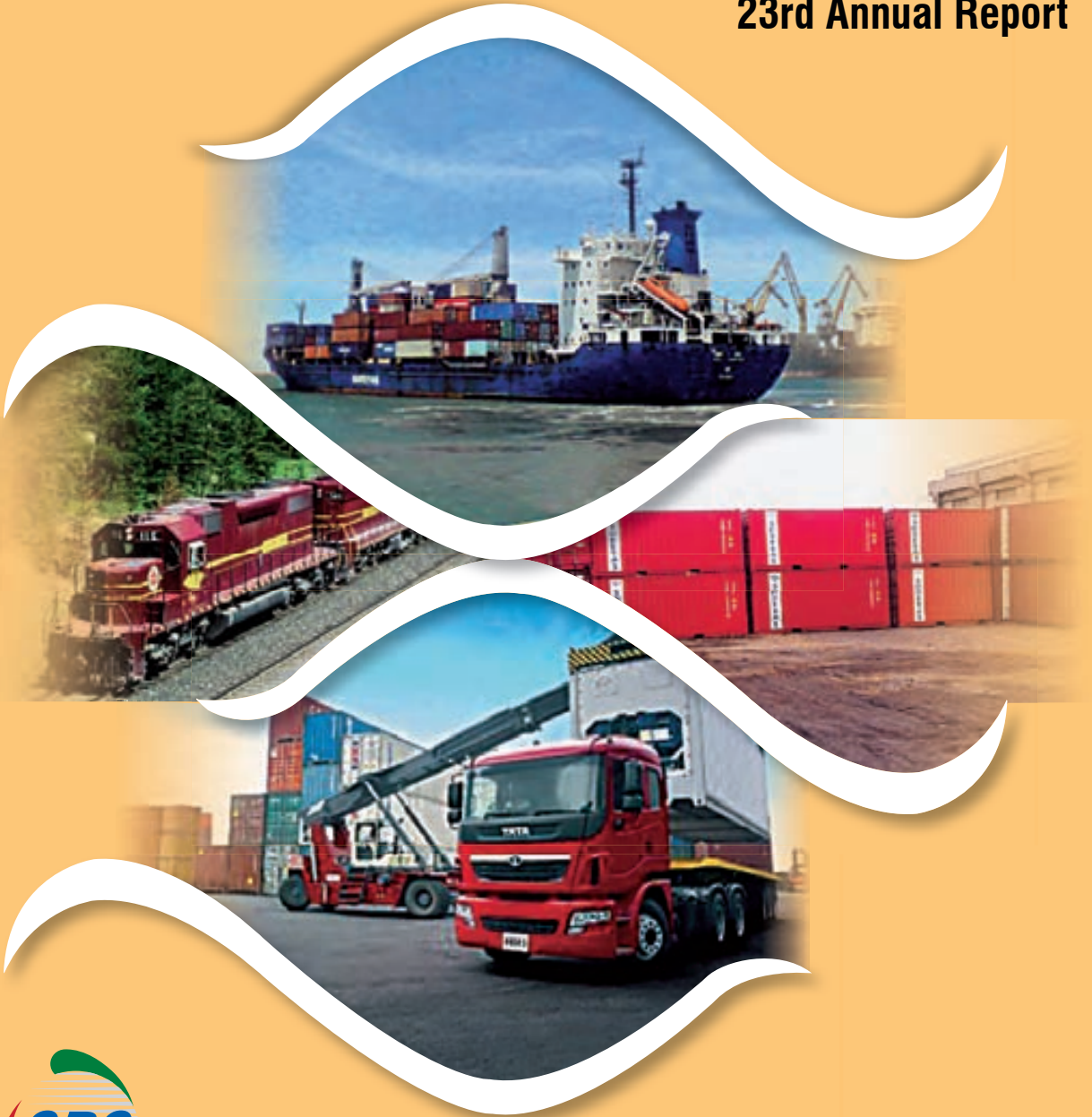




SHREYAS

SHIPPING & LOGISTICS LTD

2010-11
23rd Annual Report



SPEEDY · RELIABLE · SAFE

SHREYAS RELAY SYSTEMS LTD
Green Revolution in Logistics

TRANSWORLD
GROUP

BOARD OF DIRECTORS



S. Ramakrishnan
Chairman & Managing Director



V. Ramnarayan
Executive Director



S. Mahesh
Director



L. B. Culas
Director



S. Ragothaman
Director



Amitabha Ghosh
Director



Capt. P. P. Radhakrishnan
Director



D. T. Joseph
Director



Mannil Venugopalan
Director



MANAGEMENT TEAM

- Mr. V. Ramnarayan** - Executive Director
- Mr. Vinay Kshirsagar** - Chief Financial Officer
- Capt. V. K. Singh** - Vice President - Commercial
- Mr. S. Varadarajan** - Chief Executive Officer - Shreyas Relay Systems Ltd.
- Mr. Rajesh Desai** - General Manager - Finance & Accounts
- Ms. Namrata Malushte** - Company Secretary

Bankers

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

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400 078.
Tel: 2594 6970
Fax: 2594 6969

Statutory Auditors

PKF Sridhar & Santhanam

Internal Auditors

Transworld Management Consultancy Pvt. Ltd.

Registered office

4th Floor, Himalayas, Geetmala Complex
Near Shah Industrial Estate,
Govandi (E), Mumbai-400 088.

Administrative office

2nd Floor, Sahyadris, Geetmala Complex,
Near Shah Industrial Estate, Opp. Deonar Village Road,
Govandi (E), Mumbai-400 088.
Tel. No. : 66220300 • Fax. No. : 66220444

Letter to Shareholders

Dear Shareholders,

The year 2010-2011 has been a very encouraging year for the Indian coastal shipping. The overall Indian container industry has been able to put up a turnaround performance during the current year. The Indian coastal shipping is now identified as a major potential growth area for the Indian economy. In fact the Government is formulating a new policy for boosting the coastal shipping in India. Further the opening of the Vallarpadam port will bring in better opportunities for the Indian shipping companies. All this will only augment the growth of the Indian coastal shipping.



