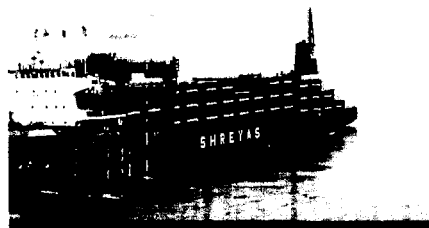


20th Annual Report  
2007-2008

- Experience Personified
- Logistics Simplified



SPEEDY RELIABLE SAFE

SHREYAS RELAY SYSTEMS LTD



TRANSWORLD GROUP



**SHREYAS**  
SHIPPING & LOGISTICS LIMITED



# SHREYAS

SHIPPING & LOGISTICS LIMITED

## 20<sup>TH</sup> ANNUAL REPORT 2007-2008

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## Letter to Shareholders

Dear Shareholders,

The year 2007 turned out to be an interesting period. In particular, it proved to be one of great turmoil in the financial sector with the virtual collapse of the sub prime mortgage market in the US, which also created serious lending consequences in Europe and to a lesser extent in Asia. Both freight rates and daily hire rates for charter vessels made a spectacular rebound late in 2007 despite all the gloom and doom. Charter rates kept climbing non-stop until October, 2007 and have softened only moderately since then. Several factors have accounted for this, including a strong growth in Chinese exports, constraints in the supply chain, which have led to some operators phasing additional ships into certain existing service strings, as a means of maintaining schedule integrity and the transfer of cargoes from breakbulk methods of shipment into containers.

The current degree of containerization in India is low relatively to other Asian countries like Singapore and China which indicates that India has huge potential for growth in the future. Container terminals in India handled 5.4 million TEUs in 2006-07 which was about 17.8 per cent more than 2005-06. The container logistics market is expected to grow at a CAGR of 15.57 percent achieving a tonnage of 15.57 million TEUs by 2014.

With Indian exim trade slated to touch a staggering \$700 billion in next 3-4 years and domestic business on a boom cycle and given the consistent uptrajectory movement in the Indian economy, the coming decade is expected to see a drastic development and growth in the quantity and quality of service in containerized cargo transportation. According to the I-maritime and IPA study of May, 2006, in 2015-16, the container traffic in India will be 20.9 mTEUs (low estimate) and 24.1 m TEUs (high estimate).

Indian logistics industry is a USD 90 billion industry and estimated to reach a market size of USD 125 billion by 2010. With over USD 500 billion worth of infrastructure investments in 5 years, introduction of VAT, manufacturing boom, increased competition and strong foreign investment in various industry sectors like retail, apparel, FMCG, automotive, electronics, pharmaceuticals, etc. there are huge opportunities in the supply chain and logistics industry. With products being uniform, standardized and commoditised, logistics has become a dominant part of the competitiveness equation.

India has experienced much economic success in this decade, and is now recognized as an emerging powerhouse. However, the development of its supply chain infrastructure has not kept pace, and no more so than in its neglected coastal shipping sector. Shreyas has continuously invested time and money to nurture coastal container business, which is still in its infancy in India.

The fiscal 2007-08 was significant for your Company due to various reasons including the success of the new services launched by your Company, its entry into automotive logistics, development of new markets on the East coast of India, the continued rapid expansion of the service network by setting up new offices and the acquisition of controlling stake in Haytrans (India) Ltd. The year gone by has seen your Company achieve several significant milestones in a pioneering journey that is transforming it into a highly reputed shipping and logistics Company.

Your Company's performance improved in the year 2007-08. The total income grew by 24.86 percent to Rs.17611.31 lacs. Profit after Tax was Rs.838.40 lacs vis-à-vis Rs.2952.27 lacs in the previous year mainly on account of the increased interest and depreciation cost.

Your Company's performance must be viewed in the light of some of the challenges that it had to grapple with during the year such as lower charter rates, increasing fuel costs, delays at ports due to congestions and strikes and commencement of new services on the East Coast of India.

During the year, your Company has acquired a 51% controlling stake in Haytrans (India) Limited. Haytrans provides freight forwarding services and has IATA recognition which enables it to provide air cargo services too. I am sure that Haytrans' experience and expertise in these fields will greatly benefit your Company.

