



**Registered Office :**  
404, Abhay Steel House, Baroda Street  
Mumbai - 400 009, India  
Tel : 91 (22) 6145 4545 / 2348 7348  
Fax : 91 (22) 2348 7349  
E-mail : [cmd@shahilogistics.com](mailto:cmd@shahilogistics.com)  
Website : [www.shahilogistics.com](http://www.shahilogistics.com)

Date: 7<sup>th</sup> September, 2019

To,  
Dept. of Corporate Services,  
The Stock Exchange, Mumbai  
P.J. Towers, 1<sup>st</sup> floor,  
Dalal street, Mumbai - 400 001

Dear Sir,

**Sub: Submission of 29<sup>th</sup> Annual Report**

**Ref: BSE: Scrip Code: 526508**

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we enclose herewith copy of 29<sup>th</sup> Annual Report for the financial year 2018-19, as approved and adopted in the 29<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on Saturday, 28<sup>th</sup> September, 2019.

We hope you will find it in order and request you to take the same on your records.

Thanking you,  
Yours faithfully,

For SHAHI SHIPPING LIMITED

Nutan Kumar Duragkar  
Deputy Compliance Officer  
Encl: as above



**Corporate Office :**

Shahi Marine House, Plot No. 11 & 11/1, Sector 26, Near Dana Bazar, Vashi, Navi Mumbai - 400 703, India  
Tel : 91 (22) 2784 3051 - 51 • Fax : 91 (22) 2784 3041 / 44

*Since 1985*



# SHAHI SHIPPING LIMITED

*....connecting ports*

ANNUAL REPORT 2018- 2019





**29<sup>TH</sup> ANNUAL GENERAL MEETING  
SHAHI SHIPPING LIMITED**

**Board of Directors**

Sarvesh Kumar Shahi - Chairman & Managing Director  
Hema KiranThakur - Independent Director  
V. I. Shivaraman - Independent Director  
Chandresh Kumar Mishra - Independent Director  
Anjali Shahi – Additional (Non Executive) Director\*  
(\*Appointed with effect from 13<sup>th</sup> February 2019)

**Company Secretary /Compliance Officer**

Nungavaram Vaidyanathan Agandeswaran

**Chief Financial Officer**

Balamurugan Muthukumaraswamy  
\* upto August 13<sup>th</sup>, 2019

(Company has appointed Ms. N Vijila as Chief Financial Officer (KMP) of the Company in terms of Section 203(iii) of Companies Act, 2013 with immediate effect, in place of resigning Chief Financial Officer Mr. Balamurugan Mutthukumaraswamy at its Board meeting held on Tuesday, 13<sup>th</sup> August, 2019.)

**Statutory Auditors**

M/s. B P Shah & 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: [admin@shahilogistics.com](mailto:admin@shahilogistics.com)

**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  
Link Intime India Private Limited**

C 101, 247 Park, L.B.S Marg,  
Vikhroli (West), Mumbai - 400083

Sr. No	Particulars	Page
1	Notice	2
2	Directors' Report	9
3	Management Discussion and Analysis Report	28
4	Corporate Governance Report	30
5	Independent Auditors Report	42
6	Balance Sheet	48
7	Statement of Profit and Loss	49
8	Cash Flow Statement	50
9	Notes to Financial Statements	53
10	Attendance Slip & Proxy Form	75



## NOTICE

**Notice** is hereby given that the **29<sup>th</sup>(Twenty Ninth) 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, 28<sup>th</sup> September 2019 at 11.00 a.m. to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Statement of Accounts for the Financial Year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. K. Shahi, Chairman and Managing Director of the Company (DIN: 00359535) who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

3. To appoint Ms. Anjali Shahi (DIN: 03363248), aged 33 years, as a Non-Executive Director of the Company and in this regard, 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, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the "Act") 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 the Applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Anjali Shahi (DIN: 03363248), aged 33 years, a Non-Executive Director of the Company, who was appointed as an Additional Director of the Company on February 13, 2019, be and is hereby appointed as a Director of the Company, not liable to retire by rotation, to hold office up to 5 (five) consecutive years.

**RESOLVED FURTHER THAT** the Board of Director(s) / Company Secretary of the Company be and is / are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place: Mumbai  
Date: 13<sup>th</sup> August 2019

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

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

**N. V. Agandeswaran**  
Company Secretary  
ACS No. 7966

### 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 Register of Members and Transfer Books of the Company will be closed from Monday, 23<sup>rd</sup> September 2019 to Saturday, 28<sup>th</sup> September 2019, both days inclusive.
3. 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.

4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. The Annual Report 2018-2019, the Notice of the 29<sup>th</sup> 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.

Members may also note that the Notice of the 29<sup>th</sup> AGM and the Annual Report 2018-19 will be available on the Company's website, <http://www.shahilogistics.com>.

10. 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.

During the year under review, Unclaimed dividend for the year 2011-12 was transferred to Investors Education and Protection Fund.

11. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Registrar / Depositories.
12. 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.
13. Sanjay Parab & Company, Practicing Company Secretaries (Membership No. F6613) 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.
14. 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.
15. 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.
16. 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.



17. The instructions for e-voting are as under:

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

Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.

Click on “Shareholders” tab.

Now, select the “Shahi Shipping Ltd” from the drop down menu and click on “SUBMIT”

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.
- i. Next enter the Image Verification as displayed and Click on Login.
- ii. 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.
- iii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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	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. <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>

- iv. After entering these details appropriately, click on “SUBMIT” tab.
- v. 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.
- vi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- v. Click on the EVSN for the relevant <Shahi Shipping Ltd> on which you choose to vote.
- vi. 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.
- vii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.



- viii. 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.
- ix. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- x. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xi. 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.

xii. 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.

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).

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, 25<sup>th</sup> September 2019 at 9.00 AM and will end on 27<sup>th</sup> September 2019 at 5.00 PM.
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.

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 [www.shahilogistics.com](http://www.shahilogistics.com) and on the website of CDSL immediately after the result is declared by the Chairman.

The cut-off date for the purpose of E-voting is on Friday, 21<sup>st</sup> September, 2019. 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 Limited

**N. V. Agandeswaran**  
Company Secretary  
ACS No. 7966

Place: Mumbai  
Date: 13<sup>th</sup> August 2019  
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 OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF DIRECTORS BEING RE-APPOINTED

Name of the Director	Mr. Sarvesh Kumar shahi	Ms. Anjali Shahi
Director Identification Number	00359535	03363248
Date of Birth	07.03.1957	24.12.1985
Age	62 years	33 years
Date of joining the Board	26.10.1990	13.02.2019
Qualification	Executive Management Course at Massachusetts Institute of technology (MIT) Boston, USA	Ms. Anjali Shahi is an INSEAD MBA, France and has a bachelors' degree in Business Administration from Singapore Management University.
Profile of the Director	Mr. S. K. Shahi has a career spanning more than 39 years of rich and varied experience in shipping industry	Ms. Anjali Shahi has diverse professional experience including: Working as a Business Consultant with the Redpill Solutions at Singapore during the year(s) 2007-2009 Working as a Financial Controller at SKS Logistics Limited during the year(s) 2009-2011 Working as an Associate with the Avest Capital at Singapore handling portfolios like due diligence and project management during the year (s) 2011-2012 Working as a Senior Product Manager and Senior Finance Analyst with Amazon EU Sari at Luxembourg handling portfolios like Product Management and Financial Planning and Analyst during the year(s) 2014-2017
Past Remuneration	Rs. 60,00,000/- p.a	-
Remuneration proposed	Rs.60,00,000	-
No. of Board Meetings attended during the financial year 2018-19	3	1 (appointed with effect from 13.02.2019)
Shareholding as on 31.03.2019	20,28,165	Nil
Directorship in other Companies (excluding Private and Foreign Companies)	1. Royal Logistics (Ship) Limited 2. SKS Waterways Limited 3. Shahi Gasol Limited	1. India First Logistics Limited
Directorships and Committee memberships in other companies	None	None
Relationships / Pecuniary relationship between Directors interested	Father of Ms. Anjali Shahi	Daughter of Mr. Sarvesh Kumar shahi

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

**Item No: 3**

Ms. Anjali Shahi (DIN: 03363248) was appointed as an Additional (Non Executive) Director by the Board of Directors of the Company at its meeting held on February 13, 2019, pursuant to the recommendation of the Nomination and Remuneration Committee, to hold office upto the date of ensuring Annual General Meeting of the Company in terms of Section 161 of the Companies Act 2013.

The Company has duly received the declaration from Ms. Anjali Shahi that she is not disqualified to be a Director in the Company as per Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.





In light of the above, and considering the vast expertise and experience as specified earlier in the notice, the Board recommends passing an Ordinary Resolution as set out in Item No. 3 for appointment of Ms. Anjali Shahi as Non-Executive Director of the Company for a term of five consecutive years. The relatives of Ms. Anjali Shahi may be deemed to be interested in the resolution set out respectively at item No. 3 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. 3 of the Notice.

By order of the Board of Directors  
Of **Shahi Shipping Limited**

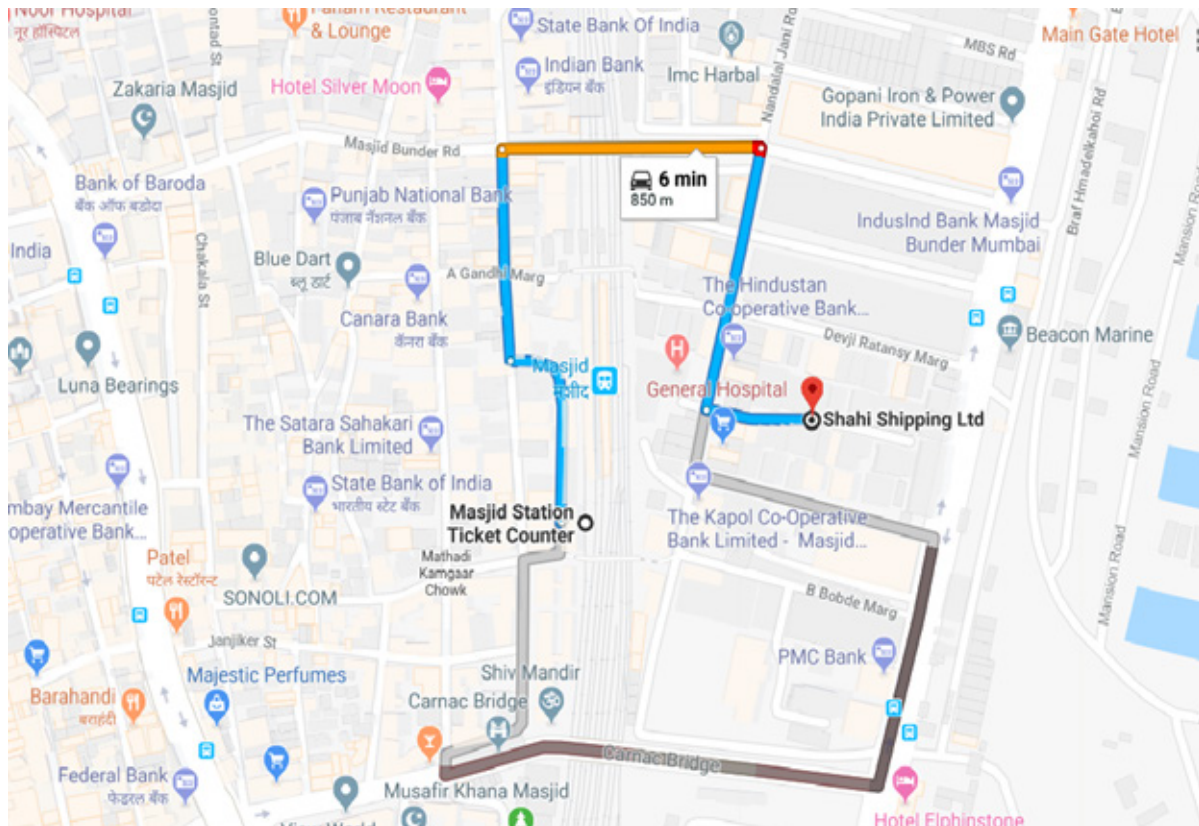
**N. V. Agandeswaran**  
Company Secretary  
ACS No. 7966

Place: Mumbai  
Date: 13<sup>th</sup> August 2019

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



### ROUTE MAP TO THE VENUE OF THE AGM



**DIRECTORS' REPORT**

To,

**The Members,**

SHAHI SHIPPING LIMITED

Your Directors are pleased to present herewith the 29<sup>th</sup> Annual Report of Shahi Shipping Limited (**"the Company"**) along with the Audited Financial Statements for the financial year ended March 31, 2019.

**1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:**

The financial highlights of the Company are given below:

(Rs. In Lakhs)

Particulars	2018-19	2017-18
Revenue from operations	1,021.22	1,662.03
Other income	94.70	137.68
Profit/Loss before Interest, Depreciation, Finance Cost and Tax Expense	(1,283.01)	(259.79)
Finance Cost	67.24	104.47
Depreciation	131.20	182.53
Profit/Loss before Tax and Prior Year Adjustment & Exceptional Item	(1,481.45)	27.21
Exceptional Item	-	-
Deferred Tax	(16.61)	(93.09)
Current Tax		11.31
MAT Credit Entitlement	-	<b>-0.56</b>
Profit/ (Loss) After Tax	(1,464.84)	109.56
Other Comprehensive Income / Loss		-
Total Comprehensive Income / (Loss)	(1,464.84)	109.56

Notes:

The above financial results have been prepared in accordance with Indian Accounting Standards ("IND-AS") as specified under Section 133 of Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015.

**2. RESULTS OF OPERATIONS :**

The Highlights of the Company's performance (Standalone) for the year ended March 31, 2019 are as under:

- Total Income decreased by 38.55% to Rs. 1021.22
- PBDT decreased by 393.86% to Rs. (1283.01)
- Profit before Tax decreased by 5544.51% to Rs. 1481.45
- Net Profit decreased by 1437.02% to Rs. (1464.84)

**3. SHARE CAPITAL:**

The paid up share capital of the Company as on March 31, 2019 is Rs. 14,49,48,740 comprising of 1,44,94,874 equity shares of Rs. 10/- each.

During the year under review, the Company has not issued any Equity Shares.

**4. DIVIDEND:**

In view of financial losses, the Board of Directors has not recommended any dividend for the Financial Year 2018-19.

**5. AMOUNT TRANSFERRED TO RESERVE:**

The Company has not transferred to any amount to the reserves during the Financial Year 2018-19.

**6. MATERIAL CHANGES AFFECTING THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

**7. HUMAN RESOURCE DEVELOPMENT:**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

**8. SUBSIDIARY COMPANIES:**

The Company has two subsidiaries, namely SKS waterways Ltd. & Royal Logistics (Ship) Ltd., which have not commenced their operations. Hence, the consolidated financial statement of the Shahi Shipping Limited and its subsidiaries SKS waterways Ltd, Royal Logistics (Ship) Ltd has not been prepared.

**9. SECRETARIAL STANDARDS:**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors', 'General Meetings', respectively have been duly followed by the Company.

