27TH ANNUAL REPORT 2016 - 2017
SHAHI SHIPPING LIMITED

Board of Directors

Sarvesh Kumar Shahi	Chairman & Managing Director
Hema Kiran Thakur	Independent Director
V. I. Shivaraman	Independent Director
Chandresh Kumar Mishra	Independent Director *(w.e.f. November 14, 2016)*

Company Secretary /Compliance Officer *
Nungavaram Vaidyanathan Agandeswaran
**(w.e.f. September 1, 2016)*

Chief Financial Officer@
Balamurugan Muthukumaraswamy
@(w.e.f. August 13, 2016)

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

Registered Office
404, Abhay Steel House,
Baroda Street, Mumbai - 400 009
Tel.: 91 (22) 61454545 / 23487340/41/42
Fax: 91 (22) 23487349 / 50
Website: www.shahilogistics.com
E-mail: shahi@bom3.vsnl.net.in

CORPORATE OFFICE
Shahi Marine House
Plot No. 11 & 11/1, Sector-26
Near Grain Market, Vashi,
Navi Mumbai - 400 703
Tel.: 2784 3043-44/49

Registrar & Share Transfer Agent#

Link Intime India Private Limited
C 101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai- 400 083
#(w.e.f. January 15, 2017)

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NOTICE

Notice is hereby given that the **27th (Twenty Seventh) Annual General Meeting** of the Members of Shahi Shipping Limited will be held at the registered office of the Company at 404, Abhay Steel House, Baroda Street, Mumbai – 400 009 on Saturday the August 12, 2017 at 11.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2017 and statement of Profit and Loss for the year ended on that date together with the Reports of Board of Directors and Auditor's thereon.

2. To consider an **appointment of Auditors** of the Company and if thought fit, to pass, the following resolution as an ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Audit and Auditors Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee, M/s. B. P. Shah & Co., Chartered Accountants, Mumbai (Firm Registration number 109517W), be and are hereby appointed as Statutory Auditors of the Company in place of retiring Auditor M/s. N. D. Heda & Co., Chartered Accountant (Firm Registration No.103604W) for a term of five years to hold office from the conclusion of this 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting, subject to ratification of their appointment by members at every intervening Annual General Meeting held after this Annual General Meeting on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors.

   RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) or the Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

3. To re-appoint Mr. Sarvesh Kumar Shahi (DIN: 00359535) as the Managing Director of the Company for the period of 3 (Three) years with effect from April 1, 2017 to March 31, 2020 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolutions as an **ORDINAY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 196,197,203 read with Part I of Schedule V of the Companies Act, 2013 and 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, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of members be and is hereby accorded for the re-appointment of Mr. Sarvesh Kumar Shahi (DIN: 00359535) as the Managing Director of the Company, for a further period of three years with effect from 1st April, 2017 to March 31, 2020 upon the terms and conditions 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 between the Board and Mr. Sarvesh Kumar Shahi.

   RESOLVED FURTHER THAT the Board of Directors / Nomination and Remuneration Committee be and is hereby authorised to alter and vary any such terms and conditions of the said appointment in terms of 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 advance 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."

4. Payment of managerial remuneration to Mr. Sarvesh Kumar Shahi (DIN: 00359535) as Managing Director of the Company for the period of 3 (Three) years with effect from April 1, 2017 to March 31, 2020 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolutions as an **ORDINAY RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V of the Companies Act, 2013 and 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, approval of the members be and is hereby accorded for payment of remuneration to Mr. Sarvesh Kumar Shahi (DIN : 00359535) as a Managing Director of the Company, for a further period of 3 (three) years with remuneration of Rs. 5.00 lacs per month or Rs. 60 Lacs per annum with effect from April 1, 2017 to March 31, 2020 upon such 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 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 advance 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 for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including execution of necessary documents and to settle any questions, difficulties and / or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution."

5. Appointment of Mr. Chandresh Kumar Mishra (DIN: 07645967) as an Independent Director of the Company, to consider and if thought fit, to pass with or without modification(s), the following resolutions as an **ORDINAY RESOLUTION:**

"**RESOLVED THAT** Mr. Chandresh Kumar Mishra (DIN : 07645967), who was appointed by the Board of Directors as an Additional Director of the Company with effect from November 14, 2016 under Section 161(1) of the Companies Act ("the Act") and the Companies (Appointment and Qualification of Directors) Rules 2014, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. Chandresh Kumar Mishra for the office of Director be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and Regulation 25 of the Listing Regulations, 2015 Mr. Chandresh Kumar Mishra (DIN : 07645967), who has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Act, and who is eligible for appointment as an Independent Director of the Company to hold the office for a term of five (5) consecutive years for a term upto November 13, 2022.