Mr. D. T. Joseph is IAS (retd). He has served as Secretary in the Ministry of Shipping (2003-2005). He was Managing Director of Development Corporation of Konkan Limited (1979-82) and SICOM (1997-1999). He has been inducted to the Board with effect from 10th September, 2007. I am certain that his experience and knowledge of the industry will benefit your Company. Mr. Amitabha Ghosh, who erstwhile represented ICICI Bank Ltd as its Nominee on your Board, has been appointed as an Additional Director of your Company with effect from 20<sup>th</sup> March, 2008.

What can be readily observed for fiscal 08-09 is that long-held concerns are about to make themselves clearly felt. Faced with fewer repair yard slots, the shortage of officers, soaring bunker costs and port congestion, the year 08-09 will offer great opportunities backed by severe challenges which your Company will face as it has in the past.

Our journey continues to be exciting and challenging and with each passing milestone, we are inspired to take the next bold step on the path ahead. The year ahead will continue to be arduous especially on account of the increased interest cost and higher depreciation. Despite this, we expect to deliver growth in all our business verticals. Your Company is committed to leveraging its debt-equity ratio and employee talent pool to develop affordable solutions for its clients. This is a mission that inspires us to deliver superior shareholder value in the future.

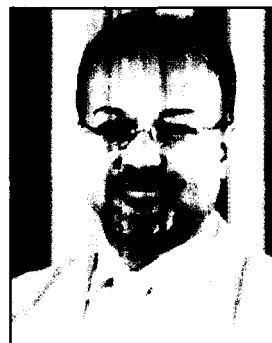
The coming years bring tremendous challenges and offer immense opportunities for logistics players. The Indian economy is on a fast growth track and would need the full support of the logistics sector to meet burgeoning expectations. With the impending competition, the response time available will get drastically reduced. Although the challenges are many, we believe that with strong information system capabilities and a dedicated team of people at all levels, your Company is well placed to deliver value to all its stakeholders in this competitive environment.

I thank our shareholders and business partners for the trust they have placed in us and your confidence and unflinching belief in our ability to deliver value. We believe your faith is well-founded and that together we will impact the logistics industry. Your continued support would further strengthen our hands as we set out to scale new heights of performance. I also thank my colleagues on the Board, whose support and leadership has been invaluable.

I also take this opportunity to recognise the support of our customers, suppliers, all regulatory authorities, our bankers, auditors, consultants, other business associates and legal advisors/counselors. I would like to assure you that all our efforts will be directed towards strong growth in the future.

Mumbai  
30<sup>th</sup> June, 2008

**S. Ramakrishnan**  
Chairman & Managing Director





**S. Ramakrishnan**  
Chairman & Managing Director



**V. Ramnarayan**  
Director



**S. Mahesh**  
Director



**L. B. Culas**  
Director



**Anil Devli**  
Executive Director



**K.P. Medhekar**  
Director



**Capt. P. P. Radhakrishnan**  
Director



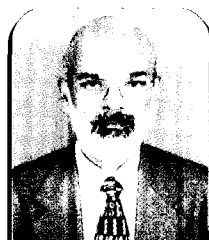
**Amitabha Ghosh**  
Director



**S. Ragothaman**  
Director



**Bherulal Chaudhary**  
Director



**D. T. Joseph**  
Director



# SHREYAS

SHIPPING & LOGISTICS LIMITED

## Management Team

- |                      |   |   |
|----------------------|---|---|
| Mr. Anil Devli       | - | Executive Director                                |
| Mr. Vinay Kshirsagar | - | Chief Financial Officer                           |
| Capt. Kapil Kekre    | - | General Manager -<br><i>Strategic Development</i> |
| Capt. V. K. Singh    | - | Vice President -<br><i>Commercial</i>             |
| Capt. Ashwin Advani  | - | General Manager -<br><i>Marketing</i>             |
| Mr. Krishna Guha     | - | General Manager -<br><i>Transport</i>             |
| Ms. Seema Singh      | - | General Manager -<br><i>Logistics</i>             |
| Ms. Namrata Malushte | - | Company Secretary                                 |

## Statutory Auditors

PKF Sridhar & Santhanam

## Internal Auditors

PricewaterhouseCoopers Private Limited

## Solicitors

I. C. Legal

## Bankers

Standard Chartered Bank  
ICICI Bank Ltd.  
Canara Bank, London  
State Bank of India  
Axis Bank Ltd.