**10. DIRECTORS' RESPONSIBILITY STATEMENT:**

As stipulated under section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors hereby state and confirms that

- In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgments 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 2018-2019 and of the loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have laid down internal controls to be followed by the Company and such internal controls are adequate and operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board and its Committees have most appropriate composition, pursuant to the provisions of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors as on March 31, 2019 comprised of the following directors

Name of Director	Director Identification Number	Designation
Sarvesh Kumar Shahi	00359535	Chairman & Managing Director
Hema Kiran Thakur	01363454	Independent Director
Venata Subramanian Iyer Shivaraman	07165080	Independent Director
Chandresh Kumar Mishra	07645967	Independent Director
Anjali Shahi*	03363248	Additional Director – Non-Independent Non-Executive Director



During the year under review, the Company has appointed Ms. Anjali Shahi as Additional Director (Non-Independent Non-Executive Director) of the Company with effect from 13<sup>th</sup> February 2019. Except that, there was no change in the composition of the Board of Directors and the Key Managerial Personnel's (KMPs) of the Company during the financial year 2018-19.

Details of the number of meetings of the Board of Directors have been furnished in the Report on Corporate Governance.

During the period, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

## 12. BOARD EVALUATION:

The Nomination and Remuneration Committee has defined evaluation criteria for the performance evaluation of the Board, its Committees and individual director(s).

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, advisory role and contribution in the decision making etc.

At the separate meeting of independent directors held on 25<sup>th</sup> March, 2019 performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated objectively, taking into account the views of executive directors and non-executive directors.

## 13. INDEPENDENT DIRECTORS:

### (i) Declaration from Independent Directors

The Board has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### (ii) Criteria for Performance Evaluation

Nomination and Remuneration Committee has laid down various criteria for performance evaluation of Independent Directors.

### (iii) Details of familiarization Programme

The details of programme for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at [thewww.shahilogistics.com](http://www.shahilogistics.com)

## 14. MEETINGS:

During the Financial year 2018-2019, Five (05) Meetings of Board of Directors. The details of meetings held are given in the Corporate Governance Report. The gap between the said meetings did not exceed the limit of 120 days, as prescribed under the relevant provisions of the Companies Act, 2013 and the relevant Rules made thereunder.

## 15. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed and adopted the policy for selection and appointment of Directors, Key Managerial Personnel, senior management and their remuneration. The policy lays down criteria for selection of directors, key managerial personnel and senior management like, qualification, requisite expertise, relevant experience and integrity of the directors, etc. The remuneration policy lays down the entitlements of remuneration to non-executive directors such as sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013.

Remuneration to Whole-Time Director(s) consists of monthly salary, allowances, perquisites, bonus, commission and other allowable retirement benefits. As per the Policy, the remuneration/compensation to Managing Director /Whole Time Director/ Key Managerial Personnel shall be recommended by the Nomination and Remuneration Committee to the Board for its approval.

In respect of key managerial personnel and senior management, the remuneration will consist of fixed pay and incentive pay. The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time and the incentive pay shall be decided based on the balance between



performance of the Company and performance of the Key Managerial Personnel and Senior Management.

The Nomination and Remuneration Policy is available on the Company's website [www.shahilogistics.com](http://www.shahilogistics.com)

**16. INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY:**

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized and embedded in the business processes.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

**17. EXTRACT OF ANNUAL RETURN:**

As provided under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extract of annual return is given in **Annexure I** in the prescribed Form MGT-9, which forms part of this report.

**18. DETAILS OF COMMITTEES OF THE BOARD:**

At present, the Board has three committees, namely the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The Composition of various committees is as per the applicable provisions of the Companies Act, 2013 along with the Rules and Securities Exchange Board of India (Listing obligations & Disclosure Requirements) Regulations, 2015. The brief details of various committees, terms of reference is provided separately in the Corporate Governance report.

**19. AUDIT COMMITTEE:**

Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with Regulation 18 of the Listing Regulations, 2015. The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report. All the recommendations made by the Audit Committee during the year were accepted by the Board of Directors of the Company.

**20. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee has been constituted as per section 178 (5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations, 2015. The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of dividend etc. The details pertaining to composition of Stakeholders Relationship committee are included in the Corporate Governance Report, which forms part of this report.

**21. NOMINATION AND REMUNERATION COMMITTEE:**

Nomination and Remuneration Committee of the Board has been constituted as per Section 178 of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with Regulation 19 of the Listing Regulations, 2015. The details pertaining to composition of Nomination and Remuneration Committee, terms of reference and other particulars are included in the Corporate Governance Report, which forms part of this report.

**22. AUDITORS:**

**a) Statutory Auditors:**

M/s. B. P. Shah & Co, Chartered Accountants, Mumbai, (Firm Registration No. 109517W) were appointed as Auditors of the Company, for a term of five years, at the Annual General Meeting held on 12<sup>th</sup> August, 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

**b) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Vikas R. Chomal & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the financial year 2018-19 and issue Secretarial Audit Report. Secretarial Audit Report issued by M/s. Vikas R. Chomal & Associates, Company Secretaries for the financial year 2018-19 in Form MR-3 forms part of this report and marked as Annexure- II. The Company in due course will consider the appointment of Secretarial Auditor for the Financial Year 2019-20.



The Secretarial Auditor has made following observation(s) and the Management reply for the same is as under:

Sr. No	Auditors' Observation	Management Reply
1	As per SEBI Circular no Cir/ISD/ 3/2011 dated 17th June, 2011, 100% of promoter's and promoter group's shareholding should be dematerialized. However the Promoter's and Promoter's group's shareholding of the Company is NOT 100% held in Dematerialized Form.	The Company is in process of communicating with the promoters for converting their holding in the Company in DEMAT form.
2	During the year under review related party transactions were undertaken but no prior approval regarding the same were obtained from the audit committee.	The Company had ratified the Related Party Transactions by taking approval of the Audit Committee. The Management of the Company will ensure to take in principle approval of the Auditee Committee here onwards.
3	The website of the company is not updated in accordance with Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.	The Company is in process to update its website.

**c) Internal Auditor:**

The Company has appointed M/s. Wandrekar & Co., Chartered Accountants, as an Internal Auditor of the Company, for three financial years, starting from FY 2018-2019 to 2020-2021, to look after all the internal Audit matters and report to Audit Committee and Statutory Auditor on the relevant matters from time to time.

There are no adverse comment(s) or observation in the Internal Audit Report.

**23. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:**

There was no loan given or guarantee given or investment made or security provided pursuant to Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions are not applicable.

**24. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY:**

The company, during the year, has entered into transactions, as specified under section 188 (1) of the Companies Act, 2013, with related parties. Accordingly, the disclosure of Related Party Transactions is provided under section 134 (3) (h) of the Companies Act, 2013, in Form AOC-2 forming part of Board Report as **Annexure III**. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Weblink: [www.shahilogistics.com](http://www.shahilogistics.com)

**25. PARTICULARS OF EMPLOYEES:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and a statement showing the names and other particulars of the top ten employees of the Company in terms of remuneration drawn pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the **Annexure-IV** to this Report.

In terms of the provision of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the every employee drawing remuneration in excess of the Limits set out in the said rules are not applicable to the Company as no Employees were employed during the year, drawing Rs. 1,20,00,000/- per annum, or Rs. 10,00,000/- per month, the ceiling limits prescribed under the said rule.

**26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**27. CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The Company has also implemented several best governance practices.



The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance

**28. VIGIL MECHANISM/WHISTLE BLOWER POLICY FOR THE DIRECTORS AND EMPLOYEES:**

Your Company believes in promoting a fair, transparent, ethical and professional work environment. The Board of Directors of the Company pursuant to the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has framed "Vigil Mechanism" for employees including directors of the Company for reporting the genuine concerns or grievances or cases of actual or suspected, fraud or violation of the Company's code of conduct and ethics policy. The Vigil Mechanism/Whistle Blower Policy is available on the Company's website [www.shahilogistics.com](http://www.shahilogistics.com)

**29. DEPOSITS FROM PUBLIC:**

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**30. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year, the committee has not received any complaint of harassment.

**31. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

In terms of the provisions of Section 123 of the Companies Act, 2013 the amount of dividend not en-cashed or claimed within 7 (Seven) years from the date of its transfer to the 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.

During the year under review, unclaimed dividend for the year 2011-12 was transferred to Investors Education and Protection Fund.

**32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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	Rs Nil/-
(b) Foreign Exchange outgo	Rs. Nil/-

**33. LISTING WITH STOCK EXCHANGES:**

Your Company confirms that, it has paid the Annual Listing Fees for the year 2018-2019 to BSE Limited, the stock exchange where the Company's shares are listed.

**34. DISCLOSURES UNDER SECTION 134(3)(L) OF THE COMPANIES ACT, 2013:**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

**35. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

During the year pursuant to the provisions of section 135 read with Schedule VII of the Companies Act, 2013 the company does not fall under the criteria of CSR Policy. Hence the company has not contributed towards CSR Activity.





**36. ACKNOWLEDGEMENT**

Your Directors express their sincere thanks to all customers, vendors, investors, shareholders, shipping agents, bankers, insurance companies, consultants, advisors, Central and State Government(s) for their consistent support and encouragement to the Company.

Your Directors also sincerely acknowledge the significant contributions made by all the employees through their dedicated services to the Company.

**For and on behalf of the Board of Directors**

**Sarvesh Kumar Shahi**  
**Chairman & Managing Director**  
**DIN: 00359535**

**V. I. Shivaraman**  
**Director**  
**DIN: 07165080**

Date: 13<sup>th</sup> August 2019  
Place: Mumbai



**FORM NO. MGT 9 (ANNEXURE I)**  
**EXTRACT OF ANNUAL RETURN**  
as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L61100MH1990PLC058680
ii	Registration Date	26/Oct/90
iii	Name of the Company	Shahi Shipping Limited
iv	Category/Sub-category of the Company	Company Limited By Shares Indian-Non Government Company
v	Address of the Registered office & contact details	404 Abhay Steel House, 4th Floor, Baroda Street, Mumbai- 400 009
vi	Whether listed company	Listed
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Tel: 022-4918 6270/60/00 Fax: 022-4918 6060 Email Id: rnt.helpdesk@linkintime.co.in

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

	All the business activities contributing 10% or more of the total turnover of the company shall be stated		
<b>SL No</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code of the Product / service</b>	<b>% to total turnover of the company</b>
1	Sea and coastal freight water transport	50120	100

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

<b>SI No</b>	<b>Name &amp; Address of the Company</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY/ ASSOCIATE</b>	<b>% OF SHARES HELD</b>	<b>APPLICABLE SECTION</b>
1	SKS Waterways Limited Karnani Estate, 209, A.J.C.Bose Road, 1st Floor, Room No.-22b, Kolkata- 700 017	U63012WB2008PLC125911	Subsidiary	70	2 (87)
2	Royal Logistics (Ship) Limited Karnani Estate, 209, A.J.C.Bose Road, 1st Floor, Room No.-22b, Kolkata- 700 017	U61100WB2007PLC117112	Subsidiary	70	2(87)



IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
	(1) Indian									
	a) Individual/HUF	1,905,419	3,407,444	5,312,863	36.65	1905419	3407444	5312863	36.65	-
	b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
	c) Bodies Corporates	5,054,721	229,200	5,283,921	36.45	5054721	229200	5283921	36.45	-
	d) Bank/FI	-	-	-	-	-	-	-	-	-
	e) Any other (Persons Acting in Concert)	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL:(A) (1)</b>	6,960,140	3,636,644	10,596,784	73.11	6960140	3636644	10596784	73.11	-
	<b>(2) Foreign</b>									
	a) NRI- Individuals	-	-	-	-	-	-	-	-	-
	b) Other Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	d) Banks/FI	-	-	-	-	-	-	-	-	-
	e) Any other...	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	6,960,140	3,636,644	10,596,784	73.11	6960140	3636644	10596784	73.11	-
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
	<b>(1) Institutions</b>									
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Banks/FI	200	-	200	0.00	200	-	200	0.00	-
	C) Central govt	50	-	50	0.00	50	-	50	0.00	-
	d) State Govt.	-	-	-	-	-	-	-	-	-
	e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIIS	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	Foreign Mutual Fund	-	200	200	0	0	200	200	0	-
	<b>SUB TOTAL (B)(1):</b>	250	200	450	0.00	250	200	450	0.00	-
	<b>(2) Non Institutions</b>									
	a) Bodies corporates	270,468	2,000	272,468	1.88	234279	2000	236279	1.63	(0.25)
	i) Indian	-	-	-	-	-	-	-	-	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals	-	-	-	-	-	-	-	-	-



	i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	1,780,633	583,299	2,363,932	16.31	1,734,727	578,499	2,313,226	15.96	(0.35)
	ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	480,674	601,500	1,082,174	7.47	570,904	601,500	1,172,404	8.09	0.62
	c) Others (specify)									-
	Clearing Members	18,515	-	18,515	0.13	11814	-	11814	0.08	(0.05)
	HUF	147,995	-	147,995	1.02	152669	-	152669	1.05	0.03
	Non Resident Indians	12,556	-	12,556	0.09	11248	-	11248	0.08	(0.01)
	<b>SUB TOTAL (B)(2):</b>	<b>2,710,841</b>	<b>1,186,799</b>	<b>3,897,640</b>	<b>26.89</b>	<b>2,715,641</b>	<b>1,181,999</b>	<b>3,897,640</b>	<b>26.89</b>	<b>0.00</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2,711,091</b>	<b>1,186,999</b>	<b>3,898,090</b>	<b>26.89</b>	<b>2,715,891</b>	<b>1,182,199</b>	<b>3,898,090</b>	<b>26.89</b>	<b>(0.00)</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	0	0	0	-	-
	<b>Grand Total (A+B+C)</b>	<b>9,671,231</b>	<b>4,823,643</b>	<b>14,494,874</b>	<b>100.00</b>	<b>9,676,031</b>	<b>4,818,843</b>	<b>14,494,874</b>	<b>100.00</b>	<b>-</b>

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Anjana Shahi	502	0.00	-	502	0.00	-	0
2	Dolicie F. Koli	190,000	1.31	-	190,000	1.31	-	0
3	Francis Budhaji Koli	4,000	0.03	-	4,000	0.03	-	0
4	Koli Finance Pvt Ltd	229,000	1.58	-	229,000	1.58	-	0
5	Ranjana Francis Koli	140,200	0.97	-	140,200	0.97	-	0
6	Sarvesh Kumar Shahi	2,028,165	13.99	-	2,028,165	13.99	-	0
7	Shahi Finance P.Ltd	200	0.00	-	200	0.00	-	0
8	Shahi Gasol Ltd	5,054,721	34.87	-	5,054,721	34.87	-	0
9	Trupti F. Koli	190,000	1.31	-	190,000	1.31	-	0
10	Veena Joseph Koli	110,000	0.76	-	110,000	0.76	-	0
11	Vikas F Koli	2,649,996	18.28	-	2,649,996	18.29	-	0
	<b>Total</b>	<b>10,596,784</b>	<b>73.11</b>	<b>-</b>	<b>10,596,784</b>	<b>73.11</b>	<b>-</b>	<b>0</b>

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (No Change)

SI. No.		Share holding at the beginning of the Year(As on 1st April 2018)		Cumulative Share holding during the year (From 1st April 2018 to 31st March 2019)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Shares transferred on	-	-	-	-
	At the End of the year	-	-	-	-
		-	-	-	-



