



SHAHI

SHIPPING LIMITED

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ROYAL YAMUNA



12th annual report 2001-2002



S. K. Shahi

Chairman & Managing Director



Twelfth Annual Report 2001-2002

Shahi Shipping Limited

SHAHI SHIPPING LIMITED

BOARD OF DIRECTORS

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

Chairman and Managing Director
Wholetime Director
Wholetime Director
Director
IDBI Nominee

COMPANY SECRETARY

Mr. V. Nagarajan

BANKERS

Bank of Baroda
Bori Bunder Branch, Mumbai

AUDITORS

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 of Parke Davis,
89, Andheri Kurla Road,
Sakinaka, Mumbai - 400 072.
Tel.: 850 0835 / 3940 Fax : 850 1438



NOTICE

Notice is hereby given that the **Twelfth Annual General Meeting** of the Members of **Shahi Shipping Limited** will be held on **Thursday, 26th September, 2002**, 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, 2002 together with the Profit & Loss Account for the year ended on that date and the Director's Report and the Auditors' Report thereon.
2. To appoint a Director in place of Capt. S. Seth who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**.

"RESOLVED THAT Mr. D. N. SINGH be and is hereby appointed as Director of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310, and Schedule XIII as amended and other applicable provisions, if any of the Companies Act, 1956, Mr. D. N. Singh be and is hereby reappointed as Whole-Time Director of the Company to act as such for a period of two years from 29th Jan. 2002 to 28th Jan. 2004, but subject to the superintendence, direction and control of Managing Director and the Board of Directors of the Company on salary and perquisites as laid down below:-

- I. **Salary :**
Rs. 18,000/- per month
- II. **Period of Office :**
Two years from the date of appointment subject to retirement by rotation at the Annual General Meeting if and when so required.
- III. **Perquisites & Allowances:**

CATEGORY 'A'

1. **Housing :**
The Whole-Time Director shall be entitled to house rent allowance of Rs. 1600/- per month.
2. **Bonus :**
One month salary in a year or as per the rules of the Company.

**3. Medical Reimbursement :**

For self and family upto Rs. 1800/- per month.

4. Personal Accident Insurance :

Premium not to exceed Rs. 4,000/- per annum.

5. The Whole-Time Director is entitled for Conveyance Allowance of Rs. 2600/- per month.

CATEGORY 'B'

The contribution to superannuating fund or annuity fund, if any, and if introduced by the Company will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

CATEGORY 'C'

Car for use on Company's business. The Whole-Time Director is entitled for Rs. 500/- per month towards telephone call charges.

'RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Mr. D. N. Singh be paid the aforesaid remuneration as minimum remuneration for that year'.

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 Section 31 of the Companies Act, 1956, and all other applicable provisions, if any of the Companies Act, including any statutory modifications or re-enactment thereof, the Articles of Association of the Company be and is hereby amended /altered as follows:-

"After the existing **ARTICLE NO: 108**, the following new **ARTICLE** numbered as 108(A) be inserted:

ARTICLE 108(A): Passing Resolution by Postal Ballot.

Notwithstanding any of the provisions of the Articles of Association, the Company shall pass resolution(s) by means of Postal Ballot of members for such of the businesses as specified by the Central Government in accordance with the provisions of **Section 192A** of the Companies Act, 1956 and Companies (passing of the Resolution by Postal Ballot Rules, 2001), including any statutory modification or re-enactment thereof for the time being in force".



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Shahi Shipping Limited**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 also entitled to appoint a proxy 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 on Thursday, 26th September, 2002 to determine members eligible to attend the above meeting.
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 unpaid dividends for the year ended 31.03.1995, will be transferred to the Investor Education and Protection Fund on or before 7.11.2002. 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.

REGD. OFFICE:

404, Abhay Steel House,
Baroda Street,
Mumbai – 400 019.

BY ORDER OF THE BOARD

V. NAGARAJAN
Company Secretary

Dated: 23rd August, 2002



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

ITEM NO: 4 AND 5

The Board of Directors at their meeting held on 29th January, 2002 appointed Mr. D. N. Singh, as an Additional Director of the Company. Pursuant to Section 260 of the Companies Act, 1956, Mr. D. N. Singh holds office only upto the date of the ensuing Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956 has been received from a member proposing the appointment of Mr. D. N. Singh as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

The Board of Directors of the Company at the said meeting appointed Mr. D. N. Singh as Whole-Time Director of the Company for a period of two years effective from 29th January, 2002, subject to the consent of members of the Company.

