**NOTE 18 - OTHER CURRENT ASSETS**

Particulars	As at 31 March 2014 ₹	As at 31 March 2013 ₹
<b>(a) Accruals</b>		
Interest accrued on Fixed deposit	49,844	39,682
<b>(b) Others</b>		
Interest Subsidy Receivable (refer note (iii) on Note.24)	64,523,144	64,523,144
<b>Total</b>	<b>64,572,988</b>	<b>64,562,826</b>

**NOTE 19 - REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
	₹	₹
<b>Revenue from Operation</b>		
Freight (Net)	193,984,608	214,475,528
<b>Revenue from operations (Total)</b>	<b>193,984,608</b>	<b>214,475,528</b>

**NOTE 20 - OTHER INCOME**

<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
	₹	₹
<b>1) Interest Income</b>		
From Bank		
Fixed Deposit	82,703	118,905
<b>2) Dividend Income on other than Trade Investments</b>		
From Domestic Company	3,589	22,000
<b>3) Other Non-Operating Income</b>		
(i) Sundry balances written back	145,512	81,538
(ii) Gain on Foreign Currency	2,144	3,145
(iii) Profit on sale on Investment	-	796,429
<b>Total</b>	<b>233,948</b>	<b>1,022,017</b>

**NOTE 21 - EMPLOYEES BENEFIT EXPENSES**

<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
	₹	₹
Salaries, Bonus and allowances	14,949,900	15,804,808
Contribution to Provident Fund and Other funds	933,007	649,684
Staff Welfare Expenses	260,515	278,558
<b>Total</b>	<b>16,143,422</b>	<b>16,733,050</b>

**NOTE 22 - FINANCE COST**

<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
	₹	₹
Interest	28,098,115	34,984,853
Other borrowing costs	944,459	650,143
<b>Total</b>	<b>29,042,574</b>	<b>35,634,996</b>

**NOTE 23 - OTHER EXPENSES**

Particulars	2013-2014	2012-2013
	₹	₹
Power and fuel	541,122	656,708
Repairs and Maintenance- Barge	9,965,700	32,107,604
Repairs and Maintenance- Others	53,232	201,408
Rent	30,000	137,946
Rates and taxes	463,851	1,770,793
Insurance	700,625	1,238,802
Payment to Auditors	635,105	385,000
Legal and Professional expenses	2,277,630	1,239,730
Bad debts	45,608,951	-
Loss on Sale of Assets (Net)	34,928,074	15,236,016
Barge Operation Expenses	7,845,334	11,473,119
Fuel & Oil (Barges)	4,323,282	5,721,601
Survey Expenses	946,708	28,732,810
Hire Transportation and Water Charges	26,839,275	17,509,204
Port Related Expenses	12,704,979	10,396,941
Miscellaneous Expenses	15,253,606	13,677,209
<b>Total</b>	<b>163,117,474</b>	<b>140,484,890</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 ₹ 110.33 lacs (previous year ₹ 74.28 lacs), which is partly secured by the Margin Money amounting to ₹ 11.18 lacs (previous year ₹ 7.50 lacs) retained by the Bank.
- (b) Claim against the Company not acknowledged as debts ₹ 30.37 Lacs (previous year ₹ 30.37 lacs)
- (c) ₹ 240.12 Lacs in respect of Appeal Orders passed in favour of Company by the Commissioner of Income Tax (Appeal) and by Income Tax appellate Tribunal, the Income Tax Department has preferred appeals against the above said orders before the High Court and ₹ 686.85 Lacs demand in respect of Income Tax against which Company has preferred appeal before the Commissioner of Income Tax (Appeal) (previous Year : NIL)
- (d) Demand in respect of ESI Contribution disputed in Industrial Court sum of ₹ 83.62 lacs (Previous Year : ₹ 83.62 lacs)