(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	kashmir Manvel Zelka	180,000	1.24	180,000	1.24
2	vishesh Polyimpex Pvt Ltd	155,100	1.07	155,100	1.07
3	Shah Pulin Hashmukh	100,372	0.6925	130,367	0.90
4	Samiresh Kumar	117,105	0.80	117,105	0.81
5	Rupina Joseph Koli	90,000	0.6209	90,000	0.62
	Rupesh Joseph Koli	61,600	0.425	61,600	0.43
6	Wilson Anthony Embrose	60,000	0.41	60,000	0.41
8	Ragina Joseph Koli	50,400	0.34	50,400	0.35
9	Noble Joseph Koli	48,000	0.33	48,000	0.33
10	Thomas Joseph Koli	47,500	0.33	47,500	0.33

Note: Change in the shareholding is due to market transactions (purchase / sale in shares) made by the shareholders

(v) **Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>Sarvesh Kumar Shahi</b>				
	At the beginning of the year	20,28,165	13.99	20,28,165	13.99
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NA	NA	NA	NA
	At the End of the year	20,28,165	13.99	20,28,165	13.99
2	<b>V I Shivaraman</b>				
	At the beginning of the year	100	0.0007	100	0.0007
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NA	NA	NA	NA
	At the End of the year	100	0.0007	100	0.0007

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

		"Secured Loans excluding deposits"	"Unsecured Loans"	Deposits	"Total Indebtedness"
	<b>Indebtness at the beginning of the financial year</b>				
i)	Principal Amount	5,70,41,721	4,17,37,622		9,87,79,343
ii)	Interest due but not paid	17,753	3,52,267		3,70,020
iii)	Interest accrued but not due				
	<b>Total (i+ii+iii)</b>	<b>5,70,59,474</b>	<b>4,20,89,889</b>		<b>9,91,49,363</b>
	<b>Change in Indebtedness during the financial year</b>				
	Additions	9,54,609		-	9,54,609
	Reduction	53,06,459	1,06,22,842	-	1,59,29,301
	<b>Net Change</b>				
	<b>Indebtedness at the end of the financial year</b>				
i)	i) Principal Amount	5,26,89,871	3,11,14,780	-	8,38,04,651
ii)	ii) Interest due but not paid	17,753	3,52,267	-	3,70,020
iii)	iii) Interest accrued but not due	-		-	-
	<b>Total (i+ii+iii)</b>	<b>5,27,07,624</b>	<b>3,14,67,047</b>	-	<b>8,41,74,671</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl. No	Particulars of Remuneration	MR. S K SHAHI, C&MD	Total Amount
	<b>Gross salary</b>		
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	60,00,000	Rs. 60,00,000/-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>60,00,000</b>	<b>Rs. 60,00,000/-</b>

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
		I V Shivaraman	Hema Thakur	Chandresh Kumar Mishra	Anjali Shahi	
1	Independent Directors					
	(a) Fee for attending board committee meetings	24,300	55,800	28,800	-	108,900
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	24,300	55,800	28,800	-	108,900
2	Other Non Executive Directors	-	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	24,300	55,800	28,800	-	108,900
	<b>Total Managerial Remuneration</b>	-	-	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total
		Balamurugan Muthukumaraswamy, CFO	
1	<b>Gross Salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	410,000	410,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others, specify	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>410,000</b>	<b>410,000</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	N.A	N.A
Punishment	NIL	NIL	NIL	N.A	N.A
Compounding	NIL	NIL	NIL	N.A	N.A
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	N.A	N.A
Punishment	NIL	NIL	NIL	N.A	N.A
Compounding	NIL	NIL	NIL	N.A	N.A
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	N.A	N.A
Punishment	NIL	NIL	NIL	N.A	N.A
Compounding	NIL	NIL	NIL	N.A	N.A

The Company did not furnish the quarterly report on investors' complaints pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 within the prescribed time limit of 21 days for the reporting quarter ending on 31st March 2019. The Company rectified the non-compliance by filing of quarterly report on investors' complaints pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 on 10th May 2019 and by paying requisite penalty of Rs. 21,240/-.





**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members  
Shahi Shipping Ltd.,  
404, Abhay Steel House,  
Baroda Street,  
Mumbai - 400 009

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and adherence to good corporate Governance of your Company M/s. SHAHI SHIPPING LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided to me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the aforesaid period, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') namely:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is not applicable since the Company has not issued Capital during the year under review.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is not applicable since the Company has not issued securities under ESOP.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 is not applicable since the Company has not issued Debt Securities during the year under review.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 are not applicable.
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 is not applicable.
- (vi) Merchant Shipping Act, 1958 and the other Acts as prescribed by the Directorate General of Shipping under Ministry of Shipping, Government of India.



I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the following observation:

**QUALIFICATIONS:**

- 1) *As per SEBI Circular no Cir/ISD/ 3/2011 dated 17<sup>th</sup> June,2011,100% of promoter's and promoter group's shareholding should be dematerialized. However the Promoter's and Promoter's group's shareholding of the Company is NOT 100% held in Dematerialized Form.*
- 2) *During the period under review, related party transactions were undertaken but no prior approval regarding the same were obtained from the audit committee as required under clause 23.2 of the SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015..*
- 3) *Draft minutes of Board and Committee meetings are not circulated within 15 day of the conclusion of the meetings as required under clause 7.4 of the Secretarial Standards 1.*

**We further report observed that:**

The Company did not furnish the quarterly report on investors' complaints pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 within the prescribed time limit of 21 days for the reporting quarter ending on 31<sup>st</sup> March 2019. The Company rectified the non-compliance by filing of quarterly report on investors' complaints pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 on 10<sup>th</sup> May 2019 and by paying requisite penalty of Rs. 21,240/-.

**We further report that**

The Board of Directors of the Company was duly constituted having one whole time Director, three independent Directors & one Non-Executive Director (Additional). Ms. Anjali Shahi was appointed as a Non-Executive Director (Additional) with effect from 13<sup>th</sup> February 2019.

Adequate notices were given to the Directors to schedule the Board Meetings and the agenda and detailed notes on agenda together with the notice were sent at least seven days in advance. The Company has a proper system in existence to enable the Directors to seek and obtain further information and clarifications on the agenda items before the meeting, as also for meaningful participation at the meeting.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company, except for those qualified above, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the period the Company has not undertaken any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**VIKAS R. CHOMAL & ASSOCIATES**  
Company Secretaries

**Vikas K. Chomal**  
Proprietor  
ACS No.24941  
C.P No. 12133

Place: Mumbai  
Date:13.08.2019

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



## Annexure A

To,

**The Members**

**Shahi Shipping Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Statutory and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company. We have relied on the report of the statutory auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Company was following system of obtaining reports from various departments to ensure compliance with applicable laws and now is in the process of implementing electronic system for compliance management to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Vikas R. Chomal & Associates**  
**Vikas R. Chomal**

Proprietor  
ACS No. 24941  
C P No.: 12133

Place: Mumbai  
Date: 13.08.2019

**ANNEXURE III**  
**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Name of the Related Party & nature of relationship	Nature of Contract / arrangement / transaction	Duration of the contracts or arrangements or transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board, if any.	Amount paid as advances, if any
NOT APPLICABLE					

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name of the Related Party & nature of relationship	Nature of Contract / arrangement / transaction	Duration of the contracts or arrangements or transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board, if any.	Amount paid as advances, if any
Shahi Gasol Limited	TDS paid on behalf of Shahi Gasol Limited & Loan repaid	One time	TDS Paid on behalf of Shahi Gasol Limited of Rs. 4,000 & Loan Repaid of Rs. 10 Lakhs to Shahi Gasol Limited	NA	NA
India First Logistics Ltd	Loan amount repaid and Reimbursement of expenses	One time	Loan amount repaid Rs. 38.69 lakhs and Reimbursement of Rs 41.09 lakhs	NA	NA

**Annexure IV**

**Part-A: Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. **Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 2018-19 as well as the percentage increase in remuneration of each Director, Chief Financial officer is as under:**

Sr. No.	Name of Director /KMP	Designation	Ratio of remuneration of each Director to median remuneration of employees	Percentage increase in remuneration in the Financial Year 2018-19
1	Sarvesh Kumar Shahi	Chairman & Managing Director	36.29	-
2	Hema Kiran Thakur	Independent Director	0.36	11.25
3	V. I. Shivaraman	Independent Director	0.18	-8.53
4	Chandresh Kumar Mishra	Independent Director	0.10	NA
5	Anjali Shahi	Non-Executive Non-Independent Director	-	-
6	Balamurugan Muthukumaraswamy	Chief Financial Officer	1.22	0.90

2. **The percentage increase in the median remuneration of employees in the financial year.**

The percentage increase in the median remuneration of employees in the financial year 2018-19 was 14.89%.

3. **Number of Permanent employees on the rolls of the company**

The Company had 48 permanent employees on the rolls of the Company as on March 31, 2019.

4. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof.**

Average percentile increase made in salaries of employees other than the managerial personnel in the last financial year i.e 2018-19 was 10.22% whereas the increase in the managerial remuneration for the same financial year was 12.89%.

The increment given to each individual employee, if any is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also as per market trend.

5. **Key parameters for any variable component of remuneration availed by the directors.**

The key parameters for any variable component of remuneration availed by the Managing Director is approved by the shareholders. Independent Directors are paid sitting fees as determined by the Board of Directors and as per the Nomination Remuneration and Compensation Committee Policy/Charter.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

It is hereby affirmed that the remuneration paid is as per the Nomination Remuneration and Compensation Committee Policy/Charter.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### (a) **INDUSTRY STRUCTURE AND DEVELOPMENT**

About 90% of the global trade (in terms of volume) is carried via sea route, making the industry the lifeline of the world's economy. Due to the mobile nature of the asset class (ships), the freight rates ruling in any particular route is not significantly different from those of another. On account of this, the Indian Shipping Industry is highly intertwined with global shipping industry. Depending on the nature of cargo carried, shipping industry can broadly be classified into three segments: Dry Bulk, Wet Bulk (Tankers) and Containership segment. While Dry Bulk Carriers carry Iron Ore, Steel, Coal etc., tankers are used for transporting Crude Petroleum (Crude Carriers), downstream refined products (Product Tankers) and Chemicals (Specialized carriers e.g. LNG carriers).

India has 12 major ports and about 200 non-major ports. Under the National Perspective Plan for Sagarmala, six new mega ports will be developed in the country. In FY19 traffic has increased 2.90 per cent year-on-year to 699.05 million tonnes. Cargo traffic at non-major ports was estimated at 281.0 million tonnes FY19. Since ports handle almost 95 per cent of trade volumes in India, the rising trade has contributed significantly to the country's cargo traffic. Capacity at major Indian ports reached 1,477 million tonnes by FY19P. Capacity at non-major ports is expected to reach 968 MMT in 2019 from 750 MMT in 2016. Given the positive outlook, proposed investments in major ports are expected to total US\$ 18.6 billion by 2020, while those in non-major ports would be US\$ 28.5 billion.

The Indian ports and shipping industry plays a vital role in sustaining growth in the country's trade and commerce. The Indian Government plays an important role in supporting the ports sector. It has allowed Foreign Direct Investment (FDI) of up to 100 per cent under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports. The Government of India has allowed foreign direct investment (FDI) of up to 100 per cent under the automatic route for projects related to the construction and maintenance of ports and harbours. Ports sector in India has received a cumulative FDI of US\$ 1.64 billion between April 2000 and March 2019. A 10-year tax holiday is extended to enterprises engaged in the business of developing, maintaining, and operating ports, inland waterways, and inland ports. The government has also initiated National Maritime Development Programme (NMDP), an initiative to develop the maritime sector with a planned outlay of US\$ 11.8 billion.

### (b) **OUTLOOK ON OPPORTUNITIES**

The Ministry for Shipping, Road Transport and Highways, announced a massive investment in India's ports and roads sector, which is likely to help boost the country's economy. The Indian government plans to develop 10 coastal economic regions as part of plans to revive the country's Sagarmala (string of ports) project. Sagarmala is an ambitious national initiative aimed at bringing about a step change in India's logistics sector performance, by unlocking the full potential of India's coastline and waterways. The vision of Sagarmala is to reduce logistics cost for both domestic and EXIM cargo with optimized infrastructure investment. Sagarmala aspires to reduce logistics costs for EXIM and domestic cargo leading to overall cost savings of INR 35,000 to 40,000 cr. per annum. Some of this will be direct cost savings, while others are savings from inventory-handling costs resulting from time (and reduced variability) in transportation of goods, particularly containers. These cost savings apply to current industrial capacities as well as future coast proximate capacities for energy, material, marine and discrete industries that could come up through port-linked industrialization. In addition, Sagarmala aspires to reduce carbon emissions from transportation sector by 12.5 MT/annum.

The Union Cabinet is planning to propose amendments to the Multi Modal Transportation of Goods Act, 1993, with a view to increase transparency in the shipping and logistics sectors and to discourage container freight stations from overcharging both importers and exporters. The Government of India plans to amend the current Model Concession Agreement (MCA), by providing a better allocation of risks between the government and private firms, thereby encouraging investments in the sector. The Government of India plans to introduce a new framework on renegotiation of Public Private Partnership (PPP) contracts, which will allow renegotiations based on sector-specific issues, especially for national highways and ports, and provide greater flexibility to the parties involved.

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

As 2019 dawns, it is apparent that the shipping industry will continue to face headwinds. The high maintenance and operating costs for vessels of the Company bringing down the possibility of a level playing field with foreign competitors. Your Company has carried out a detailed exercise to identify the various risks faced by the Company, and has put in place mitigation, control and monitoring plans for each of the risks. The efficiency of these processes will be monitored on a regular basis. Shipping is a global business whose performance is closely linked to the state of the global economy. Since the Great Recession, the global shipping industry has been facing strong headwinds, which are not likely to go away soon, given uncertainty in trade policy and changing trade patterns among nations. Therefore, the earnings of your Company could be impacted negatively if the global economic situation does not improve over the longer term. Export orders and container shipping have been strong in the early months of 2017, but trade recovery could be undermined by policy shocks. Policy uncertainty is the main risk factor, including imposition of trade restrictive measures and monetary tightening. Over and above the economic risks the shipping industry is



impacted by numerous short term and regional factors, like political fallouts, weather changes, etc. This results in great amount of volatility in the freight market, which in turn impacts your Company's earnings. The global economy is in uncertain territory, with a new administration taking over in the United States, Europe still mired in weak growth, and economic activity in China not showing signs of picking up sharply.

**(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**

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. The Company has adopted the all reasonable processes and procedures that management puts in place to help and make sure that its assets are protected and that company activities are conducted in accordance with the organization's policies and procedures. As observed by auditors, the company, going forward, would deploy news tools and technique to strengthen its Internal Financial Controls and to facilitate smooth and efficient functioning of the activities of business paving way for compliance of internal control norms stated in the guidance note on 'Audit of Internal Financial Controls over Financial Reporting' issued by the Institute of Chartered Accountants of India.