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".

By order of the Board of Directors
of **Shahi Shipping Limted**

Place: Mumbai
Date: July 10, 2017

N. V. Agandeswaran
Company Secretary
ACS No. 7966

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the Special Business under item no 3 and 5 as stated above in annexed hereto.

3. The Register of Members and Transfer Books of the Company will be closed from Friday, August 4, 2017 to Saturday, August 12, 2017, both days inclusive.

4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Registrar.

5. The information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of appointee Director and being re-appointed is annexed hereto.

6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Registrar for assistance in this regard.

7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

8. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

9. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

10. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.

11. Corporate members intending to send their authorized representatives to attend the Meeting Pursuant to Section 113 of Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on their behalf at the meeting.

12. The Annual Report 2016-2017, the Notice of the 27th AGM and instructions for e-voting, along with attendance slip and proxy form, are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

13. Members may also note that the Notice of the 27th AGM and the Annual Report 2016-17 will be available on the Company's website, http://www.shahilogistics.com.

14. Transfer of Unclaimed / Unpaid Dividend to the Investor Education and Protection Fund (IEPF):

    In terms of the provisions of Section 124 of the Companies Act, 2013 the amount of dividend not encashed or claimed within 7 (Seven) years from the date of its transfer to the company's unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per section 124 of the Companies Act, 2013 and the applicable rules thereunder.

Unclaimed dividend for the year(s) 2010-11, 2011-12 are held in separate bank accounts and members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the unencashed warrants immediately to the Company.

15. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Registrar / Depositories.
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for e-voting are given here in below. Resolution(s) passed by Members through Ballot Forms or e-voting is / are deemed to have been passed as if they have been passed at the AGM.
17. CS Rahul Padmakar Sahasrabuddhe, Partner –SPRS & Co, Practicing Company Secretaries (Membership No. F6254) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
18. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
19. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
20. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
21. The instructions for e-voting are as under:
    1. The procedure and instructions for the voting through electronic means is, as follows:
        i. Log on to the e-voting website www.evotingindia.com during the voting period.
        ii. Click on "Shareholders" tab.
        iii. Now, select the "Shahi Shipping 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 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. • 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.
DOB	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.

Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • 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).

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> 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 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.
- 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 under help section or write an email to helpdesk.evoting@cdslindia.com .

2. The voting rights of shareholders shall be in proportion to their shareholding in the paid up equity share capital of the Company.

3. E-voting period will commence from Wednesday, 9th August, 2017 at 9:00 a.m. and will end on 11th August, 2017 at 5.00 p.m.

4. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in presence of at least two witness not in the employment of the Company and make, not later than three (3) days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman of the Company.

5. The Results shall be declared on or after the date of General Meeting 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 immediately after the result is declared by the Chairman.
6. The cut-off date for the purpose of E-voting is on Monday, 7th August, 2017. The Voting rights of members shall be in proportion to their equity shareholding in the paid up equity share capital of the company as on cut-off date.

By order of the Board of Directors
of **Shahi Shipping Limted**

Place: Mumbai
Date: July 10, 2017

N. V. Agandeswaran
Company Secretary
ACS No. 7966

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

Annexure to Notice

INFORMATION AS REQUIRED AS PER REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF DIRECTORS BEING RE-APPOINTED

Name of the Director	Mr. Sarvesh Kumar Shahi	Mr. Chandresh Kumar Mishra
Director Identification Number	00359535	07645967
Date of Birth	07.03.1957	15.07.1956
Date of Appointment	26.10.1990	14.11.2016
Qualification	Done Executive Management Course at Massachusetts Institute of Technology (MIT) Boston, USA .	B. Tech. in Chemical Engineering
Expertise in specific functional area	Mr. S.K. Shahi, has a career spanning more than 38 years of rich and varied experience in shipping industry.	36 years of wide work experience in chemical industry.
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	1. Royal Logistics (Ship) Limited 2. SKS Waterways Limited 3. Shahi Gasol Limited 4. India First Logistics Limited	NIL
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director (excluding in foreign companies).	None	NIL
Relationship with other Director	None	NIL
Shareholding of Non Executive Directors	Not Applicable	NIL

Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013

Item 3 & 4

Mr. S. K. Shahi, is at present heading Shahi Shipping Limited. He has ventured in shipping business, way back in 1985 and established the Company in 1990. Being Managing Director of the Company since 26th October, 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 60, 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 Indian 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 proposed to re-appointment Mr. S. K. Shahi (DIN 00359535) as Managing Director for further term of three years with effect from 1st April, 2017.