- 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 Allahabad High Court. The amount outstanding is considered good by the management,
- IV The Company is in the process of restructuring its Dena Bank 3 (Three) Term Loans outstanding as on 31/03/2014 principal sum of ₹ 486.35 lacs and interest sum of ₹ 132.98 lacs, to reduce the interest burden and improve the financial condition of the Company. Accordingly the company has approached to Dena Bank who have advanced above stated loans to the Company to restructure / reschedule the above stated loans in line with expected cash flow to enable the Company to service them appropriately. However the Company has made the interest provision sum of ₹ 132.98 lacs on above stated term loans up to 31/03/2014
- V Trade receivable, Trade Payable, Loans, Advances & Deposit Taken, Loan, Advances & Deposit given are subject to confirmation.
- VI 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.



**VII** The company is engaged only in the business of shipping and as such there is no separate reportable segment as per Accounting Standard 17.

**VIII** 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.

**IX** The company's two Subsidiary Company namely SKS Waterways Ltd and Royal Logistics (Ship) Ltd has not yet started operation. Shahi Shipping (BD) Ltd, is in the process of liquidation, hence the consolidated financial statement of the SKS Logistics Limited and its subsidiaries SKS Waterways Ltd, Royal Logistics (Ship) Ltd and Shahi Shipping (BD) Ltd has not been prepared.

<b>X</b> Expenditure in Foreign Currency:	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
	(₹)	(₹)
Travelling	2,34,919	1,55,823
<b>XI</b> Earnings in Foreign Currency:		
From Operations	NIL	NIL
<b>XII</b> Auditors' Remuneration includes:		
For Company Law Audit	1,60,000	1,60,000
For Tax Audit	50,000	50,000
For Taxation	2,79,105	65,000
For Certification	1,46,000	1,10,000

**XIII** 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>XIV</b> Earnings per Share	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
Profit after taxation as per Statement of Profit & (Loss)	(3,50,68,100)	(1,56,85,010)
Number of equity shares outstanding for basic and diluted EPS	1,44,94,874	1,44,94,874
Basic & diluted EPS	₹ (2.42)	₹ (1.08)
Face value per share	₹ 10/-	₹ 10/-

**XV** Prior period expenses debited during the year was ₹ 11.38 lacs (previous year was ₹ 2.65 Lacs).

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

**XVII Related parties Disclosures:**

Description of relationship	Names of related parties
(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 (Excluding Reimbursement)	₹ In Lacs 2013-14	₹ In Lacs 2012-13
Where Control Exists	Loans Received	4.00	4.77
	Loan Repaid	0.5	38.79
	Agency Fees Paid	1.2	0.00
Key Management Personnel or Relatives	Remuneration paid to Key management Personnel	43.8	43.8
	Loans Taken	167.48	155.78
	Loans Repaid	52.09	120.03
	Sale of Fixed Assets	0.00	46.00

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

	₹ In Lacs As on 31 <sup>st</sup> March 2014	₹ in Lacs As on 31 <sup>st</sup> March 2013
<b>Where Control Exists</b>		
Advances Given	28.41	28.41
Unsecured Loans taken	329.55	321.05
Sundry Creditors	4.37	3.29
Key Management Personnel & Relatives		
Unsecured Loans taken	354.59	239.22

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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

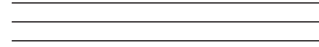
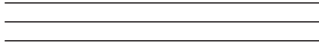
**N. D. HEDA**  
PROPRIETOR  
MEMBERSHIP NO. 32450

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

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

PLACE : MUMBAI  
DATED: 29/05/2014

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# SHAHI SHIPPING LIMITED

Regd. Office: 404, Abhay Steel House, Baroda Street, Mumbai - 400 009.  
CIN No. L61100MH1990PLC058680

## ATTENDANCE SLIP

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP ID\* \_\_\_\_\_

Client ID\* \_\_\_\_\_

Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Name and Address of the shareholder: \_\_\_\_\_

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company, to be held on Saturday, the 27th September 2014 at Sunville, Banquets & Conference Room' situated at 9, Dr. Annie Besant Road, (Middle of Worli Flyover), Near Poonam Chambers, Worli, Mumbai – 400 018 at 10:00 a.m.