## Registrar & Share Transfer Agent

Intime Spectrum Registry Ltd.  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (West),  
Mumbai - 400 078.  
Tel: 2596 3838, Fax: 2596 2691

## Registered office

1110/1111 Embassy Centre,  
Nariman Point, Mumbai- 400 021.  
Tel: 6622 0100, Fax: 2283 6805

## Administrative office

'Orient Shreyas', Plot No. 203,  
Station Avenue Road, Chembur,  
Mumbai - 400 071.  
Tel: 6622 0300, Fax: 2529 5412



## Notice

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of *Shreyas Shipping & Logistics Limited* will be held on Saturday, the 27<sup>th</sup> day of September, 2008 at 11.00 a.m. at Sivaswamy Auditorium of Fine Arts Cultural Centre, 61/21 R. C. Marg, Opp. Vijaya Bank, Chembur, Mumbai – 400 071 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended on 31<sup>st</sup> March, 2008 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Preference Shares and Equity Shares.
3. To appoint a Director in place of Mr. Bherulal Choudhary, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Krishnanath Pandurang Medhekar, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Varadharajan Ramnarayan, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint M/s. PKF Sridhar & Santhanam, Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
 "RESOLVED that Mr. Daniel Traveyn Joseph, who was appointed by the Board of Directors by Circular Resolution on 10<sup>th</sup> September, 2007 as an Additional Director with effect from 10<sup>th</sup> September, 2007 under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
 "RESOLVED that Mr. Amitabha Jugal Ghosh, who was appointed by the Board of Directors by Circular Resolution on 20<sup>th</sup> March, 2008 as an Additional Director with effect from 20<sup>th</sup> March, 2008 under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."
9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
 "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions and further subject to the approval of the Central Government, if applicable, the remuneration of Rs. 63,08,800/- (Rupees Sixty Three Lakhs Eight Thousand Eight Hundred only) paid to Mr. S. Ramakrishnan in his capacity as the Chairman & Managing Director for the period 1<sup>st</sup> April, 2007 to 31<sup>st</sup> March, 2008 being in excess of the limits specified in Schedule XIII be and is hereby ratified and approved."
10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
 "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, the remuneration of Rs. 45,43,800/- (Rupees Forty Five Lakhs Forty Three Thousand Eight Hundred only) paid to Mr. Anil Devli, in his capacity as the Executive Director for the period 1<sup>st</sup> April, 2007 to 31<sup>st</sup> March, 2008 being in excess of the limits specified in Schedule XIII be and is hereby ratified and approved."