**(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.

**(Note: During the year, there was no significant change in the financial ratios compared to the previous year.)**

**CORPORATE GOVERNANCE REPORT****(As required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)****1. CORPORATE GOVERNANCE PHILOSOPHY**

The Philosophy of the Company in relation to Corporate Governance is to ensure highest transparency, disclosures and reporting thereof to stakeholders. It is our endeavor through this reporting system to conform fully to law, regulations and guidelines, and to promote ethical conduct throughout the organization, with primary objective of enhancing shareholders' value while being a responsible corporate citizen. Shahi Shipping Limited believes that transparency in operations strengthens investors' confidence.

Your company continues to focus on good Corporate Governance in line with local and global standards. Its primary objective is to observe the highest level of ethics in all its dealings, create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards its shareholders and other stakeholders.

**2. BOARD OF DIRECTORS****a) Composition and category of Directors:**

The Composition of the Board of Directors of the Company represents the combination of Executive and Non-Executive Directors with one Woman Director, which is in conformity with Regulations 17 of the SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015. The Board comprises of Five (5) Directors as on March 31, 2019. Out of these, Three (3) directors are Non-Executive –Independent, One (1) director is Non Executive and one (1) director is Executive Director. The Chairman of the Board is a Managing Director (Executive Director).

Name of the Director	Designation / Category
Mr. S. K. Shahi	Promoter, Executive Chairman & Managing Director
Mr. VenkatasubramanianlyerShivaraman	Non Promoter, Non Executive Independent Director
Ms. Hema K Thakur	Non Promoter, Non Executive, Independent Director
Mr. ChandreshKumar Mishra	Non Promoter, Non Executive, Independent Director
Ms. Anjali Shahi	Non Executive, Non Independent Director

The particulars of Directors, their category, relationship inter-se, number of shares held, attendance and other directorship, membership/chairmanship of the Board of Directors / Committees as on March 31, 2019 are furnished below:

Name of the Director	Designation	Independent / Non Independent	Relationship Inter-se	Shareholding as on 31/03/2019
Mr. S. K. Shahi	Chairman – Executive Director	Non Independent	Father of Ms. Anjali Shahi	20,28,165
Mr. VenkatasubramanianlyerShivaraman	Non Executive Director	Independent	None	100
Ms. Hema K Thakur	Non Executive Director	Independent	None	-
Mr. ChandreshKumar Mishra	Non Executive Director	Independent	None	-
Ms. Anjali Shahi	Non Executive Director	Non Independent	Daughter of Mr. S. K. Shahi	-

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business (es) and sector (s) for it to function effectively and those actually available with the Board:

- Knowledge-understand the Company's business policies and culture (including its vision, mission, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the company operates,
- Strategic thinking and decision making,
- Financial Skills,
- Technical/Professional skills and specialised knowledge to assist the ongoing aspects of the business



**b) Attendance of each Director at the Board Meetings and the last Annual General meeting:**

The Company holds at least four Board meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two board meetings does not exceed 120 days which is in conformity with Regulations 17(2) of the SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015. Apart from the four scheduled board meetings, additional board meetings are also convened to address the specific matters, if any. Urgent matters are also approved by the Board by passing resolution by circulation. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board. All the departments in the Company communicate to the Executive Directors well in advance, the matters requiring approval of the Board/Committees of the Board to enable inclusion of the same in the agenda for the Board/Committee meeting(s). The important decisions taken at the Board/Committee meetings are promptly communicated to the concerned department. Action taken report on the decisions/minutes of the previous meeting is placed at the succeeding meeting of the Board/Committee for noting.

During the year under review, Five(5) Board Meetings were held respectively on May 29, 2018, July 16, 2018, August 14, 2018, November 13, 2018, and February 13, 2019.

The attendance of the Directors at the Board Meetings and the Annual General Meeting held during the financial year 2018-19 was as follows:

Directors	Category	Board Meetings attended during the year	Whether attended last AGM	Other Directorships/ Committee Membership or Chairmanship	
				Directorship of other Indian Public Companies	Committee Membership/ (Chairmanship)
Mr. S. K. Shahi	Promoter, Executive Chairman & Managing Director	3	Yes	3	-
Mr. Venkata subramanian Iyer Shivaraman	Non Promoter, Non Executive Independent Director	4	Yes	-	-
Mrs. Hema K Thakur	Non Promoter, Non Executive, Independent Director	5	Yes	2	-
Mr. ChandreshKumar Mishra	Non Promoter, Non Executive, Independent Director	3	Yes	-	-
Ms. Anjali Shahi*	Non Executive, Non Independent Director	1	NA	1	-

\*Appointment with effect from 13<sup>th</sup> February, 2019.

**Notes:**

- None of the Directors of the Company holds membership of more than ten Committees nor is a Chairman of more than five Committees across all Companies of which he/she is a director. Necessary disclosure regarding Committee positions in other Indian public companies as at March 31, 2019 have been made by the Directors.
- The Committees considered for the above purpose include and are those as specified in Listing Obligations & Disclosure Requirements Regulations 2015 i.e. Audit Committee (Regulations 18) and Stakeholders Relationship Committee (Regulation 20).
- All Independent Directors fulfill the requirements stated in Regulation 25(1) of the SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015
- The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business (es) and sector (s) for it to function effectively and those actually available with the Board:
  - Knowledge-understand the Company's business policies and culture (including its vision, mission, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the company operates,
  - Strategic thinking and decision making,
  - Financial Skills,
  - Technical/Professional skills and specialised knowledge to assist the ongoing aspects of the business

**c) The details of Directorship of the Company's Directors in other Indian Public Companies are given below:**

Mr. S. K. Shahi	1. Royal Logistics (Ship) Limited 2. SKS Waterways Limited 3. Shahi Gasol Limited
Mr. Venkat a subramanian Iyer Shivaraman	NIL
Ms. Hema K Thakur	1. Shri Bajrang Power And Ispat Limited 2. Eurotex Industries And Exports Limited
Mr. ChandreshKumar Mishra	NIL
Ms. Anjali Shahi	1. India First Logistics Limited

**d) Information provided to the Board:**

The Board meetings are generally scheduled well in advance and the notice of each Board meeting is given in writing to directors of the Company. The Board papers, comprising the agenda backed by comprehensive background information are circulated to the Directors in advance. The information as specified in Regulations 29 of SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015, as applicable at the meeting, is placed before / made available to the Board.

The Board periodically reviews compliance reports of various laws applicable to the Company.

**e) Familiarization Programme for Independent Directors**

Whenever any person joins the Board of the Company as an Independent Director, an informal induction programme is arranged. The Company conduct programmes/ presentations periodically, during the Board Meetings, to familiarize the Independent Directors with the nature of industry, Business model, strategy, operations and functions of the Company and role, right & responsibilities of Independent Directors through its Executive Directors or Senior Management Personnel. The details of such familiarization programmes have been disclosed on the Company's website at ([www.shahilogistics.com](http://www.shahilogistics.com)).

**3. AUDIT COMMITTEE****a) Terms of Reference**

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financials reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out by the Management, Statutory and Internal Auditors on the financial reporting process and the safeguards employed by them.

The Company has adopted the audit Committee Charter as per requirements set in (Regulations 18) of SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015

**b) Composition, Name of Members and Chairman:**

The Audit Committee of the Company comprised of the four (3) members as on March 31, 2019 viz., Mrs. HemaK. Thakur, Mr. VenkatasubramanianIyerShivaramanand Mr. Chandresh Kumar Mishra.

All members of the Audit Committee are Non Executive and Independent Directors having expertise. Ms. Hema Thakur is the Chairman of the Audit Committee.

During the year under review, the Audit Committee met on the following four (4) occasions: May 29, 2018, August 14, 2018, November 13, 2018 and February 13, 2019.

The attendance of the members at the Meetings held during the year was as follows:

Name of the Member	Category	No. of meetings	
		Held during the year	Attended during the year
Ms. Hema Thakur Kiran	Independent Director - Chairman	4	4
Mr. Venkat a subramanian Iyer Shivaraman	Independent Director	4	3
Mr. Chandresh Kumar Mishra	Independent Director	3	3

**4. NOMINATION AND REMUNERATION COMMITTEE (FORMERLY KNOWN AS REMUNERATION AND COMPENSATION COMMITTEE):****a) Terms of reference:**

The Nomination and Remuneration Policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy is in consonance with the existing practice in the Industry.

The scope of this committee is to determine the terms of appointment and compensation payable to executive directors and senior management personnel and other matters as prescribed in Regulations 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**b) Composition, name of members and chairperson**

The Nomination and Remuneration Committee of the Company comprised of the following members as on March 31, 2019.

Name of the member	Category
Mr. Chandresh Kumar Mishra	Independent Director- Chairman
Ms. Hema Thakur Kiran	Independent Director
Mr. Venkata subramanianlyer Shivaraman	Independent Director

During the year under review, the Nomination and Remuneration Committee met on one (1) occasions: November 13, 2018. The attendance of the members at the meeting was as under:

Name of the Member	Category	No. of meetings	
		Held during the year	Attended during the year
Mr. Chandresh Kumar Mishra	Independent Director- Chairman	1	1
Ms. Hema Thakur Kiran	Independent Director	1	1
Mr. Venkata subramanianlyer Shivaraman	Independent Director	1	1

**c) Remuneration Policy**

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination & Remuneration Committee. The said policy was approved by the Board and full text of Nomination and Remuneration Policy is given as Annexure – 1 of the Director's Report attached to the Annual Report.

**d) Details of Remuneration paid or payable to Directors during the year 2018-19:**

(Amount in Rs.)

Name of the Director	Mr. S. K. Shahi
Salary and Allowances	Rs. 60,00,000
Commission	-
Perquisite	-
Stock Options	-
<b>Total</b>	<b>Rs. 60,00,000</b>

The Company had paid sitting fees to its non-executive director, for attending meetings held during the financial year 2018-19, fixed at Rs. 26,000/- per meeting as under:

Name of the Member	Sitting Fees Paid (In Rs.)
Mr. Venkata subramanianlyer Shivaraman	48,300
Ms. Hema K Thakur	94,800
Mr. Chandresh Kumar Mishra	48,300
Ms. Anjali Shahi	-



1. The Company does not have policy of paying commission on profits to any of the Directors of the Company.
2. No performance linked incentive is given to the Directors of the Company.
3. The Company does not have a scheme for grant of stock options either to the whole-time Directors or Employees of the Company.
4. There is no separate provision for payment of severance fees and Notice period for revoking the agreement is threemonths prior to resignation.

**e) Performance Evaluation Criteria for Independent Directors:**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Non-Executive Directors. The parameters of performance evaluation of the Non-Executive Directors, captures the following points:

- Attendance at meetings of the Board and Committee thereof;
- Participation in Board meetings or Committee thereof;
- Contribution to strategic decision making;
- Review of risk assessment and risk mitigation;
- Review of financial statements, business performance; and
- Contribution to the enhancement of brand image of the Company.

The Board of Directors (excluding the Director being evaluated) had, in their Meeting held on 13<sup>th</sup> February, 2019 evaluated the performance of all the Directors on the Board.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**a) Terms of reference:**

The terms of reference of the Committee include redressing Shareholders/ Investors complaints like transfer and transmission of shares, issue of duplicate share certificate, non-receipt of balance sheet, non-receipt of dividend etc. and to ensure expeditious share transfer process.

**b) Scope of Stakeholders Relationship Committee**

The scope of the Stakeholders Relationship Committee is to review and address the grievances of the shareholders in respect of share transfers, transmission, non-receipt of annual report, dividend etc. and other related activities. In addition, the Committee also looks into matters which can facilitate better investors' services and relations.

The Stakeholders Relationship Committee is headed by Mr. Venkatasubramanianlyer Shivaraman, the Non-Executive & Independent Director.

**c) Composition, Meetings and Attendance of Committee:**

The composition of the Committee as on March 31, 2019 along with the attendance record of the members of the Committee is given below. During the year the Stakeholders Relationship Committee met once on March 25, 2019.

Name of the Member	Category	No. of meetings	
		Held during the year	Attended during the year
Mr. Venkata subramanianlyer Shivaraman	Independent– Chairman	1	1
Ms. Hema Thakur Kiran	Independent	1	1
Mr. Chandresh Kumar Mishra	Independent	1	1

**d) Details of shareholders complaints received, cleared and pending, during the year:**

During the period under review five complaints were received and the same was attended to the satisfaction of the shareholder.

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	0	0	0

**6. SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS:**

As required under Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, a Meeting of the Independent Directors was held on March 25, 2019, without the attendance of Executive Directors and members of Management. At the Meeting, they:

- (i) Reviewed the performance of non-independent directors and the Board as a whole;
- (ii) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (iii) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**7. COMPLIANCE OFFICER AS ON MARCH 31, 2019:**

<b>Name of the Compliance Officer Designation</b>	Mr. N. V. Agandeswaran Company Secretary & Compliance Officer
<b>Address</b>	404, Abhay Steel House, Baroda Street, Mumbai – 400 009.
<b>E-Mail</b>	admin@shahilogistics.com
<b>Phone no.:</b>	91 (22) 61454545/23487348
<b>Fax:</b>	91 (22) 23487349/50

**9. RISK MANAGEMENT:**

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedure. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Detailed note on risk management is given in the Management Discussion and Analysis Report.

**10. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT:**

The code of conduct for all Directors and the senior management of the Company have been posted on the website of the Company at [www.shahilogistics.com](http://www.shahilogistics.com). All directors and the Senior Management Personnel are under a requirement to affirm the compliance with the said Code annually. The necessary declaration by the Managing Director of the Company regarding compliance of the above mentioned code by the Directors and the Senior Management of the Company forms part of the Annual Report.

**11. DETAILS OF ANNUAL GENERAL MEETINGS:**

- a) **Location, date and time where the last three Annual General Meetings were held and the special resolutions passed:**

Year	General Meeting	Location	Date	Time	Special Resolutions passed
2018	Annual General Meeting	404, Abhay Steel House, Baroda Street, Masjid, Mumbai	September 27, 2018	11.00 A.M.	-
2017	Annual General Meeting	404, Abhay Steel House, Baroda Street, Masjid, Mumbai	August 12, 2017	11.00 A.M.	-
2016	Annual General Meeting	404, Abhay Steel House, Baroda Street, Masjid, Mumbai	September 29, 2016	11.00 A.M.	-

**Postal Ballot:**

During the financial year 2018-19, No resolution was passed through postal ballot.

**Extra Ordinary General Meeting:**

During the financial year 2018-19, No Extra Ordinary General Meeting was convened and held.



**b) Disclosures:**

- There were no materially significant related party transactions during the year having conflict with the interests of the Company. Disclosures of related party transactions as required by Indian Accounting Standard (“IND-AS”) - 24 have been given in the financial statement attached to the Report.
- The Company had complied with the requirement of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No pecuniary strictures have been imposed on the Company by any of the above mentioned authorities.
- In terms of Regulations 22, of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Company has established vigil mechanism for directors, employees and others stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethical policy.

The Whistle Blower Policy is placed on the website of the Company- [www.shahilogistics.com](http://www.shahilogistics.com)

The Company has provided opportunities to encourage employees to become whistle blowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

The policy for determining material subsidiaries is hosted on the website of the Company at : .

- The Company has formulated a policy on Related Party Transactions and also on dealing with Related Parties which is disclosed on the website of the Company and the web link - [www.shahilogistics.com](http://www.shahilogistics.com).