\*Applicable to shareholders holding shares in electronic form.

Signature of Shareholder \_\_\_\_\_



# SHAHI SHIPPING LIMITED

Regd. Office: 404, Abhay Steel House, Baroda Street, Mumbai - 400 009.  
CIN No. L61100MH1990PLC058680

## PROXY FORM

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio No. / Client ID & DP ID: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

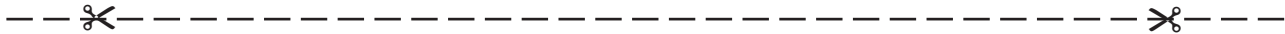
Signature: \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company, to be held on 27th September 2014 at Sunville, Banquets & Conference Room' situated at 9, Dr. Annie Besant Road, Middle of Worli Flyover, Near Poonam Chambers, Worli, Mumbai – 400 018 at 10:00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particular of Resolution(s)	For	Against
1	Adoption of Audited Financial Statement for the year ended March 31, 2014.		
2	Appointment Of M/s. N. D. Heda & Co, Chartered Accountants, as Auditors		
3	To appoint Commodore Mediona Bhada I N (Retd.), as an Independent Director.		
4	To appoint Captain Subash Kumar as an Independent Director.		
5	To appoint Ms. Hema Thakur as an Independent Director.		
6	To appoint Mr. B. B. Bhawsar as a Whole Time Director.		
7	To re-appoint Mr. Sarvesh Kumar Shahi as Managing Director		
8	Borrowing powers of the Board		
9	Creation of Charge on the Assets of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Signature of shareholder: \_\_\_\_\_

Affix  
Revenue  
Stamp

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the ensuing Annual General Meeting.



## SHAHI SHIPPING LIMITED

(Formerly Known As SKS Logistics Limited)

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

CIN No. L61100MH1990PLC058680

### BALLOT/POLL FORM

(The members who are not able to attend the annual general meeting can send their assent or dissent in writing in respect of the resolutions as set out in the Notice by sending the duly filled and signed Ballot/Poll Form to Mr. Prashant Tayshete, Practicing Company Secretary (the Scrutinizer) C/o System Support Services, 209, Shivai Industrial Estate, 89, Andheri Kurla Road, Sakinaka, Mumbai – 400 072)

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

\*Applicable for investors holding shares in Electronic form.

I/We hereby exercise my/our vote in respect of the Ordinary resolution(s) / Special Resolution(s) as specified in the notice of Shahi Shipping Limited to be passed through Ballot/Poll for the business stated in the said notice by conveying my/our assent or dissent on the said resolution in the relevant box below.

Sr. No.	Resolution	TYPR OF RESOLUTION (ORDINARY/ SPECIAL)	No. of Ordinary Shares for which votes cast	(FOR)	(AGAINST)
				I/We assent to the Resolutions	I/We dissent to the Resolutions
<b>Ordinary Business</b>					
1	Adoption of Audited Financial Statement for the year ended March 31, 2014.	Ordinary			
2	Appointment Of M/s. N. D. Heda & Co, Chartered Accountants, as Auditors	Ordinary			
<b>Special Business</b>					
3	To appoint Commodore Medioma Bhada   N (Retd.), as an Independent Director.	Ordinary			
4	To appoint Captain Subash Kumar as an Independent Director.	Ordinary			
5	To appoint Ms. Hema Thakur as an Independent Director.	Ordinary			
6	To appoint Mr. B. B. Bhawsar as a Whole Time Director.	Special			
7	To re-appoint Mr. Sarvesh Kumar Shahi as Managing Director	Special			
8	Borrowing powers of the Board	Special			
9	Creation of Charge on the Assets of the Company	Special			

PLACE:

\_\_\_\_\_

DATE:

SIGNATURE OF MEMBER/BENEFICIAL OWNER

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