30<sup>th</sup> June, 2008

By Order of the Board of Directors

#### Registered Office:

1110/1111, Embassy Centre  
 Nariman Point  
 Mumbai - 400 021

**Namrata Malushte**  
 Company Secretary

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS BEHALF ON A POLL ONLY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business as set out above, is annexed hereto.
3. Profiles of the Directors retiring by rotation and Directors being appointed, as required by Clause 49(IV)(G)(i) of the Listing Agreement entered into with the Stock Exchanges, are given in the Report on Corporate Governance forming part of the Directors' Report.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 13<sup>th</sup>, September, 2008 to Saturday, 27<sup>th</sup> September, 2008, both days inclusive, for the purpose of payment of dividend, if declared at the Annual General Meeting.
5. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid at par on or after Tuesday, 30<sup>th</sup> September, 2008 to Members holding shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Saturday, 27<sup>th</sup> September, 2008. In respect of Shares held in electronic form, the dividend will be paid to the beneficial owners of the Shares as at the end of the business hours on Friday, 12<sup>th</sup> September, 2008 as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
6. As per the directives of the Securities and Exchange Board of India (SEBI), in respect of the Shareholders holding Shares in electronic form, dividend shall be paid through Electronic Clearing Service (ECS), where such facility is available, directly to their bank account as furnished by their respective Depositories to the Company. Where such facility is not available, the bank details as furnished by their respective Depositories to the Company, will be mandatorily printed on their dividend warrants. Further, instructions if any, given by them in respect of Shares held in physical form will not be automatically applicable to the dividend payable on Shares held in electronic form. Members are, therefore, requested to give instructions regarding the bank accounts in which they wish to receive dividend, directly to their respective Depository Participants. The Company or its Registrar and Share Transfer Agent will not act on any direct request from these Members for change of such bank details.
7. Members holding Shares in physical form who wish to avail of the Electronic Clearing Service (ECS) facility are requested to submit the ECS mandate in the prescribed form to the Registrar and Share Transfer Agent **on or before 8<sup>th</sup> September, 2008**. The said form can be obtained from the Company's Registrar and Share Transfer Agent – M/s. Intime Spectrum Registry Limited or downloaded from the website of the Company at [www.shreyas.co.in](http://www.shreyas.co.in) under the section 'Investors area'. Members holding Shares in physical form and who for any reason would not like to avail the Electronic Clearing Service (ECS) facility are required to furnish to the Registrar and Share Transfer Agent **(if not furnished earlier)** details of bank account number and name of the bank and the branch, which would be printed on the dividend warrants / drafts.
8. Members are requested to:
  - (a) Notify any change in their address to the Registrar and Share Transfer Agent, M/s. Intime Spectrum Registry Limited; C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078, in case of Members holding shares in physical form and update such details with their respective Depository Participants, in case of Members holding shares in electronic form.
  - (b) Bring their attendance slips alongwith the copies of the Annual Report to the Meeting.
9. Pursuant to the provisions of Section 205 of the Companies Act, 1956, the Company has already transferred the unclaimed / unpaid dividend declared upto and including the financial year ended 31<sup>st</sup> March, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Shareholders who have so far not claimed or collected their dividends upto the aforesaid financial year are requested to forward their claims in the prescribed Form II of the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978 to:
 

Office of the Registrar of Companies  
Central Government Office Building  
"A" Wing, 2nd floor  
CBD Belapur, Navi Mumbai, Maharashtra – 400 614.

In terms of the provisions of Sections 205A and 205C of the Companies Act, 1956, as amended, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund established by the Central Government (hereinafter referred to as the 'said Fund'). Accordingly, unclaimed / unpaid dividend for the financial years ended 31<sup>st</sup> March, 1996 and 31<sup>st</sup> March, 1997 and period ended 30<sup>th</sup> September, 1998 and 31<sup>st</sup> March, 1999 has been transferred to the said Fund.

Unclaimed dividend for the financial year ended 31<sup>st</sup> March, 2001 and thereafter (wherever declared) is still lying with the Company. The Members, who have not yet encashed the dividend warrants for the financial years ended 31<sup>st</sup> March, 2001, 31<sup>st</sup> March, 2002, 31<sup>st</sup> March, 2004, 31<sup>st</sup> March, 2005 (interim and final dividend), 31<sup>st</sup> March, 2006 (interim and final dividend) and 31<sup>st</sup> March, 2007 (interim dividend) are requested to send claims to the Company, if any, before the respective amounts become due for transfer to the said Fund. **No claim shall lie against the Company or the said Fund after transfer as mentioned above.**

10. All documents referred to in the above Notice and the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the Annual General Meeting.
11. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
12. Members who hold Shares in physical form can nominate a person in respect of Shares held by them singly or jointly pursuant to the provisions of Section 109A of the Companies Act, 1956. Members who hold Shares in a single name are advised, in their own interests, to avail of the nomination facility by completing and submitting Form No.2B, in duplicate, to the Company's Registrar and Share Transfer Agent, M/s. Intime Spectrum Registry Limited. Blank forms will be supplied by M/s. Intime Spectrum Registry Limited on request. Form No.2B can also be downloaded from the website of the Company at [www.shreyas.co.in](http://www.shreyas.co.in) under the section 'Investors Area'. Members holding Shares in the dematerialised form may contact their Depository Participant for recording the nomination in respect of their Shares.
13. Members desirous of getting any information about the Accounts and / or Operations of the Company are requested to address their queries to the Company Secretary at least seven days in advance of the Meeting so that the information required can be made readily available at the Meeting.