The container traffic volume surged up by 9.5% over the previous year which clearly indicates the turnaround of the Indian container industry. Also the Jawaharlal Nehru Port (Nhava Sheva), which handles more than 60 percent of the country's total containerized traffic, reported its highest-ever throughput of 4.27 million TEUs, up 5 percent as compared to the previous financial year. In fact based on a recent assessment by the Shipping Ministry, major ports are expected to handle 615 million tons of cargo in fiscal 2011-12, beginning 1st April, 2011. Total containerized traffic for 2011-12 is projected to reach 11 million TEUs, from the current 7.54 million TEUs, driven by a strong turnaround in the country's foreign trade.

During the year, your Company refocused its business model and could thereby build better revenues alongwith cost monitoring at all times. This has helped the Company to achieve a significant turnaround and emerge successfully. In fact, I am happy to report that the performance of Shreyas has exceeded our expectations and this is substantiated by our financials.

Your Company has been able to post a significant profit after tax of ₹8.75 crore against a loss of ₹20.47 crore in the previous financial year. This indicates a turnaround of ₹29.22 crore in the profit after tax of the Company. The sailing was not very smooth as the Company had to hurdle through the long strike at the Cochin port and the increase in the bunker costs.

Your Company is now venturing into other business verticals in the logistics segment with a vision to become a lead logistics player within the country thereby offering complete logistics solutions to its clients. Your Company also aspires to diversify its shipping activities thereby reducing dependence on container shipping.

We seek your continual support which would further strengthen our hands as we set out to scale new heights of performance. We believe your faith is well-founded and that together we will impact the logistics industry. I would like to assure you that all our efforts will be directed towards strong growth in the future.

I take this opportunity to 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. I also thank my colleagues on the Board, whose support and leadership has been invaluable. Employees are the backbone of any organization. It is their unstinted effort and co-operation that has helped Shreyas reach here.