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 and relationships amongst Directors inter-se as stipulated under Regulation 36 (3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, are provided as a annexure to the notice.

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, at their meeting held on 30th May, 2017, re-appointed Mr. Sarvesh Kumar Shahi, as the Managing Director for further term of 3 (three) years with effect from 1st April, 2017. 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 the ensuing Annual General Meeting and said appointment shall not liable to retire by rotation. 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.

The Board of Directors, based on recommendation of the Nomination and Remuneration Committee, at their meeting held on May 30, 2017 has subject to member's resolution at the ensuing Annual General Meeting accorded their consent for payment of remuneration of Rs. 5.00 lakhs per month or Rs. 60 Lakhs (Rupees Sixty Lakh) per annum to Mr. S. K. Shahi (DIN 00359535) as Managing Director with effect from 1st April, 2017 for further term of three years i.e. till March 31, 2020 with such additional perquisites and retirement benefit, expressly permitted by Schedule V of the Companies Act, 2013.

The proposed remuneration at present is as per the Companies Act, 2013 read with Schedule V (including any statutory modification(s) or re-enactment made thereof for the time being in force), in terms of effective capital prescribed under the Companies Act, 2013

An abstract of the terms of appointment together with the memorandum of concern or interest of the Directors therein, in pursuance of Section 190 of the Companies Act, 2013, 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 (1st April, 2017 to 31st March, 2020).

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 Rs. 5.00 lakhs (Five Lakhs) per month or Rs. 60 (Sixty Lakhs) 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.

   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 Nomination and 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 Nomination and 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.

Mr. S. K. Shahi holds 20,28,165 equity shares in dematerialized as well as in Physical mode, in the Company.

Save and except Mr. Sarvesh Kumar Shahi, to the extent of the their shareholding interest, in the Company, None of the other Directors/Key Managerial Personnel of the Company/their relatives, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item 3 and 4.

In view of the requirements of Section II, Part II of Schedule V of the Companies Act, 2013, the resolution is proposed as an Ordinary 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	Not Applicable (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.	Not Applicable
4.	Financial Performance based on given indicators	Have been disclosed in Annual Report
5.	Foreign Investments or Collaboration, if any	Not Applicable

(ii) Information about the appointee:

1.	Background details	Mr. S. K. Shahi, is presently heading Shahi Shipping Limited 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 60, has wide experience and knowledge of shipping industry.
2	Past Remuneration	Period Amt.(in Rs) 2012-13 42.00 Lakhs p.a. 2013-14 42.00 Lakhs p.a. 2014-15 42.00 Lakhs p.a. 2015-16 42.00 Lakhs p.a
3.	Recognition or awards	No
4.	Job profile and his suitability	As referred in 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 remuneration of more than Rs. 90 Lakhs for their 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 20,28,165 equity shares of the Company.

(iii) Other information:

1.	Reasons of loss or inadequate profits.	Old aged barges and huge cost of maintenance.
2.	Steps taken or proposed to be taken for improvement.	Have sold old barges to repay its debt and in are 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 other factors.

IV. Disclosures:

1. The following disclosures shall be mentioned in the Board of directors' report under the heading "Corporate Governance", if any, attached to the Annual Report: -

i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors;

- Disclosed at appropriate place

ii) Details of fixed component and performance linked incentives along with the performance criteria;

- Disclosed at appropriate place

iii) Service contracts, notice period, severance fees;

- 3 months on either side

iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

- The Company does not have any scheme of Stock option; hence this clause is Not Applicable.

Item 5

The Board had appointed Mr. Chandresh Kumar Mishra as an additional Director with effect from November 14, 2016.

The Company has received a notice from the shareholder proposing the candidature of Mr. Chandresh Kumar Mishra as an independent director.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Nomination and Remuneration Committee has recommended the appointment of Mr. Chandresh Kumar Mishra as Independent Director for a period of five years.

The above Independent Director has given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, the above Independent Director fulfills the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the Mr. Chandresh Kumar Mishra as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Director shall be open for inspection by the Members at the Registered Office of the Company on all working days, during business hours upto the date of the Meeting.

The Board commends the Ordinary Resolutions set out at Items No. 5 of the Notice for approval by the Members.

Save and except Mr. Chandresh Kumar Mishra, to the extent of the their shareholding interest, in the Company, None of the other Directors/Key Managerial Personnel of the Company/their relatives, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item 5.

By order of the Board of Directors
of **Shahi Shipping Limted**

Place: Mumbai
Date: July 10, 2017

N. V. Agandeswaran
Company Secretary
ACS No. 7966

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