30<sup>th</sup> June, 2008

By Order of the Board of Directors

**Registered Office:**

1110/1111, Embassy Centre  
Nariman Point  
Mumbai - 400 021

**Namrata Malushte**  
Company Secretary

Report Junction.com

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 7**

Mr. Daniel Travelyn Joseph was appointed as an Additional Director of the Company with effect from 10<sup>th</sup> September, 2007 by the Board of Directors vide Circular resolution passed on the same day. As per Section 260 of the Companies Act, 1956, an Additional Director holds office upto the date of the Annual General Meeting only. The Company has received notice under Section 257 of the Companies Act, 1956 from a Member of the Company with requisite deposit signifying the intention to propose the appointment of Mr. Joseph as a Director of the Company.

Mr. Joseph aged about 64 years is IAS (retd) by profession. He took over as Secretary in the Ministry of Shipping in the year 2003 and retired in 2005. He also served as Director General of Shipping. As Secretary Shipping, he helped in getting the tonnage tax option implemented for shipowners. As Director General of Shipping, he streamlined chartering guidelines for ships in March 2000 and simplified Articles of Agreement for sailors. He was instrumental in the liberalization of maritime training and education, setting up standards for private institutions and building maritime constituencies. He played an important role in preparation of the comprehensive draft Maritime Policy, and also the National Maritime Development Programme.

He is currently on the Board of MPSEZ Ltd. and Wartsila India Ltd. He does not presently occupy any Committee positions in these companies.

Mr. Joseph does not hold any Equity Shares in the Company as on date.

The Board of Directors is confident that his vast knowledge and varied experience will be of great value to the Company and hence, commends Resolution No.7 for your approval.

None of the Directors, other than Mr. Daniel Travelyn Joseph, are interested in the Resolution.

**Item No. 8**

Mr. Amitabha Ghosh (erstwhile Nominee Director appointed by ICICI Bank Ltd) was appointed as an Additional Director of the Company with effect from 20<sup>th</sup> March, 2008 by the Board of Directors vide Circular resolution passed on the same day. As per Section 260 of the Companies Act, 1956, an Additional Director holds office upto the date of the Annual General Meeting only. The Company has received notice under Section 257 of the Companies Act, 1956 from a Member of the Company with requisite deposit signifying the intention to propose the appointment of Mr. Amitabha Ghosh as a Director of the Company.



Mr. Amitabha Ghosh, aged 78 years, is a Chartered Accountant by profession and a fellow member of the Indian Institute of Bankers. He joined Allahabad Bank in 1951 as a first Indian Probationary Officer and was elevated to the post of Chairman and Managing Director after holding various important assignments in the Bank. He was also the Deputy Governor of Reserve Bank of India from 1982 to 1984 and from 1985 to 1992. He was Chairman of Reserve Bank of India Services Board during 1992-1993. He is a member of various Working Groups / Committees.

**He is currently on the Board of the following other companies:**

Centenary Leasing Company Pvt. Ltd.	Kesoram Industries Ltd.
Mysore Cements Ltd.	Peninsula Land Ltd
Orient Paper & Industries Ltd.	Palit Consultancy Pvt. Ltd.
Sahara India Financial Corporation Ltd.	Sahara India Life Insurance Co. Ltd.
Sahara Prime City Ltd	Xpro India Ltd.
Zenith Fibres Ltd.	Shreyas Relay Systems Ltd
Shree Cement Ltd	Joonktolle Tea & Industries Ltd

Mr. Ghosh occupies the following Committee positions:

Name of the Company	Committee Membership	Position <sup>1</sup>
Kesoram Industries Ltd.	Audit Committee	Member
Sahara India Financial Corp. Ltd.	Audit Committee	Chairman
Sahara India Life Insurance Co. Ltd.	Audit Committee	Member
Orient Paper & Industries Ltd.	Audit Committee	Chairman
Peninsula Land Ltd	Audit Committee	Chairman
Mysore Cements Ltd	Audit Committee	Chairman
Mysore Cements Ltd	Share Transfer/ Shareholders and Investor Grievances Committee	Member
Joonktolle Tea & Industries Ltd	Audit Committee	Member

<sup>1</sup> Only Membership / Chairmanship of Audit Committee and Shareholders' / Investors' Grievance Committee have been disclosed.

Mr. Ghosh does not hold any Equity Shares in the Company as on date.