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/counsels.

Mumbai
25th May, 2011

S. Ramakrishnan
Chairman & Managing Director



SHREYAS
 SHIPPING & LOGISTICS LTD

23rd ANNUAL REPORT 2010-2011

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NOTICE

NOTICE is hereby given that the Twenty third Annual General Meeting of the Members of Shreyas Shipping & Logistics Limited will be held on Wednesday, 17th of August, 2011 at 11.00 a.m. at Sivaswamy Auditorium of Fine Arts Cultural Centre, 61 / 21 R. C. Marg, Opp. Vijaya Bank, Chembur, Murnbai - 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 31st March, 2011 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of interim dividend on Preference Shares and Equity Shares.
3. To declare a dividend on Equity Shares.
4. To appoint a Director in place of Mr. S. Mahesh, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Amitabha Ghosh, 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. Mannil Venugopalan, who was appointed by the Board of Directors by Circular Resolution on 3rd September, 2010 as an Additional Director with effect from 3rd September, 2010 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 in suppression of special resolution passed at 22nd Annual General Meeting of the Company and subject to the provisions of sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and / or the guidelines for Managerial Remuneration issued by the Central Government from time to time, the Board of Directors hereby approve the remuneration package as set out below for Mr. V. Ramnarayan; Executive Director, with effect from 1st April, 2011 with a liberty to the Board to vary the remuneration package as may be agreed between the Board and Mr. V. Ramnarayan, Executive Director:

(a) Salary:

Consolidated salary upto limit of ₹40,00,000/- (Rupees Forty Lacs only) per annum including Company's contribution to Provident Fund, Gratuity, Exgratia, Leave travel allowance and all other allowances with authority to the Board to fix his salary within the above limit from time to time, increasing thereby proportionately, all benefits related to the quantum of salary.

(b) Other benefits / perquisites:

1. Provision of transportation /conveyance facilities.
2. Provision of telecommunication facilities.
3. Leave encashment as per rules of the Company.
4. Reimbursement of medical expenses incurred for himself and his family as per rules of the Company.
5. Reimbursement of entertainment and other expenses actually and properly incurred for the business of the Company as well as other expenses incurred in the performance of duties on behalf of the Company.
6. Personal accident / Mediclaim insurance.

(c) Sitting fees:

Mr. V. Ramnarayan shall not be entitled to any sitting fees.

The aggregate remuneration payable to Mr. V. Ramnarayan, shall be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provisions of the Companies Act, 1956, re-enactments thereof, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary the terms and conditions of appointment including determination of remuneration payable to Mr. V. Ramnarayan, Executive Director in such manner as the Board in its absolute discretion deems fit, provided that the remuneration payable to Mr. V. Ramnarayan shall not exceed the maximum limits for payment of Managerial Remuneration specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be made from time to time.

RESOLVED FURTHER THAT the Board of Directors and / or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

25th May, 2011

Registered Office:

4th Floor, Himalayas,
Geetmala Complex
Near Shah Industrial Estate,
Govandi East, Mumbai 400 088

By Order of the Board of Directors

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 10th August, 2011 to 17th August, 2011, 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 22nd August, 2011 to Members holding shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on 17th August, 2011. 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 17th August, 2011 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 National Electronic Clearing Service (NECS), 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 National Electronic Clearing Service (NECS) facility are requested to submit the NECS mandate in the prescribed form to the Registrar and Share Transfer Agent on or before 9th August, 2011. The said form can be obtained from the Company's Registrar and Share Transfer Agent - M/s. Link Intime Private Limited or downloaded from the website of the Company at 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 National Electronic Clearing Service (NECS) 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. Link Intime Private Limited; C-13, Pannalal Silk Mills Compound, L. B. V 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 31st March, 2002 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 31st March, 1996 and 31st March, 1997 and period ended 30th September, 1998, year ended 31st March, 1999, 31st March, 2001 and 31st March, 2002 has been transferred to the said Fund.

