

11th Annual Report



SHAHJI
SHIPPING LIMITED





S. K. Shahi

Chairman & Managing Director

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SHAHI SHIPPING LIMITED

BOARD OF DIRECTORS

Mr. S. K. Shahi
Mr. F. M. Koli
Mr. M. B. Gokhale
Capt. Satish Seth

Chairman and Managing Director
Wholetime Director
IDBI Nominee
Director

COMPANY SECRETARY

Mr. S. R. Hemmady

BANKERS

Bank of Baroda
Bori Bunder Branch, Mumbai

AUDITORS

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

REGISTERED OFFICE

404, Abhay Steel House,
Baroda Street, Mumbai - 400 009.
Tel. : 373 0713/4/5/6 Fax : 91(22) 3710362, 3740219
E-mail : shahi@bom3.vsnl.net.in

REGISTRARS & SHARE TRANSFER AGENTS

System Support Services
209, Shivai Ind. Estate,
Next to Parke Davis,
89, Andheri Kurla Road,
Sakinaka, Mumbai - 400 072.
Tel.: 850 0835 / 3940 Fax : 850 1438
E-mail : iitsss@yahoo.com



NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Members of Shahi Shipping Limited will be held on Thursday, 27th September, 2001 at 11.00 a.m. at Kilachand Conference Room, Indian Merchant's Chambers Building, Churchgate, Mumbai - 400 020 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and Profit & Loss Account for the year ended on that date, together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. K. Shahi who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Capt. Satish Seth who was appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the Office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered to the extent and in the manner set out hereunder.

(a) After Article 28 following new Articles numbered as Article 28A and Article 28B with the marginal headings thereof be inserted under the headings. “Dematerialization of Securities” and “Nomination of Shares.”



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28 A : DEMATERIALISATION OF SECURITIES:

(a) Definition:

For the purposes of the Article unless the context otherwise requires.

“Beneficial Owner” means a person whose name is recorded as such with a Depository and shall have the same meaning assigned thereto in Section 2 of the Depositories Act, 1996.

“Depositories Act” means Depositories Act, 1996 and any statutory modification or re-enactment thereof for the time being in force.

“Depository” means a depository as defined in the Depositories Act, 1996.

“Member” means a duly registered holder from time to time of the shares of the Company and also one whose name is entered as beneficial owner in the records of a Depository in the case of shares held in a Depository.

“Register” shall mean Register of Member to be kept pursuant to Section 150 of the Act and unless it be repugnant to the context or otherwise, the Register of Beneficial Owners in case of shares are held in a Depository.

“Record” includes the record maintained in the form of books or stored in computer in such other form as may be determined by the regulations made by SEBI.

“SEBI” means the Securities and Exchange Board of India.

“Security” means such security as may be specified by the SEBI from time to time.

(b) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities in a dematerialised form pursuant to the Depositories Act, 1996.

(c) Rights of depositories and beneficial owners:

(i) Notwithstanding anything to the contrary as contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (a) above, the Depository as a registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every person holding shares of any class in the capital of the Company and whose name is entered as Beneficial Owner in the record of the Depository shall be deemed to be a member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

(d) Transfer of Securities:

Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

(e) Distinctive number of securities held in depository:

Nothing contained in the Act or these Articles regarding the necessity of having distinctive number of securities held, issued by the Company shall apply to securities held with a Depository.



(f) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Beneficial Act, shall be deemed to be Register and Index of Owners Members and Security holders for the purposes of these Articles.

(g) Service of Documents:

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

28 B : NOMINATION OF SHARES

(a) Nomination

- i) Notwithstanding anything contained in these articles, every holder of shares in, or holder of debentures of the Company may either singly or jointly upto two persons at any time nominate a person in the prescribed manner to whom the shares and/or interest of the Member in the capital of the Company or debentures shall be transferred in the event of his or her death. A Member may revoke or vary his or her nomination at any time by notifying the Company to that effect.
- ii) Where the shares in or debentures of the Company are held by more than one person jointly the joint holders upto two persons may together nominate, in the prescribed manner, a person in whom all the rights in the shares in or debentures of the Company shall vest in the event of death of all the joint holders.
- iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall on the death of the shareholder or debenture holder or as the case may be on the death of the Joint holders in relation to such shares or debentures to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.

b) Transmission of Securities by nominee:

A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:

- i) To be registered himself as holder of shares or debentures as the case may be; or
- ii) To make such transfer of shares or debentures as the case may be as the deceased share holder or debenture holder could have made.
- iii) If the nominee elects to be registered as holder of the share or debenture, himself as the case may be shall deliver or send to the company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a death certificate of deceased shareholder or debenture holder as the case may be.



- iv) A nominee shall be entitled to the same dividends and other advantage to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company.

Provided further that the Board may, at any time, give notice informing any person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture until the requirements of the notice have been complied with."

6. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII & all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force), the Company hereby approves increased remuneration payable to Shri S. K. Shahi as Chairman & Managing Director of the Company with effect from 01.09.2001 on the terms and conditions so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of Shri S. K. Shahi as Chairman & Managing Director, the aforesaid salary & other remuneration, be paid to Shri S. K. Shahi as minimum remuneration notwithstanding that the same may be in excess of percentage limitations laid down in Section 309 (3) & Section 198 (1) of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of Statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be & is hereby authorised to vary or increase the remuneration including salary, commission perquisites & other allowance with such prescribed limit or ceiling & the agreement between the Company and Shri S. K. Shahi be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors be & is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution."



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NOTES:

1. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed herewith.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy form should be lodged with the registered office of the Company at least 48 hours before the time of the meeting.
3. The Register of Members and Share Transfer Books will remain closed from Saturday, 22nd September, 2001 to Thursday, 27th September, 2001, both days inclusive.
4. The Equity Shares of the Company is permitted for dematerialisation through the National Securities Depository Limited and Central Depository Services (India) Ltd. The ISIN No. : is INE 825D01016.
5. Consequent to the amendment w.e.f. 31st October, 1998, to sub-section (5) of Section 205A vide Companies (Amendment) Act, 1999, the dividend for the year ended 31.03.1995, will be transferred to the Investor Education and Protection Fund on or before 7.11.2001. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31.03.1995 onwards are requested to make their claims to the Company without further delay.

REGISTERED OFFICE

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

BY ORDER OF THE BOARD

For **SHAHI SHIPPING LIMITED**

Dated: 24th August, 2001.

S. R. HEMMADY
Company Secretary

**EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. : 4

Capt. Satish Seth was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from 25/01/2001. In terms of Section 260 of the Companies Act, 1956, Capt. Satish Seth shall hold office only upto the date of the Annual General Meeting of the Company. Pursuant to Section 257 of the Companies Act, 1956, the Company has received a notice from a member proposing the candidature of Capt. Satish Seth for the Office of the Director.

Capt. Satish Seth is 56 years old and is a Master Mariner and has 21 years experience in shipping industry. In view of his wide experience in shipping field, it is desirable that the Company should avail of his service as a member of the Board.

The Board recommend his appointment as a Director on the Board of the Company. Except Capt. Satish Seth, none of the Directors of the Company is in any way, concerned or interested in the resolution.

ITEM NO. : 5

In view of the introduction of Depositories Act, 1996, the investor can now hold and trade in their securities in Electronic Form. Depository system has several advantages over the traditional system such as shares cannot be lost or mutilated or stolen, transfer/transmission can be effected immediately, no risk of bad delivery etc., Besides it, the transaction costs are usually lower.

The new automated system of holding and trading of securities of the Company along with traditional system has necessitated certain alteration in the Articles of Association of the Company particularly matters pertaining to issue, holding, transfer certificates dealing in shares and other securities.

Consequent to requirement of Depositories Act, 1996 the Article 28 A has been inserted so that the Company can introduce Depository System.

The Companies (Amendment) Act, 1999, has provided for nomination facility for shareholders. The introduction of the nomination facility will enable the shareholders to nominate any person to whom the share and/or interest of the member in the shares shall be transferred in the event of the death of the shareholder.

Consequent upon the introduction of nomination facility it is proposed to insert the Article 28B in the Articles of Association of the Company, to meet the requirement of Companies Act, 1956.

To facilitate the implementation of the system for Depository and Nomination facility, the Directors recommended the resolution for acceptance of the members. None of the Directors of the Company is in any way concerned or interested in the said special resolution.



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ITEM NO. : 6

The Members of the Company in their General Meeting held on 30.09.1998 approved the appointment of Mr. S. K. Shahi as Managing Director of the Company for a period of five years in compliance with Section 269 read with Schedule XIII of the Companies Act, 1956. Considering the increased responsibility being undertaken by him, the Board in its meeting held on 24.08.2001 considered the increase in remuneration payable to the said Managing Director of the Company as per details given below with effect from 1st September, 2001 under Schedule XIII of the Companies Act, 1956.

Salary : Rs. 1,25,000/- per month (Rupees One Lakh Twenty Five thousand Only)

PERQUISITES : In addition to the salary, the perquisites be allowed upto a maximum limit of one annual salary to the Managing Director.

All other terms and conditions governing the payment of remuneration would remain the same. During the tenure of appointment of above named Managing Director, any increase in remuneration as prescribed is permitted under Section 310 of the Companies Act, 1956 subject to the approval of the Board of Directors and ratification thereof by the Members in the first annual general meeting held thereafter. The increase in remuneration is subject to the approval of financial institutions.

The Board recommends the Resolution as set out at item No. 6 of the Notice.

None of the Directors except Shri S. K. Shahi are concerned or interested in the Resolution set out at Item no. 6 of the Notice.

BY ORDER OF THE BOARD

For **SHAHI SHIPPING LIMITED**

S. R. HEMMADY
Company Secretary

Dated: 24th August, 2001.