All Related Party Transactions have been approved by the Audit Committee. The Company has taken omnibus approval of Audit Committee for a period of one year. The Audit Committee has reviewed on quarterly basis the details of Related Party Transactions entered into by the Company pursuant to such omnibus approval.

- The Company has complied with all the mandatory requirements and has also disclosed information relating to non-mandatory requirements.
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

Payment to statutory auditors	Financial Year 2018-19 (Amount in Rs.)
Statutory Audit	2,04,300
Other services including reimbursement of expenses	3,08,440
<b>Total</b>	<b>5,12,740</b>

- Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, 5,12,740 Prohibition and Redressal) Act, 2013:

No. of complaints filed during the Financial Year	No. of complaints disposed off during the Financial Year	No. of complaints pending as on the end of Financial Year
NIL	NIL	NIL

- The promoters’ shares are not fully dematerialized upto 31<sup>st</sup> March, 2019.
- The Company has prepared the financial statements in compliance with the Indian Accounting Standards (“IND-AS”) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 and other relevant provisions of the Act.
- Management Discussion and Analysis Report forms part of the Annual Report.

**11. DISCRETIONARY REQUIREMENTS (AS PER PART E OF SCHEDULE II):**

(1) Shareholder Rights

The Quarterly, Half yearly and Annual Financial Results of the Company are published in the Newspapers, besides notifying to the Stock Exchanges where the Company’s shares are listed. The Quarterly, Half yearly and Annual Financial Results are also available on Company’s’ website. The Audited annual report is also sent to every shareholders of the Company.



## (2) Audit qualifications

There is no qualification in the Auditors' Report to the Members on the Financial Accounts for the year ended 31.03.2019.

## (3) Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

## (4) Other Non-Mandatory Requirements

The other Non-mandatory requirements will be implemented in due course as and when required and/or deemed necessary by the Board.

**12. MEANS OF COMMUNICATION**

- (a) The quarterly and half yearly / others communications were published in Free Press Journal in English and Janshaktiin Marathi
- (b) The Company's audited and un-audited periodic financial results, press releases are posted on the Company's website – [www.shahilogistics.com](http://www.shahilogistics.com).
- (c) The Company does not display official news releases and make presentations to institutional investors and to the analysts.

**13. GENERAL SHAREHOLDER INFORMATION****a) Details of AGM FOR FINANCIAL YEAR 2018-19**

1. Date, time and the venue of 29 <sup>th</sup> AGM (FY 2018-19)	Saturday, 28th September 2019 at 404 Abhay Steel House, Baroda Street, Mumbai - 400009
2. Date of Book Closure	23rd September 2019 to 28th September 2019
3. Dividend payment date	NA
4. Listing on Stock Exchanges	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 023
5. Listing Fees	Listing Fees of BSE has been paid.
6. ISIN No.	INE825D01016
7. BSE stock code	526508

Stock market price data for the last financial year ended March 31, 2019 on The BSE Limited is as under:

Date	RATES (Rs.)		BSE Sensex (Rs.)	
	High	Low	High	Low
Apr-18	9.53	7.89	35,213.30	32,972.56
May-18	9.39	8.35	35,993.53	34,302.89
Jun-18	8.97	7.80	35,877.41	34,784.68
Jul-18	8.95	7.64	37,644.59	35,106.57
Aug-18	8.52	6.80	38,989.65	37,128.99
Sep-18	8.50	7.07	38,934.35	35,985.63
Oct-18	7.91	6.70	36,616.64	33,291.58
Nov-18	8.28	7.00	36,389.22	34,303.38
Dec-18	9.45	8.55	36,554.99	34,426.29
Jan-19	9.38	8.36	36,701.03	35,375.51
Feb-19	9.45	9.00	37,172.18	35,287.16
Mar-19	9.79	9.02	38,748.54	35,926.94



9. Registrar & Share Transfer Agent  
**Link Intime India Private Limited**  
Address: C 101,247 Park,  
L.B.S.Marg, Vikhroli (West),  
Mumbai - 400083.  
Tel. no: +91-22-4918 6000  
Fax no: +91-22-4918 6060  
E-mail Id: rnt.helpdesk@linkintime.co.in

10. Share Transfer System:

The Company's shares are traded in the Stock Exchange compulsorily in demat mode. Shares sent for physical transfer or dematerialization requests are registered promptly within stipulated time from the date of receipt of completed and validly executed documents.

11. Compliance Officer

Mr. N. V. Agandeswaran  
Company Secretary & Compliance Officer  
404, Abhay Steel House, Baroda Street,  
Mumbai – 400 009.  
admin@shahilogistics.com  
Phone no.: 91 (22) 61454545/23487348  
Fax: 91 (22) 23487349/50

12. Dematerialization of Shares and liquidity as on March 31, 2019:66.75% of the company's shares representing 96,76,031 shares were held in dematerialized form with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The Company does not have outstanding GDRS / ADRS / Warrants or any Convertible instruments.

Further, the Company has not undertaken any hedging activities during the Financial Year 2018-19. With a balance of foreign inflow and outflow, the Company has a natural hedge of foreign exchange.

13. Reconciliation of Share Capital Audit:

The firm of Practicing Company Secretaries carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

14. Shareholding Pattern as on March 31, 2019

Category	No.of shares held	% of voting strength
Corporate Bodies (Promoter Co)	52,83,921	36.4537
Central Government	50	0.0003
Clearing Members	11,814	0.0815
Other Bodies Corporate	2,36,279	1.6301
Directors	20,34,365	14.0351
Hindu Undivided Family	1,52,669	1.0533
Nationalised Banks	200	0.0014
Non Resident Indians	8,539	0.0589
Non Resident (Non Repatriable)	2,709	0.0187
Public	34,85,630	24.0473
Relatives Of Director	32,78,498	22.6183
Foreign Mutual Fund	200	0.0014
<b>TOTAL :</b>	<b>1,44,94,874</b>	<b>100</b>





## 15. Distribution of Shareholding as on March 31, 2019

No. of Shares	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of total shares
1 to 5000	4570	84.9285	84,39,070	5.8221
5001 to 10000	420	7.8052	34,70,750	2.3945
10001 to 20000	178	3.3079	27,82,500	1.9196
20001 to 30000	53	0.9849	13,32,200	0.9191
30001 to 40000	38	0.7062	13,82,590	0.9538
40001 to 50000	23	0.4274	10,77,210	0.7432
50001 to 100000	43	0.7991	31,56,970	2.1780
100001 to above	56	1.0407	12,33,07,450	85.0697
<b>Total</b>	<b>5381</b>	<b>100</b>	<b>14,49,48,740</b>	<b>100</b>

16. Outstanding GDRs / ADRs /Warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

## 17. Plant Location

The Company does not have any plant since it is engaged in the business of Shipping.

## 18. Registered Office:

404 Abhay Steel House 4th Floor Baroda Street Mumbai 400009

## 19. Correspondence Address:

404 Abhay Steel House 4th Floor Baroda Street Mumbai 400009

E-mail- admin@shahilogistics.com

## 20. Compliance with Code of Conduct:

As per Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, all the Board Members and Senior Management personnel have affirmed their compliance with the Company's code of conduct for the year ended 31st March, 2019.

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

Place: Mumbai

Date: 13<sup>th</sup> August 2019



### **CERTIFICATE OF COMPLIANCE TO BE GIVEN BY THE CEO/CFO OF THE COMPANY**

We, Sarvesh Kumar Shahi, Chairman and Managing Director [Chief Executive Officer] and Balamurugan Muthukumarswamy, Chief Financial Officer of Shahi Shipping Limited [the Company] do hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the listed entity'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 listed entity during the year which is fraudulent, illegal or violative of the listed entity'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 internal control systems of the listed entity pertaining to financial reporting and we 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
- (1) Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) That there were no instances of fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sarvesh Kumar Shahi  
**Chairman & Managing Director/CEO**

Balamurugan Muthukumaraswamy  
**Chief Financial Officer**

Place: Mumbai  
Date: 13/08/2019



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31<sup>st</sup> March, 2019.

**For Shahi Shipping Limited**

**Sarvesh Kumar Shahi**  
**Managing Director**

**Date: 13/08/2019**  
**Place: Mumbai**

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
SHAHI SHIPPING LIMITED**

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying Standalone financial statements of SHAHI SHIPPING LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (here in after referred to as "standalone Ind AS financial statements")

**MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date except for following matter:

- (a) The other financial assets shown in the balance sheet includes Rs. 645.23 lakhs of interest subsidy receivable from Central Government and Inland Waterways Authority. To recover the same the petition is pending. The ultimate outcome of the matter cannot presently be determined. So we cannot form any opinion on liability that may result.
- (b) During the year one barge "MV Royal Sharavati" used by the company was seized by the Police Crime Branch Thane in connection with transportation of theft High Speed Diesel (HSD). The management has explained that the Company has been wrongly involved in the said complain, since there is no theft or fraud done by the Company or against the Company and



therefore pending investigation the said Barge was also released on indemnity by the owner of India first logistic Ltd. Further we have been informed there is no FIR or charge sheet is filed again the Company or its Directors nor any documents in this matter have been made available for our perusal. So we cannot form any opinion on liability that may result.

We have considered the disclaimer reported over above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

Our opinion on the standalone financial results is modified for the above matters.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1 As required by Section 143(3) of the Act, we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer note 27 to the standalone Ind AS financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For B. P. Shah & Co.**

**Chartered Accountants**

**ICAI Firm Registration No.109517W**

**Pathik Shah**

**Partner**

**Membership No. 138847**

**Mumbai: May 29<sup>th</sup>, 2019**

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shahi Shipping Limited on the standalone financial statements for the year ended March 31, 2019.

- (i) The Company has maintaining records showing particulars including quantitative details & situation of fixed assets.
- (a) 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.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for the following:

(Rs. In Lakhs)

Particulars (Office Premises)	Amount
Gross Block as at 31 March, 2019	2.34
Net Block as at 31 March, 2019	0.71

- (ii) The Company is in Shipping business, therefore Clause 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. Thus paragraph 2 (i), (ii) and (iii) of the order is not applicable.
- (iii) The Company has not granted loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189(2) of the act and hence sub clause (a) (b) (c) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provision of section 73 to 76 of the Act and Rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for any of the services rendered by the company.
- (vii) 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, employees state insurance, sales-tax, income-tax, service tax, customs duty, excise duty, value Added Tax, cess and other material statutory dues as applicable, have been generally regularly deposited by the Company during the year with the appropriate authorities except the following dues. The extent of the arrears of statutory dues outstanding as at 31/03/2019 for a period of more than six months from the date became payable are as follows:

Statutory Dues	Amount of Arrears
Income Tax (FY: 2011-2012)	0.85 Lakhs
Income Tax (TDS FY: 2017-18)	0.20 Lakhs
Professional Tax	0.97 Lakhs
Maharashtra Labour Welfare Board	0.06 Lakhs

- b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty or Value Added Tax outstanding on account of any dispute.
- (viii) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions, banks, governments. There are no debenture holders. However, the company has made delays in repayment of term loan dues of Dena Bank as stated below:

Instalment Due Month	Date of Payment	Amount
January, 2019	11/04/2019	2.42 Lakhs
February, 2019	24/04/2019	2.43 Lakhs
March, 2019	19/05/2019	2.42 Lakhs



- (ix) The Company has not applied for any Term Loan and has not raised money by way of Initial public offer / further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed and as per the information and explanations given to us, we have neither come across any instance of fraud on or by the company, its officers or employees, noticed or reported during the period, nor have we been informed of such case by the management. However, during the year one barge "MV Royal Sharavati" used by the company was seized by the Police Crime Branch Thane in connection with transportation of theft High Speed Diesel (HSD). The management has explained that the Company has been wrongly involved in the said complain, since there is no theft or fraud done by the Company or against the Company and therefore pending investigation the said Barge was also released on indemnity by the owner of India first logistic Ltd. Further we have been informed there is no FIR or charge sheet is filed again the Company or its Directors nor any documents in this matter have been made available for our perusal.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion, company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the order are not applicable to the company.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions during the period with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B. P. Shah & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No.109517W**

**Pathik Shah**  
**Partner**  
**Membership No. 138847**

**Mumbai: May 29<sup>th</sup>, 2019**



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shahi Shipping Limited on the standalone financial statements for the year ended March 31, 2019.

We have audited the internal financial controls over financial reporting of Shahi Shipping Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company ;and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operatively effectively as at March 31, 2019.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

Our Opinion is modified in respect of this matter.

**For B. P. Shah & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No.109517W**  
**Pathik Shah**  
**Partner**  
**Membership No. 138847**

**Mumbai: May 29<sup>th</sup>, 2019**





**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. (the Company) for the year ended 31st March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with BSE Limited.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination 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 Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Listing Regulations except for following matters:

**Qualification:**

- (a) As per SEBI circular no Cir/ISD/3/2011 dated 17<sup>th</sup> June, 2011, 100% of promoter's and promoter group's shareholding should be dematerialized. However, the promoter's and promoter's group shareholding of the company is NOT 100% held in Dematerialized form.
- (b) During the period under review, related party transaction were undertaken but no prior approval regarding the same were obtained from the audit committee as required under clause 23.2 of the SEBI (listing obligations and Disclosure requirements) regulation, 2015.
- (c) The website of the company is not updated in accordance with regulation 46 of SEBI (listing obligation and disclosure requirements) regulation, 2015.
- (d) Draft minutes of board and committee meetings are not circulated within 15 days of the conclusion of the meetings.
- (e) The company did not furnish the quarterly report on investor's complaints within the prescribed time limit of 21 days for the reporting quarter ending on 31<sup>st</sup> March, 2019. The company rectified the non-compliance by filing of quarterly report on investors' complaints on 10<sup>th</sup> May, 2019 and by paying requisite penalty of Rs. 21,240.

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.