Unclaimed dividend for the financial year ended 31st March, 2004 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 31st March, 2004, 31st March, 2005 (interim and final dividend), 31st March, 2006 (interim and final dividend), 31st March, 2007 (interim dividend), 31st March, 2008, 31st March, 2011 (interim) 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. Link Intime Private Limited. Blank forms will be supplied by M/s. Link Intime India Private Limited on request. Form No.2B can also be downloaded from the website of the Company at 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.

25th May, 2011

Registered Office:

4th Floor, Himalayas,
Geetmala Complex,
Near Shah Industrial Estate,
Govandi (E), Mumbai 400 088

By Order of the Board of Directors

Namrata Malushte
Company Secretary

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

Item No. 7

Mr. Mannil Venugopalan was appointed as an Additional Director of the Company with effect from 3rd September, 2010 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. Mannil Venugopalan as a Director of the Company.

Mr. Mannil Venugopalan is the former Managing Director and Chief Executive Officer of the Federal Bank (May 2005 till July 2010). He was also the Chairman & Managing Director of Bank of India since August, 2003 till April, 2005. He has career record spanning four and a half decades in the banking sector and has touched diverse geographies in leadership capacities in India and abroad. He started his career as a Probationary Officer with Bank of India in 1966 and within a stint for 3 years in between with Union Bank of India as Executive Director rose to the position of the Chairman and Managing Director of Bank of India.

His tenure at Federal Bank for half decade is memorable for the transformational initiatives that he launched in the Bank and today is one of the best banks in the country in efficiency parameters and in coping with the inevitable process of adapting to the rapidly changing business environment.

Mr. Venugopalan 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. Mannil Venugopalan, are interested in the Resolution.

Item No. 8

Mr. V. Ramnarayan is a promoter Director of the Company. He was appointed as an Executive Director of the Company for period of five years w.e.f. 13th January, 2009 by the Board of Directors vide circular resolution dated 13th January, 2009 and the same was confirmed by shareholders at 21st Annual General Meeting of the Company. Mr. V. Ramnarayan is 61 years of age. He is a graduate in Science from University of Mumbai with Post Graduate Diploma in Business Management. He has over 30 years of experience in the container shipping industry. He has to his credit the handling experience of the first container service which commenced from India. His experience covers all aspects of shipping.

Remuneration payable to Mr. V. Ramnarayan, Executive Director:

(a) Salary:

Consolidated salary upto ₹40,00,000/- (Rupees Forty Lacs only) per annum including Company's contribution to Provident Fund, Gratuity, Exgratia, Leave travel allowance and all other allowances with authority to the Board to fix his salary within the above limit from time to time, increasing thereby proportionately, all benefits related to the quantum of salary.

(b) Other benefits / perquisites:

1. Provision of transportation / conveyance facilities.
2. Provision of telecommunication facilities.
3. Leave encashment as per rules of the Company.
4. Reimbursement of medical expenses incurred for himself and his family as per rules of the Company.
5. Reimbursement of entertainment and other expenses actually and properly incurred for the business of the Company as well as other expenses incurred in the performance of duties on behalf of the Company.
6. Personal accident / Mediciclaim insurance.

(c) Sitting fees:

Mr. V. Ramnarayan shall not be entitled to any sitting fees.

The aggregate remuneration payable to Mr. V. Ramnarayan, shall be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provisions of the Companies Act, 1956, re-enactments thereof, for the time being in force.

The payment of remuneration as above of Mr. V. Ramnarayan as Executive Director of the Company was approved and recommended by the Remuneration Committee.

Mr. V. Ramnarayan hold 1,09,375 equity shares of the Company as on date.

Approval of the Members under section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956, is required for appointment and payment of remuneration. Hence Board commends this resolution for your approval.

None of the Directors other than Mr. V. Ramnarayan is interested in the Resolution.

25th May, 2011

Registered Office:

4th Floor, Himalayas,
Geetmala Complex,
Near Shah Industrial Estate,
Govandi (E), Mumbai 400 088

By Order of the Board of Directors

Namrata Malushte
Company Secretary