The Board of Directors is confident that his vast knowledge and varied experience will be of great value to the Company and hence, commends Resolution No.8 for your approval.

None of the Directors, other than Mr. Amitabha Ghosh, are interested in the Resolution.

#### Item No. 9:

At the Annual General Meeting held on 21<sup>st</sup> July, 2007, the Members have approved the revision in the terms of remuneration of Mr. S. Ramakrishnan, Chairman & Managing Director. He is paid remuneration in line with the aforesaid resolution passed by the Members. However in view of inadequacy of profits of the Company for the financial year ended 31<sup>st</sup> March, 2008, the said remuneration rendered is in excess of the limits specified under the provisions of Companies Act, 1956. In terms of the provisions of Schedule XIII Part II Section II Part C, the said remuneration is required to be approved by the members vide Special Resolution being further subject to the approval of Central Government.

The information as required by Schedule XIII Part II Section II Clause 1 Sub-clause C is as under:

#### I. General Information:

- (1) Nature of Industry: Shipping & Logistics
- (2) Date or expected date of commencement of commercial production: Not applicable
- (3) Financial performance based on given indicators: The financial performance of the Company is detailed in the Annual report sent along with this Notice. Hence the same is not repeated.
- (4) Export Performance: Not applicable
- (5) Foreign investments & Collaborators: The Company does not have any foreign collaborations or investments.

#### II. Information about the appointee:

##### (1) Background Details of Mr. S. Ramakrishnan :

Mr. S. Ramakrishnan is the Chairman & Managing Director of the Company. He is 47 years of age. He is a Commerce graduate and has extensive experience of about 30 years in the Shipping Industry including ship owning, chartering and ship management.

##### (2) Past remuneration :

The remuneration paid to Mr. S. Ramakrishnan for the year ended 31<sup>st</sup> March, 2007 was Rs. 47,61,375/-. This figure does not include Company's contribution to the Gratuity Fund.



**(3) Recognition or Awards:**

Nil

**(4) Job Profile and his suitability:**

Mr. S. Ramakrishnan is a Commerce graduate. He is the driving force of the Company and directly oversees the day-to-day activities of the Company. His expertise in all facets of the shipping industry has helped the Company in making allround progress. He acts as the Chairman & Managing Director of the Company since its inception.

**(5) Remuneration proposed to be approved:**

Total remuneration of Rs. 63,08,800/- has been paid to Mr. S. Ramakrishnan during the financial year ended 31<sup>st</sup> March, 2008. A remuneration of Rs. 15,08,800 requires approval.

**(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The Company has a unique business model. It operates in various business segments like chartering, feedering and logistics. It is therefore difficult to present a comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

**(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

The Company is founded by late Mr. R. Sivaswamy, father of Mr. S. Ramakrishnan. Mr. Ramakrishnan holds 1,08,375 shares in the Company. Mr. S. Mahesh, brother of Mr. S. Ramakrishnan is a member of the Board of Directors of the Company.

**III. Other Information:****(1) Reasons for loss or inadequate profit:**

It can be observed from the results of the Company for nine months ended 31<sup>st</sup> December, 2007 that the Profit After Tax stood at Rs. 1574.24 lacs. The managerial remuneration being paid to Mr. S. Ramakrishnan, Chairman & Managing Director was well within the limits specified under the provisions of the Companies Act, 1956 for the nine months ended 31<sup>st</sup> December, 2007. However the performance of the Company in the last quarter has been affected on account of prolonged delay in dry docking of one of its vessels which was beyond the control of the Management. This has resulted in loss of huge revenues to the Company thereby directly affecting its bottom line. The inadequate profit of the Company during the year is mainly attributable to this dry docking and its cascading impact. Also as per the recent ruling of Hon'ble High Court in connection with payment of wages to floating staff, the Company was required to make an additional payment of wages to its floating staff.

**(2) Steps taken or proposed to be taken for improvement:**

Dry docking is a routine activity for a shipping company. Every vessel has to undergo dry docking once every 2.5 years. The Company has adopted a dry docking policy thereby ensuring that henceforth the expenditure on dry docking will be capped.

**(3) Expected increase in productivity and profits in measurable terms:**

Not applicable.