Mr. D. N. Singh, is a retired Naval Officer having 35 years of experience in varied fields viz. Personnel, Administration, Finance, Secretarial/Staff and Security Managements. He is 56 year old and holds the qualification of LL.M. In view of his wide experience, it is desirable that the Company should avail of his services as a Whole-Time Director of the Board.

The Board recommended passing of the resolutions.

None of the Directors of the Company EXCEPT Mr. D. N. Singh is in any way concerned or interested in the resolutions.

ITEM NO. 6 :

The Agenda Item No: 5 of the Notice relates to the alteration of Articles of Association of the Company by inserting new Article No: 119 A after the existing Article 119. By the Companies (Amendment) Act 2000, a new Section 119 A has been inserted for passing resolution by Postal Ballot in respect of certain matters as may be prescribed by the Central Government from time to time. It is therefore proposed to incorporate a new Article 119 A after the existing Article to enable the shareholders of the Company to cast their votes by means of Postal Ballot in pursuance of the relevant provisions of the Act.

None of the Directors is concerned or interested in passing the above resolution.

By order of the Board

For **SHAHI SHIPPING LIMITED**

V. NAGARAJAN

Company Secretary

Place : Mumbai
Date : 23rd August, 2002



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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Twelfth Annual Report and Statement of Accounts of the Company for the year ended 31st March, 2002.

1. Financial Results:

	(Rs. In Lakhs) 2001-2002	(Rs. In Lakhs) 2000-2001
Gross Income	2278.72	2095.78
Gross Profit	1046.94	1089.69
Less: Interest and Financial Charges	507.23	505.92
Less: Depreciation	424.77	479.76
Less: Provision for Taxation	49.89	8.58
Less: Loss on Sale of Assets	--	2.79
Surplus for the year	65.05	92.64
Balance brought forward from the Previous year	794.02	701.35
Add: Excess Provision for Income Tax Written back	0.06	0.03
Less : Transferred to General Reserve	6.50	--
Balance Carried forward	852.63	794.02

DIVIDEND

In order to conserve the liquid resources of the Company, Directors do not propose to recommend dividend on the Equity Shares.

OPERATIONS OF THE COMPANY

Consequent to a gradual revival of the economy of our country after years of slowing down, your Company's Gross Income has increased from Rs. 20.96 crores to Rs. 22.79 crores representing a nominal growth of approximately 8.73% over the previous year. The surplus for the year amounted to 65.05 lakhs after providing the deferred tax aggregating to Rs. 41.09 lakhs during the current year as compared to Rs. 92.64 lakhs of the previous year.

During the financial year, the Company's operations covered several ports including Mumbai, JNPT, Goa, Jamnagar, Kandla, Kochi and Kolkata. It has also extended barge operations between Kolkata and Mongla port in Bangladesh. It is gratifying to note that almost all the barges owned by the Company are gainfully deployed.

**FUTURE PROSPECTS:**

As stated earlier in the Report, the economic scenario appears to be buoyant and as such, the Shipping Industry in general is expected to show improved performance. This favorable development augurs well for owners of coastal barges. Besides, the Container Division of your Company has contributed to a significant extent to gross revenues of the Company and profitability.

Barring unforeseen adverse factors, your Directors are confident that the current year promises to be an eventful one.

ISO 9002

Your Directors take pride in informing you that your Company continues to be registered as **ISO 9002** for its Vessel and lighterage operations through barges.

FIXED DEPOSITS:

During the year under report, the Company has not accepted any fixed deposit from the public or shareholders.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Capt. Satish Seth retires by rotation and being eligible offers himself for reappointment.

The Board appointed Mr. D.N. Singh as an Additional Director of the Company. The Board also appointed Mr. D. N. Singh as Whole-Time Director for a period of two years with effect from 29th January, 2002.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors had prepared the Annual Accounts on a going concern basis.

**CORPORATE GOVERNANCE**

The Securities and Exchange Board of India has introduced a code of Corporate Governance for implementation by Companies listed on the Stock Exchange. Your Company has already initiated steps to comply with requirement of clause 49 of the listing agreement i.e. Corporate Governance although the date of implimentation of such requirement in respect of your company is March 31, 2003.

SUBSIDIARY COMPANY

1. Pursuant to the provision of Section 212 of the Companies Act, 1956, the Statement of Accounts of the Subsidiary Company namely, Shahi Shipping (Singapore) Pte. Ltd., is annexed to this report.
2. The Company has also incorporated a subsidiary company namely SHAHI SHIPPING (BD) LTD. during the year. This Company has not been in operation so far. Since the parent Company's Control on the said subsidiary being temporary, the accounts of the said Company have not been annexed alongwith the Annual Report.



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