**Restrictions on use**

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**For B. P. Shah & Co.**  
**Firm Registration No. 109517W**  
**Chartered Accountants**

**Pathik B Shah**  
**Partner**  
**Place: Mumbai**  
**Membership No. 138847**

**Date: 13<sup>th</sup> August, 2019**  
**UDIN: 19138847AAAADP9259**

**Balance Sheet as at 31st March, 2019**

Particulars		As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	108,317,157	135,704,958
<b>(b) Financial assets</b>			
(i) Investments	4	390,029	1,094,086
(ii) Loans	5(a)	4,051	204,279
(iii) Other Financial Assets	6	82,562,578	79,763,791
<b>(c) Other non-current assets</b>	7(a)	6,737,096	4,699,347
<b>Total non-current assets</b>		<b>198,010,911</b>	<b>221,466,460</b>
<b>(2) Current assets</b>			
<b>(a) Financial assets</b>			
(i) Trade receivables	8	33,077,434	154,717,888
(ii) Cash and cash equivalents	9	2,323,540	8,284,188
(iii) Loans	5(b)	34,000	43,000
<b>(b) Other current assets</b>	7(b)	1,706,679	5,971,976
<b>Total Current Assets</b>		<b>37,141,653</b>	<b>169,017,051</b>
<b>Total assets</b>		<b>235,152,565</b>	<b>390,483,512</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	10	144,948,740	144,948,740
(b) Other Equity	11	(73,116,617)	73,368,373
<b>Total Equity</b>		<b>71,832,123</b>	<b>218,317,113</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	12(a)	48,907,684	48,094,702
(ii) Other Financial Liabilities	13(a)	1,450,000	1,450,000
(b) Provisions	14	4,280,712	4,248,127
(c) Deferred Tax Liabilities (Net)	15	11,814,245	13,474,886
<b>Total non-current liabilities</b>		<b>66,452,641</b>	<b>67,267,716</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	12(b)	47,588,208	45,033,670
(ii) Trade payables	16	34,102,656	42,878,533
(iii) Other financial liabilities	13(b)	11,493,543	13,241,621
(b) Other current liabilities	17	3,683,394	3,744,860
<b>Total current liabilities</b>		<b>96,867,801</b>	<b>104,898,683</b>
<b>Total Equity and Liabilities</b>		<b>235,152,565</b>	<b>390,483,512</b>

As per our report of even date attached  
For B P Shah & Co.  
Chartered Accountants  
Firm Registration No. 109517W

**Pathik B Shah**  
Partner  
M No: 138847

Date : May 29th, 2019  
Place : Mumbai

For and on Behalf of The Board of Directors

**S.K.SHAHI**  
Chairman & Managing Director  
(DIN No. 00359535)

**V.I.Shivaraman**  
(DIN: 07165080)

**Mrs. Hema Thakur**  
(Director)  
(DIN: 01363454)

**N.V. Agandeswaran**  
(Company Secretary)

**Balamurugan M**  
(Chief Financial  
Officer)

**Statement of Profit and loss for the year ended 31st March, 2019**

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
I Income From Operations	18	102,122,449	166,203,484
II Other Income	19	9,470,352	13,768,668
III			
<b>Total Income (I+II)</b>		<b>111,592,802</b>	<b>179,972,152</b>
<b>IV EXPENSES</b>			
Employee benefits expense	20	21,456,247	25,337,985
Finance costs	21	6,723,803	10,447,525
Depreciation and amortization expense	3	13,120,334	18,253,115
Other expenses	22	218,438,049	123,212,331
<b>Total expenses (IV)</b>		<b>259,738,433</b>	<b>177,250,956</b>
V Profit/(loss) before exceptional items and tax (III-IV)		(148,145,632)	2,721,196
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		<b>(148,145,632)</b>	<b>2,721,196</b>
VIII Tax expense:			
(1)Current tax	23	-	1,130,828
(2) Deferred Tax	16	(1,660,641)	(9,309,117)
(3)Tax Expense of Earlier Years:		-	(56,234)
Total Tax Expense(VIII)		(1,660,641)	(8,234,523)
IX Profit (Loss) for the period (VII-VIII)		<b>(146,484,991)</b>	<b>10,955,719</b>
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		<b>(146,484,991)</b>	<b>10,955,719</b>
XII Earnings per equity share:			
(1)Basic & Diluted	26	(10.11)	0.76

As per our report of even date attached  
For B P Shah & Co.  
Chartered Accountants  
Firm Registration No. 109517W

**Pathik B Shah**  
Partner  
M No: 138847

Date : May 29th, 2019  
Place : Mumbai

**For and on Behalf of The Board of Directors**

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**V.I.Shivaraman**  
(DIN: 07165080)

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(Director)  
(DIN: 01363454)

**N.V. Agandeswaran**  
(Company Secretary)

**Balamurugan M**  
(Chief Financial  
Officer)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019**

<b>Particulars</b>	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
<b>A. Cash flow from operating activities</b>		
Net Profit / Loss before tax from	(148,145,632)	2,721,196
Adjustments for		
Depreciation and amortization expense	13,120,334	18,253,115
Investments written off		
Sundry Credit Balance Written back	(8,942,141)	(175,314)
Bad Debt Written Off	115,254,929	18,856,141
Profit / Loss on Sale of Assets (net)	6,974,180	1,242,635
Dividend Income	-	(4,200)
Interest Income	(524,169)	(804,247)
Finance Cost	6,723,803	10,447,525
Change in fair value of investments through Profit and Loss		-
Notional Interest on Loan to Employees	(4,042)	(16,514)
Amortization expense of Loan to Employees	122	12,635
Operating profit before working Capital Changes	(15,542,616)	50,532,972
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in Trade Receivables	13,465,908	(3,702,836)
(Increase)/Decrease in Other Current assets	4,265,297	(2,989,674)
(Increase)/Decrease in Other Non Current Assets		37,563
(Increase)/Decrease in Other Non Current Financial Assets	(9,370,370)	(1,390,204)
(Increase)/Decrease in Interest Free Loans Advanced to Employees	83,690	(9,813)
Increase/(Decrease) in provision	32,585	1,011,277
Increase/(Decrease) in Trade payables	166,264	(3,128,783)
Increase/(Decrease) in Deferred Tax Liabilities		
Increase/(Decrease) in Other current financial liabilities	996,891	(2,139,582)
Increase/(Decrease) in Current Liabilities & Payables	(61,466)	3,520,352
Increase/(Decrease) in Other financial Non Current Liabilities	-	-
<b>Cash generated from operations</b>	<b>(5,963,817)</b>	<b>41,741,272</b>
Income taxes paid	(2,037,299)	2,492,190
<b>Net cash outflow from operating activities</b>	<b>(8,001,116)</b>	<b>44,233,462</b>
<b>B. Cash flows from investing activities</b>		
Payments for property, plant and equipment	(156,721)	(1,955,627)
Proceeds from sale of fixed assets	6,450,000	1,200,000
Difference in fixed assets	1,000,000	
Divident Received	-	4,200
Interest Received	844,705	586,030
<b>Net cash outflow from investing activities</b>	<b>8,137,984</b>	<b>(165,397)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019****C. Cash flows from financing activities**

Net Proceeds from Long Term Borrowings	812,982	(30,877,508)
Proceeds from Investments	4,177	
Net Proceeds from Short Term Borrowings	(192,307)	(2,122,467)
Interest Paid During the Year	(6,722,367)	(10,825,459)
<b>Net cash inflow from financing activities</b>	<b>(6,097,516)</b>	<b>(43,825,434)</b>

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,960,648)</b>	<b>242,630</b>
Cash and cash equivalents at the beginning of the financial year	8,284,188	8,041,558
<b>Cash and cash equivalents at end of the year</b>	<b>2,323,540</b>	<b>8,284,188</b>

1. Purchase of Fixed Assets are stated inclusive of capital work- in progress between beginning and end of the year and is treated as part of investing activities.
2. Proceeds from borrowings are shown as net of repayments.
3. Previous year comparatives have been reclassified to confirm with current year's presentation, wherever applicable
4. Figures in brackets indicates cash outflow.

As per our report of even date attached  
For B P Shah & Co.  
Chartered Accountants  
Firm Registration No. 109517W

**Pathik B Shah**  
Partner  
M No: 138847

Date : May 29th, 2019  
Place : Mumbai

**For and on Behalf of The Board of Directors**

**S.K.SHAHI**  
Chairman & Managing Director  
(DIN No. 00359535)

**V.I.Shivaraman**  
(DIN: 07165080)

**Mrs. Hema Thakur**  
(Director)  
(DIN: 01363454)

**N.V. Agandeswaran**  
(Company Secretary)

**Balamurugan M**  
(Chief Financial  
Officer)

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019****A. Equity Share Capital**

As at April 1, 2017	Changes in equity share capital during 2017-18	As at March 31,2018	Changes in equity share capital during 2018-19	As at March 31,2019
144,948,740	-	144,948,740	-	144,948,740

**B. Other Equity**

Particulars	Note	Reserves & Surplus		Total Equity
		Retained Earnings	General Reserve	
<b>Balance as at April 1, 2017</b>	<b>11</b>	<b>(47,028,617)</b>	<b>109,441,271</b>	<b>62,412,654</b>
Profit / (loss) for the period		10,955,719	-	10,955,719
Other Comprehensive Income		-	-	-
Total Comprehensive Income		10,955,719	-	10,955,719
<b>Balance as at March 31,2018</b>	<b>11</b>	<b>(36,072,898)</b>	<b>109,441,271</b>	<b>73,368,373</b>
Profit / (loss) for the period		(146,484,991)		(146,484,991)
Other Comprehensive Income		-	-	-
Total Comprehensive Income		(146,484,991)	-	(146,484,991)
<b>Balance as at March 31,2019</b>	<b>11</b>	<b>(182,557,889)</b>	<b>109,441,271</b>	<b>(73,116,617)</b>

As per our report of even date attached  
For B P Shah & Co.  
Chartered Accountants  
Firm Registration No. 109517W

**Pathik B Shah**  
Partner  
M No: 138847

Date : May 29th, 2019  
Place : Mumbai

For and on Behalf of The Board of Directors

**S.K.SHAHI**  
Chairman & Managing Director  
(DIN No. 00359535)

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(DIN: 07165080)

**Mrs. Hema Thakur**  
(Director)  
(DIN: 01363454)

**N.V. Agandeswaran**  
(Company Secretary)

**Balamurugan M**  
(Chief Financial  
Officer)

**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2019****Note 1: Corporate Information**

**Shahi Shipping Ltd.** is public limited company incorporated and domiciled in India and has registered office at 404, Abhay Steel House, Baroda Street, Mumbai - 400008. It is incorporated under Indian Companies Act, 1956 and its shares are listed at the Bombay Stock Exchange Limited. The Company is involved in transportation of bulk cargo and containers. In fact, **Shahi Shipping Ltd.** is a pioneer of transshipment in India.

**Note 2: Significant Accounting Policies****2.1 Basis of preparation, measurement and significant accounting policies**

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.2 Compliance with Indian Accounting Standards**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements following the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 in respect of section 133 of the Companies Act 2013. Accordingly, the Company has prepared these Standalone Ind AS Financial Statements which comprise the Balance sheet as at March 31, 2019, Statement of Profit and Loss, Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2019 and significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Ind AS Financial Statements").

**2.3 Use of Estimates and Judgment**

The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013

**2.4 Property, plant and equipment**

Items of property, plant and equipment acquired or constructed are stated at historical cost net of recoverable taxes, less accumulated depreciation and impairment of loss, if any. The cost of tangible assets comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, wherever applicable including any cost directly attributable till completion of maiden voyage.

**Depreciation:**

Depreciation on all tangible assets is charged on "Written Down Value Method" less residual value. The Company has adopted useful life of all vessels as mentioned in Schedule II to the Companies Act, 2013.

Assets costing individually Rs. 5000/- and below are fully depreciated in the year of acquisition.

**2.5 Impairment of non-financial assets**

Assets that are subject to depreciation or amortisation are reviewed for impairment as at 31<sup>st</sup> March every year or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place.

**2.6 Revenue Recognition**

The Company recognises revenue in Statement of Profit & Loss when

- The income can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the Company,
- The stage of completion of the transaction at the balance sheet date can be measured reliably, and
- Costs relating to the transaction can be measured reliably.

The Statement of Profit & Loss reflects,



- i. Income from operation of vessel hire charges on time charter and spot charter are booked on accrual basis.
- ii. Administrative expenses which comprises of administrative staff cost, management cost, office expenses and other expenses relating to administration are recognized on accrual basis.

## 2.7 Investments and other financial assets

### i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

### ii. Subsequent measurement

For the purposes of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

### Equity Instruments

#### a) Subsidiary and Joint Ventures

Investments in equity instruments of subsidiary and joint ventures are carried at cost less impairment, if any.

#### b) Others

The Company subsequently measures all equity instruments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss.

### iii. Derecognition

A financial asset is derecognised only when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient.

## 2.8 Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service rendered by employees are charged off to the Statement of Profit and Loss. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

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.

## 2.9 Foreign currency translation & transaction

### a. Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in 'Indian Rupees' (INR), which is the Company's functional and the Company's presentation currency.

### b. Transaction

The difference in translation of all other monetary assets and liabilities and realized gains and losses on other foreign currency transactions are recognized in the Profit and Loss Account.

## 2.10 Income 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 recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets.

Deferred tax assets are recognized 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 realized. 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.

## 2.11 Provisions, contingent liabilities and contingent assets

### Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

### Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is treated as contingent liability.

### Contingent Assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

## 2.12 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## 2.13 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits with banks, other short-term highly liquid investments with original maturities of three months or less from date of acquisition.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

## 2.14 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

## 2.15 Financial Liabilities

### i. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

**Borrowings:** Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

**Trade and other payable:** These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.



#### iv. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### 2.16 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.

#### 2.17 Stores and 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

#### 2.18 Earnings per Share

Basic EPS is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### 2.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### 2.20 Impairment of Financial Assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company follows expected credit loss model for trade receivables and other financial assets, in cases where there is significant credit risk since initial recognition.

#### 2.21 Standards Issued but not effective:

#### 2.22 The amendments to standards that are issued, but not yet effective, upto the date of Issuance of the Company's Financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

##### Ind As 116- Leases

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, "Leases". Ind AS 116 will replace the existing leases standard, Ind AS 17, "Leases", and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Company does not expect to this amendment to have any impact on its financial statements.

##### Appendix C to Ind AS 12 – Uncertainty over Income Tax treatments

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements."



**Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement**

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

**Amendment to Ind AS 12 – Income Taxes**

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Ind AS 23- Borrowing Costs.**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sales, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company is currently evaluating the effect of this amendment on the standalone financial statements.



Note 3: Fixed Assets Details For The Year Ended 2018-19

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 31st March 2018	Addition during the year	Deduction during the year	As at 31st March 2019	As at 31st March 2018	Depreciation / Amortization for the year	Adjustment in respect of Assets Sold	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>a Tangible Assets</b>										
Freehold Land	845,316	-	-	845,316	-	-	-	-	845,316	845,316
Leasehold Land	4,709,760	-	-	4,709,760	1,732,494	134,589	-	1,867,083	2,842,677	2,977,266
Buildings *	17,966,036	-	-	17,966,036	9,617,841	380,094	-	9,997,935	7,968,101	8,348,195
Plant and Machinery	12,085,756	-	-	12,085,756	10,900,917	156,781	-	11,057,698	1,028,058	1,184,839
Furniture and Fixtures	11,110,998	-	-	11,110,998	10,164,897	82,435	-	10,247,332	863,666	946,101
Vehicles	41,083,451	-	-	41,083,451	32,831,418	2,123,665	-	34,955,083	6,128,368	8,252,033
Office Equipments	13,404,241	156,721	-	13,560,962	12,746,219	186,240	-	12,932,460	628,503	658,022
Electrical Instalments	2,049,005	-	-	2,049,005	1,901,808	36,893	-	1,938,701	110,304	147,197
Tankers	1,615,728	-	-	1,615,728	1,591,068	-	-	1,591,068	24,660	24,660
Fleets	460,615,081	-	107,172,895	353,442,186	369,340,866	10,019,637	92,748,716	286,611,788	66,830,398	91,274,215
<b>Total (a)</b>	565,485,372	156,721	107,172,895	458,469,198	450,827,529	13,120,334	92,748,716	371,199,147	87,270,051	114,657,844
<b>Capital Work-in-Progress</b>	21,047,114	-	-	21,047,114	-	-	-	-	21,047,114	21,047,114
<b>Total (a+b)</b>	586,532,486	156,721	107,172,895	479,516,312	450,827,529	13,120,334	92,748,716	371,199,147	108,317,157	135,704,958
Previous Year Figures	593,946,532	1,955,627	9,369,673	586,532,486	439,501,460	18,253,115	6,927,039	450,827,529	135,704,958	-

\* The Building includes Rs. 1750/- (Previous Year 1750/-) being the value of shares held in Co-operative Societies.