**IV. Disclosure:****1. Remuneration package of Mr. S. Ramakrishnan:**

Components	Amount
Basic salary	48,00,000
Special Allowance	11,40,000
Contribution to PF	3,68,800
Total Remuneration	63,08,800

**2. Other disclosures:**

- All elements or remuneration package such as salary, benefits, bonuses, stock options, pension etc of all Directors: Please refer table given in IV 1 above.
- Details of fixed component and performance linked incentive along with performance criteria: Salary is the fixed component.
- Service contract: Mr. S. Ramakrishnan was appointed for a period of 5 years from 1<sup>st</sup> April, 2004.
- Notice Period: Not Applicable
- Severance fees: NIL
- Stock options: NIL. The Company does not have a system of stock options.

The Board of Directors recommend this resolution no. 9 for your approval.

Mr. S. Ramakrishnan is interested in the said resolution. Mr. S. Mahesh being related to Mr. S. Ramakrishnan is deemed to be interested in the resolution. None of the other Directors of the Company are interested in the said resolution.

**Item No. 10:**

Mr. Anil Devli was reappointed as the Executive Director with effect from 21<sup>st</sup> July, 2007. His appointment including remuneration and other terms and conditions of appointment were approved by the Members at the 19<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> July, 2007.

However in view of inadequacy of profits of the Company for the financial year ended 31<sup>st</sup> March, 2008, the said remuneration rendered is in excess of the limits specified under the Companies Act, 1956. In terms of the provisions of Schedule XIII Part II Section II clause I Subclause B, the said remuneration is required to be approved by the members vide Special Resolution.

The information as required by Schedule XIII Part II Section II Clause 1 Sub-clause B is as under:

**I. General Information:**

- (1) Nature of Industry : Shipping & Logistics
- (2) Date or expected date of commencement of commercial production: Not applicable
- (3) Financial performance based on given indicators: The Financial performance of the Company is detailed in the Annual Report sent along with this Notice. Hence the same is not repeated.
- (4) Export Performance: Not applicable
- (5) Foreign investments & Collaborators: The Company does not have any foreign collaborations or investments.

**II. Information about the appointee:****(1) Background Details of Mr. Anil Devli:**

Mr. Anil Devli is the Executive Director since 21<sup>st</sup> April, 2005. He is 44 years of age. He is a law graduate from Government Law College, Mumbai. He began his career as an Apprentice with a leading Law firm. Thereafter he set up his independent practice with special emphasis on Marine and Admiralty law. During this period, he successfully handled several marine claims for shipping companies in India. He joined the Company as its Chief Executive Officer in mid 1996 and has since then been looking after the affairs of the Company under the guidance of the Board of Directors.

**(2) Past remuneration :**

The remuneration paid to Mr. Anil Devli for the year ended 31<sup>st</sup> March, 2007 was Rs. 38,47,841/-. This figure does not include Company's contribution to the Gratuity Fund.

**(3) Recognition or Awards:**

- i. He is a member of the Board of Directors of The Indian National Shipowners Association
- ii. He has been appointed as the Chairman of Container Shipping Lines Association
- iii. He is also a Trustee of the Jawaharlal Nehru Port Trust.

**(4) Job Profile and his suitability:**

Mr. Anil Devli is the Executive Director since 21<sup>st</sup> April, 2005. He is 44 years of age. He is a law graduate from Government Law College, Mumbai. He began his career as an Apprentice with a leading Law firm. Thereafter he set up his independent practice with special emphasis on Marine and Admiralty law. During this period, he successfully handled several marine claims for shipping companies in India. He joined the Company as its Chief Executive Officer in mid 1996 and has since then been looking after the affairs of the Company under the guidance of the Board of Directors. He is currently on the Board of The Indian National Shipowners Association and is the Chairman of Container Shipping Lines Association.

**(5) Remuneration proposed to be approved:**

Total remuneration of Rs. 45,43,800/- has been paid to Mr. Anil Devli during the financial year ended 31<sup>st</sup> March, 2008.

**(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The Company has a unique business model. It operates in various business segments like chartering, feedering and logistics. It is therefore difficult to present a comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

**(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Except for his remuneration and a shareholding of 6200 equity shares in the Company, Mr. Anil Devli has no pecuniary relationship directly or indirectly with the Company. He is not related to any managerial personnel or Director.