Note 3: Fixed Assets Details For The Year Ended 2017-18

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 31st March 2017	Addition during the year	Deduction during the year	As at 31st March 2018	As at 31st March 2017	Depreciation / Amortization for the year	Adjustment in respect of Assets Sold	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>a Tangible Assets</b>										
Freehold Land	845,316	-	-	845,316	-	-	-	-	845,316	845,316
Leasehold Land	4,709,760	-	-	4,709,760	1,542,456	190,038	-	1,732,494	2,977,266	3,167,304
Buildings *	17,966,036	-	-	17,966,036	9,210,917	406,923	-	9,617,841	8,348,195	8,755,119
Plant and Machinery	12,085,756	-	-	12,085,756	10,556,662	344,262	-	10,900,917	1,184,839	1,529,094
Furniture and Fixtures	11,110,998	-	-	11,110,998	10,002,413	162,484	-	10,164,897	946,101	1,108,585
Vehicles	43,286,466	1,909,891	4,112,906	41,083,451	33,586,531	2,804,081	3,559,194	32,831,418	8,252,033	9,699,935
Office Equipments	13,358,505	45,736	-	13,404,241	12,540,034	206,165	-	12,746,219	658,022	818,471
Electrical Instalments	2,049,005	-	-	2,049,005	1,851,611	50,197	-	1,901,808	147,197	197,394
Tankers	1,615,728	-	-	1,615,728	1,591,068	-	-	1,591,068	24,660	24,660
Fleets	465,871,848	-	5,256,767	460,615,081	358,619,767	14,088,944	3,367,845	369,340,866	91,274,215	107,252,081
<b>Total (a)</b>	<b>572,899,418</b>	<b>1,955,627</b>	<b>9,369,673</b>	<b>565,485,372</b>	<b>439,501,460</b>	<b>18,253,115</b>	<b>6,927,039</b>	<b>50,827,529</b>	<b>114,657,844</b>	<b>133,397,959</b>
<b>Capital Work-in-Progress</b>	<b>21,047,114</b>	<b>-</b>	<b>-</b>	<b>21,047,114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,047,114</b>	<b>21,047,114</b>
<b>Total (a+b)</b>	<b>593,946,532</b>	<b>1,955,627</b>	<b>9,369,673</b>	<b>586,532,486</b>	<b>439,501,460</b>	<b>18,253,115</b>	<b>6,927,039</b>	<b>50,827,529</b>	<b>135,704,958</b>	<b>154,445,073</b>
Previous Year Figures	596,359,631	2,667,789	5,080,891	593,946,529	423,207,140	20,955,397	4,661,082	39,501,455	154,445,073	-

\* The Building includes Rs. 1750/- (Previous Year 1750/-) being the value of shares held in Co-operative Societies.

**Note 4 : Financial Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investment in Unquoted Shares at Fair Value Through Profit and Loss</b>		
1000 equity shares of Saraswat Co-operative Bank Ltd. (Previous Year: 1000) Face Value: Rs. 10 per share	204,295	221,300
400 Equity Shares of Shamrao Vithal Co-operative Bank Ltd. (Previous Year: 400) Face Value: Rs. 10 per share	185,733	172,906
<b>Total</b>	<b>390,029</b>	<b>394,206</b>
<b>Investment in Subsidiaries at Cost</b>		
34,994 equity shares of SKS Waterways Ltd. (Previous Year: 34994) Face Value: Rs. 10 per share *	-	349,940
34,994 equity shares of Royal Logistics Ltd. (Previous year: 34994) Face Value: Rs. 10 per share	-	349,940
<b>Total</b>	-	<b>699,880</b>
<b>Total non current investments</b>		
(a) Aggregate amount of quoted investments and market value thereof	-	-
(b) Aggregate amount of unquoted investments	<b>390,029</b>	<b>394,206</b>
(c) Aggregate amount of investments in subsidiaries	-	<b>699,880</b>
(d) Aggregate amount of impairment in value of investments	-	-
<b>Total</b>	<b>390,029</b>	<b>1,094,086</b>

\* Shares are held in the name of a Director with beneficial ownership with the company.

Note: All the above Investments are intended to be held on a long term basis and have been classified accordingly.

**Note 5(a): Non Current Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, Considered Good</b>		
Loan to Related Parties*	-	129,458
Loan to Employees	4,051	74,821
<b>Total Loans</b>	<b>4,051</b>	<b>204,279</b>

\* Loan has been advanced for business purpose to the subsidiary company Royal Logistics Ltd.

**Note 5(b): Current Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, Considered Good</b>		
Loan to employees	34,000	43,000
<b>Total Loans</b>	<b>34,000</b>	<b>43,000</b>

**Note 6 : Other Non Current financial asset**

Particulars	As at March 31, 2019	As at March 31, 2018
<b><u>Deposits, considered good</u></b>		
Electricity Deposits	57,166	57,166
Telephone Authorities	82,650	82,650
Other Deposits	17,837,098	14,717,774
<b>Total</b>	<b>17,976,914</b>	<b>14,857,590</b>
<b><u>Interest Receivable</u></b>		
Interest on FDR Receivable	62,520	383,056
Interest on Subsidy Receivable (Refer Note 28)	64,523,144	64,523,145
<b>Total</b>	<b>82,562,578</b>	<b>79,763,791</b>

**Note 7(a) : Other Non-Current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
<b><u>Statutory Dues Receivable</u></b>		
Income Tax Refund of Previous Years	4,073,696	4,073,696
Income Tax Refund A.Y. 2019-20	2,037,299	-
Service Tax Claimable	625,651	625,651
<b>Total</b>	<b>6,737,096</b>	<b>4,699,347</b>

**Note 7(b) : Other Current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance to Creditors	1,537,279	5,624,359
Prepaid Expenses	169,400	347,617
<b>Total</b>	<b>1,706,679</b>	<b>5,971,976</b>

**Note 8: Trade Receivables**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(Unsecured, considered good)</b>		
Trade Receivables	102,973,887	156,984,182
Trade Receivables from related parties	-	-
<b>Total</b>	<b>102,973,887</b>	<b>156,984,182</b>
Less: Provision for doubtful trade receivable	69,896,453	2,266,294
<b>Total</b>	<b>33,077,434</b>	<b>154,717,888</b>

**Note 9 : Cash and cash equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balances with Banks</b>		
(i) In Current accounts	694,315	3,320,180
(ii) In Earmarked accounts		
In Unclaimed Dividend Accounts	60,245	280,872
Margin Money Deposit	1,400,000	4,510,000
<b>Cash on hand</b>	<b>168,980</b>	<b>173,136</b>
<b>Total</b>	<b>2,323,540</b>	<b>8,284,188</b>

**Note: 10 Equity share capital**

Particulars	As At 31st March, 2019	As At 31st March, 2018
	Rs.	Rs.
<b>Authorised equity share capital</b>		
3,00,00,000 Equity Shares of Rs. 10 Each	300,000,000	300,000,000
<b>Total</b>	<b>300,000,000</b>	<b>300,000,000</b>
<b>Issued, Subscribed &amp; Paid Up</b>		
1,44,94,874 Equity Shares of Rs. 10 each, fully paid	144,948,740	144,948,740
<b>Total</b>	<b>144,948,740</b>	<b>144,948,740</b>

**Terms & conditions**

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share.

**(i) Reconciliation of number of shares**

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning/end of the year	14,494,874	144,948,740	14,494,874	144,948,740

**(ii) Details of shareholders holding more than 5% shares in the Company**

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sarvesh Kumar Shahi	1,903,219	13.13%	1,903,219	13.13%
Shahi Gasol Pvt. Ltd.	5,054,721	34.87%	5,054,721	34.87%
Vikas Koli	2,461,996	16.99%	2,461,996	16.99%

**Note 11 Other Equity**

Particulars	As at March 31,2019	As at March 31,2018
	<b>a. Retained earnings</b>	
Opening balance	(36,072,898)	(47,028,617)
Total comprehensive income/ (loss) for the period	(146,484,991)	10,955,719
<b>Closing Balance of Retained Earnings</b>	<b>(182,557,889)</b>	<b>(36,072,898)</b>
<b>b. General Reserve</b>		
Opening Balance	109,441,271	109,441,271
Transferred to/from Retained Earnings	-	-
<b>Closing Balance of General Reserves</b>	<b>109,441,271</b>	<b>109,441,271</b>
<b>Total Other Reserves</b>	<b>(73,116,617)</b>	<b>73,368,373</b>



**Note : 12(a) Non Current Financial Borrowings**

Particulars	As at March 31,2019	As at March 31,2018
<b><u>Secured Term Loans</u></b>		
From banks (Dena Bank)	59,01,784	73,71,576
Vehicle Loan from Others	18,15,203	46,36,373
<b><u>Unsecured Loan</u></b>		
From Related Parties	4,03,70,721	3,66,37,622
From Others	37,24,000	51,00,000
<b>Total Borrowings:</b>	<b><u>5,18,11,708</u></b>	<b><u>5,37,45,571</u></b>
<b><u>Less: Current Maturities:</u></b>		
Secured Loan from banks (Refer Note 13(b))	29,04,024	29,04,024
Secured Loan from other companies (Refer Note 13(b))		27,46,845
<b>Total Current Maturities</b>	<b><u>29,04,024</u></b>	<b><u>56,50,869</u></b>
<b>Total</b>	<b><u>4,89,07,684</u></b>	<b><u>4,80,94,702</u></b>
		<b>Total Outstanding as at 31st March, 2019</b>

**Term loan from Bank:**

a) \*Includes outstanding & unpaid interest of sum of Rs. 63,03,511/- funded by the Bank during the year 3 2012- 2013 and merged with the Principal loan amount. The company have not been provided with any revised arrangement from the Bank. In absence of any such arrangement, the company has been repaying the installment based on the terms and condition as mentioned in the original loan sanction letter dated: 14/09/2012 as issued by the Bank. Accordingly based on this the bifurcation of Current & Non Current has been done.

b) Repayable in monthly 120 equal installments, Last Installment falling due on 31 Oct 2022, Interest Rate 15% 5901784

Dena Bank Term loan is secured by hypothecation on Office Premises and personal guarantee of Chairman & Managing Director.

**Term loan from others (Vehicles)**

a) Secured Loan from Daimler Finance Services (I) P Ltd repayable in monthly 84 equal installments, Last Installment falling due 30th September 2021, Interest Rate 11.85% 1943407

The above loan is secured by hypothecation on Office Premises and personal guarantee of Chairman & Managing Director.

**Unsecured Loan**

Loans from Related Parties and Other Unsecured Loans 44094721

**Note : 12(b) Current Financial Borrowings**

Particulars	As at March 31,2019	As at March 31, 2018
<b><u>Secured Loans Repayable on Demand</u></b>		
Working Capital Loans taken from Bank *	4,75,88,208	4,50,33,670
<b>Total</b>	<b><u>4,75,88,208</u></b>	<b><u>4,50,33,670</u></b>

\* Working Capital Loan taken from State Bank of India is secured by principal security of hypothecation charge on the company's entire receivables & collateral security of : 1) extension of mortgage on the Registered Office Premises 2) Exclusive 1st charge over 3 vessels of the company i.e M.V Royal Gandak, MV Royal Saraswati, MV Royal Gomati by way of hypothecation. 3) Personal guarantee of Chairman & Managing Director.

**Note : 13(a) Other Non-Current Financial Liabilities**

<b>Particulars</b>	<b>As at March 31,2019</b>	<b>As at March 31, 2018</b>
Trade Deposits	14,50,000	14,50,000
<b>Total</b>	<b>14,50,000</b>	<b>14,50,000</b>

**Note : 13(b) Other Current Financial Liabilities**

<b>Particulars</b>	<b>As at March 31,2019</b>	<b>As at March 31, 2018</b>
a. Current Maturities of Long Term Debt from Banks	29,04,024	29,04,024
b. Current Maturities of Long Term Debt from Companies	-	27,46,845
c. Accrued Interest on Loans	3,71,456	3,70,020
d. Unclaimed Dividend Payable*	60,245	2,80,872
<u>e. Other payables for:</u>		
(i) Payables for Expenses	34,75,602	46,44,625
(ii) Statutory Dues Payable	46,82,216	22,95,235
<b>Total</b>	<b>1,14,93,543</b>	<b>1,32,41,621</b>

\*During the year Unclaimed dividend of Rs. 220627/- has been credited to Investor Education and Protection Fund

**Note: 14 Non-Current Provisions**

<b>Particulars</b>	<b>As at March 31,2019</b>	<b>As at March 31,2018</b>
<b><u>Provision for employee benefits:</u></b>		
Provision for gratuity	42,80,712	42,48,127
<b>Total</b>	<b>42,80,712</b>	<b>42,48,127</b>

**Note : 15 Deferred Tax Liabilities (Net)**

<b>Particulars</b>	<b>As at March 31,2019</b>	<b>As at March 31,2018</b>
Opening Deferred Tax Liabilities	1,34,74,886	2,27,84,003
Deferred Tax Expense for the year	(16,60,641)	(93,09,117)
<b>Total</b>	<b>1,18,14,245</b>	<b>1,34,74,886</b>

**Note : 16 Trade Payables**

<b>Particulars</b>	<b>As at March 31,2019</b>	<b>As at March 31,2018</b>
Trade payables	3,16,03,325	4,04,64,441
Trade payables to related parties	24,99,331	24,14,092
<b>Total</b>	<b>3,41,02,656</b>	<b>4,28,78,533</b>

**Note : 17 Other Current Liabilities**

<b>Particulars</b>	<b>As at March 31,2019</b>	<b>As at March 31,2018</b>
Advances from Debtors	36,83,394	7,44,860
Advance Received Towards Sale of Barge	-	30,00,000
<b>Total</b>	<b>36,83,394</b>	<b>37,44,860</b>

**Note 18 : Revenue from operation**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Shipping Operations	102,122,449	166,203,484
<b>Total</b>	<b>102,122,449</b>	<b>166,203,484</b>

**Note 19 : Other Income**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>1) Interest income</b>		
(i) On Bank Deposits	257,046	274,898
(ii) On Income Tax Refund	-	529,349
(iii) On Advances	267,123	-
<b>2) Dividend Income from other than trade investments</b>		
From Co-op Bank	-	4,200
<b>3) Other Non Operating Income</b>		
(i) Miscellaneous Income	-	10,163
(ii) Insurance Claim Received	-	12,152,157
(iii) Sundry Balance Written Back	8,942,141	175,314
(iv) Gain on Fair Valuation of Investments as per IND AS	-	
(v) Notional Interest on loan to employees as per IND AS	4,042	16,514
(vi) Revenue Share Charges	-	59,785
(vii) Profit on Sale of Asset	-	546,288
<b>Total</b>	<b>9,470,352</b>	<b>13,768,668</b>

**Note 20 : Employee benefit expenses**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Salaries, Bonus and Allowances	13,716,868	17,213,002
(ii) Contribution to Provident Fund and Other Funds	646,770	816,940
(iii) Directors Remuneration	6,000,000	6,000,000
(iv) Directors Sitting Fees	168,000	147,000
(v) Amortization of Staff Loan Expenses as per IND AS	122	12,635
(vi) Staff Welfare expenses	924,487	1,148,408
<b>Total</b>	<b>21,456,247</b>	<b>25,337,985</b>

**Note : 21 Finance costs**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on loan	6,164,881	10,047,088
Other Borrowing Costs	558,923	400,437
<b>Total</b>	<b>6,723,803</b>	<b>10,447,525</b>

**Note : 22 Other expenses**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Repairs and Maintenance - Barge	20,271,220	30,119,824
Repairs and Maintenance - Machinery	536,720	746,189
Repairs and Maintenance - Others	1,799,618	1,218,066
Rates & Taxes	471,456	847,108
Insurance	1,119,866	1,955,345
Legal and Professional Expenses	8,907,751	2,499,339
Bad debts	45,358,476	16,589,847
Provision for Bad Debts	69,896,453	2,266,294
Travelling Expenses	1,911,331	4,738,005
Barge operating expense	8,965,400	15,403,370
Fuel and Oil	21,485,326	13,616,882
Hire Transportation and water charges	7,644,635	11,259,551
Loss on sale of asset	6,974,180	1,788,923
Auditors Remuneration*	555,000	555,000
Port Related Expenses	11,887,472	18,606,796
Compensation for non-performance	2,485,930	-
Miscellaneous Expenses	8,167,216	1,001,792
<b>Total</b>	<b>218,438,049</b>	<b>123,212,331</b>

**\*Auditors Remuneration**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Payment to Auditors'</b>		
Audit fee	355,000	355,000
Taxation Matters	200,000	200,000
Other service	-	-
<b>Total</b>	<b>555,000</b>	<b>555,000</b>

**Note : 23 Current Tax**

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Provision	-	1,130,828

**Note : 24 Related Party Disclosures**

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

**a) Related Party Disclosure:**

Description of Relationship	Names of Related Parties
(a) Where Control Exists	Royal Logistics (Ship) Ltd. SKS Waterways Ltd. India First Logistics Ltd. Shahi Gasol Ltd.
(b) Key Managerial Persons	Mr. Sarvesh Kumar Shahi (Chairman & Managing Director) Mr. Balamurugan M (Chief Financial Officer) Mr. N Agandeswaran (Company Secretary)
© Where Significant Influence Exists	Miss Anjali Shahi Mr. Somesh Shahi



<b>b) Transactions during the year with related parties</b>		<b>As on 31st March, 2019</b>	<b>As on 31st March, 2018</b>
<b>Type of Related Party</b>	<b>Nature Of Transaction</b>	<b>Rs. In Lakhs Amount</b>	<b>Rs. In Lakhs Amount</b>
Where Control Exists	Loans Received	10.78	-
	Loans Repaid	10.04	2.00
	Payments made for Purchases	7.39	0.10
	Payments Received for Sales	-	17.35
Key Management Personnel	Remuneration paid to Key management Personnel	65.3	64.8
	Loans Taken	33.60	
	Loans Repaid		116.82
© Where Significant Influence Exists	Miss Anjali Shahi	3.00	-
	Mr. Somesh Shahi	1.24	-

\* In Addition to this, sum of Rs. 1,80,000/- contribution made to Provident Fund

<b>c) Balance outstanding of related parties</b>		<b>As on 31st March, 2019</b>	<b>As on 31st March, 2018</b>
		<b>Rs. In Lakhs Amount</b>	<b>Rs. In Lakhs Amount</b>
Trade Payables		4.04	3.19
Trade Receivable			
Loan to Related Parties		1.29	1.29
Unsecured Loan Taken		332.53	327.55
<b>Key Managerial Personnel</b>			
Unsecured Loan Taken		72.42	38.82

#### Note : 25 Contingent Liabilities

- a) On account of guarantees executed by the company's bankers for Rs. 342.28 lakhs (2017-18 Rs. 314.93 lakhs & 2016-17 Rs. 312.64 lakhs), which is partly secured by the Margin Money amounting to Rs. 14.5 lakhs (2017-18 Rs. 45.10 lakhs, 2016-17 Rs. 52.60 lakhs) retained by the Bank.
- b) Claim against the Company not acknowledged as debts Rs. 30.37 lakhs (2017-18 Rs. 30.37 lakhs & 2016-17 Rs. 30.37 lakhs)

#### Note : 26 Earning per Share

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Basic Earning Per Share</b>		
Profit/(Loss) attributable to Equity shareholders	(146,484,991)	10,955,719
Weighted average number of equity shares	14,494,874	14,494,874
Face value per Share	10	10
<b>Basic &amp; Diluted Earnings Per Share</b>	<b>(10.11)</b>	<b>0.76</b>

**Note: 27: Other Notes**

- I Debtors include Rs. 22.67 lacs (Previous year Rs. 22.67 lacs) in respect of cases which are under arbitration/ dispute. In the opinion of the management the said debts are considered recoverable.
- II The other current assets in Note No. 7 includes Rs. 645.23 lacs (Previous year Rs. 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.
- III In the opinion of the Board, Current Assets, Loans, Advances and Deposit have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the balance sheet.
- IV The company is engaged only in the business of shipping and as such there is no separate reportable segment as per Indian Accounting Standard 108.
- V The company has not identified amount payable to Micro, Small and Medium Enterprise, 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.
- VI The company's two Subsidiary Company namely SKS Waterways Ltd and Royal Logistics (Ship) Ltd has not yet started operation hence the consolidated financial statement of the Shahi Shipping Limited and its subsidiaries SKS Waterways Ltd & Royal Logistics (Ship) Ltd has not been prepared.

**VII (a) Earnings in Foreign Currency:**

	As at March 31, 2019	As at March 31, 2018
Shipping Operation	-	285,547

**(b) Expenditure in Foreign Currency:**

Insurance	223,429	1,001,425
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VIII Prior Period expenses debited during the year is Rs. 9.49 lakhs (previous year was Rs. 1.84 lakhs).

IX During the year barge MV Royal Sharavati owned by India First Logistic Ltd and used by the company as a lessee in execution for transportation of High Speed Diesel, under the contract with ONGC, was seized by the Police Crime Branch Thane in connection with transportation of theft High Speed Diesel (HSD). Due to same ONGC terminated its contract with the Company and invoked performance guarantee of Rs. 24,85,930. The same has been charged to profit and loss account as a compensation for non-performance of services.

The Company has been wrongly involved in the said complain, since there is no theft or fraud done by the Company or against the Company and therefore pending investigation the said Barge was released on indemnity given by owner of India first logistic Ltd.

**Note : 28 Fair Value Measurement****i) Fair Value of Financial assets and Financial liabilities**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Particulars	31-Mar-19		31-Mar-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets designated as fair value through profit and loss</b>				
Investments				
-In Equity Shares	20,050	390,029	20,050	394,206
<b>Financial assets designated at amortised cost</b>				
Staff Loan	39,602	38,051	120,178	117,821
	<u>59,652</u>	<u>428,080</u>	<u>140,228</u>	<u>512,027</u>

**(ii) Valuation technique used to determine fair value**



- a) Fair value for financial investments are valued using Net Assets Methods as per the latest available balance sheets of the investee companies.
- b) Fair value of interest free loan advanced to employees has been determined by amortizing the principal amount after discounting it by 12% per annum.

**(iii) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are: (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Financial assets and liabilities measured at fair value-recurring fair value measurements	At March 31, 2019				
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial investments at FVPL</b>					
Unlisted Equity Shares	4	-	-	390,029	390,029
<b>Total financial assets</b>		-	-	<b>390,029</b>	<b>390,029</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	At March 31, 2019				
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial Loan at FVPL</b>					-
Interest Free Loan to Employees	5(a) & 5 (b)	-	-	38,051	38,051
<b>Total financial assets</b>		-	-	<b>38,051</b>	<b>38,051</b>

Financial assets and liabilities measured at fair value-recurring fair value measurements	At March 31, 2018				
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial investments at FVPL</b>					
Unlisted Equity Shares	4	-	-	394,206	394,206
<b>Total financial assets</b>		-	-	<b>394,206</b>	<b>394,206</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	At March 31, 2018				
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial Loan at FVPL</b>					
Interest Free Loan to Employees	5(a) & 5 (b)	-	-	117,821	117,821
<b>Total financial liabilities</b>		-	-	<b>117,821</b>	<b>117,821</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.



Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument are included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in Level 3.

The Company's policy is to recognise transfers into and transfer out in fair value hierarchy levels at the end of the reporting period.

#### **Note: 29 Financial Risk Management**

##### **Financial Risk Factors**

The Company has exposure to the Credit risk, Liquidity risk and Market risk.

The Company's Board of Directors has overall responsibility for the establishment and supervision of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

##### **(A) Credit Risk**

- (i) Credit risk is the risk of financial loss to the Company, if a customer to a financial instrument fails to meet its contractual obligations. Company's exposure to credit risk primarily arises on account of its Trade receivables. Trade receivables consist of a large number of customers spread across diverse geographical areas. A default on a trade receivable is considered when the customer fails to make contractual payments within the credit period. This credit period has been determined by considering the business environment in which the Company operates. The Company considers dealing with creditworthy customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk due to above is periodically monitored.
- (ii) Provision for expected credit losses : The Company provides for expected credit loss on trade receivables. The model uses historical credit loss experience for trade receivables i.e. this model uses aging analysis of trade receivables as at the reporting date and is based on the number of days that a trade receivables is past due. The ageing has been done for bracket of last 3 years. Further, customers declaring bankruptcy or failing to engage in repayment plan with the Company, 100% provisioning is made i.e. such customers do not form part of this impairment exercise and provided for separately.
- (iii) **Reconciliation of Trade receivables :**

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Gross Carrying Amount	102,973,887	156,984,182
Less: Expected Carrying Losses:	69,896,453	2,266,294
Carrying amount of trade receivables after impairment	33,077,434	154,717,888

##### **(B) Liquidity Risk**

- (i) Prudent liquidity risk management refers to the management of the Company's short term and long term funding and liquidity management requirements. The Company's treasury maintains flexibility in funding by maintaining availability of funds under committed credit lines. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.
- (ii) **Maturities of financial liabilities**

The tables below analyse the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. In the table below, borrowings include principal cash flows.





<b>Contractual maturities of financial liabilities 31 March 2019</b>	<b>Less than 1 Year</b>	<b>Between 1 and 5 Years</b>	<b>Total</b>
Borrowings	50,492,232	48,907,684	99,399,916
Trade Payables	12,274,176	21,828,479	34,102,655
Deposits and other liabilities	8,589,519	1,450,000	10,039,519
<b>Total Liabilities</b>	<b>71,355,926</b>	<b>72,186,163</b>	<b>143,542,090</b>

<b>Contractual maturities of financial liabilities 31 March 2018</b>	<b>Less than 1 Year</b>	<b>Between 1 and 5 Years</b>	<b>Total</b>
Borrowings	50,684,539	48,094,702	98,779,241
Trade Payables	42,878,533	-	42,878,533
Deposits and other liabilities	7,590,752	1,450,000	9,040,752
<b>Total Liabilities</b>	<b>101,153,824</b>	<b>49,544,702</b>	<b>150,698,526</b>

**(C) Market risk**

Market risk is the risk that changes in market indicators such foreign exchange rates, interest rates and commodity prices will affect the Company's income or the value of its financial instruments. The Company's activities mainly expose it to risks arising from changes in freight/charter hire rates.

**(i) Freight/Charter hire risk**

Shipping industry is governed by various national and international economic and geopolitical developments. Local and international demand and supply determine freight and charter hire rates.

**Note 30 Capital management****(a) Risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the debt equity ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as Long Term Borrowings (including current portion of Long Term borrowings as shown in the Balance Sheet).

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Net Debt	99,399,916	98,779,241
Total Equity	71,832,123	218,317,113
Net Debt to Equity Ratio	1.38	0.45

**Note 31: Previous Year Figures**

The figures of previous year have been regrouped or rearranged wherever necessary to conform to current year's presentation as per Schedule III (Division II) to the Companies Act 2013.

As per our report of even date attached  
For B P Shah & Co.  
Chartered Accountants  
Firm Registration No. 109517W

**Pathik B Shah**  
Partner  
M No: 138847

Date : May 29th, 2019  
Place : Mumbai

**For and on Behalf of The Board of Directors**

**S.K.SHAHI**  
Chairman & Managing Director  
(DIN No. 00359535)

**V.I.Shivaraman**  
(DIN: 07165080)

**Mrs. Hema Thakur**  
(Director)  
(DIN: 01363454)

**N.V. Agandeswaran**  
(Company Secretary)

**Balamurugan M**  
(Chief Financial  
Officer)







# SHAHI SHIPPING LIMITED

CIN: L61100MH1990PLC058680

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

Tel: +91-22-61454545 Fax: +91-22-23487350/51 Website: www.shahilogistics.com

## ATTENDANCE SLIP

(To be presented at the entrance)

DP ID\* \_\_\_\_\_ Client ID\* \_\_\_\_\_ Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Name and Address of the Member(s) / Proxy: \_\_\_\_\_

I hereby record my presence at the Twenty Ninth Annual General Meeting of the Company, to be held on Saturday, September 28, 2019 at 404, Abhay Steel House, Baroda Street, Mumbai – 400 009 at 11.00 a.m.

\_\_\_\_\_  
Signature of Member/Proxy#

### Note(s):

1. \*Applicable to shareholders holding shares in electronic form.
2. Please fill the attendance slip and hand it over at the entrance of the meeting hall.
3. Members are requested to bring their copy of the Annual Report to the Meeting.
4. #Please strike off whichever is not applicable.

~<----->~



## SHAHI SHIPPING LIMITED

CIN: L61100MH1990PLC058680

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

Tel: +91-22-61454545 Fax: +91-22-23487350/51 Website: www.shahilogistics.com

### 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/ her

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

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

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

Signature \_\_\_\_\_ or failing him/ her

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 Twenty Ninth Annual General Meeting of the Company, to be held on Saturday, September 28, 2019, at 404, Abhay Steel House, Baroda Street, Mumbai – 400 009 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below.

Sr. No.	Particular of Resolution(s)
Ordinary Business	
1	To receive, consider and adopt the Balance Sheet as at March 31, 2019 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 appoint a Director in place of Mr. S. K. Shahi, Chairman and Managing Director of the Company (DIN: 00184680) who retires by rotation and being eligible, offers himself for re-appointment.
Special Business	
3	To appoint Ms. Anjali Shahi (DIN: 03363248), aged 33 years, as a Non-Executive Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

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

Signature of Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp  
of ₹ 1/-

#### Notice

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.



**Sarvesh Kumar Shahi**  
**Chairman & Managing Director**





BY COURIER



## SHAHI SHIPPING LIMITED

404, Abhay Steel House, Baroda Street, Mumbai - 400 009. India.  
Tel : 91 (22) 61454545 / 23487340 / 41 / 42 Fax : 91 (22) 23487350, 23487349  
Website : [www.shahilogistics.com](http://www.shahilogistics.com)