



**SHREYAS**

SHIPPING & LOGISTICS LTD

# 24<sup>th</sup> ANNUAL REPORT 2011-2012



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



**Ritesh Ramakrishnan**  
Director



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



**S. Ragothaman**  
Director



**Mannil Venugopalan**  
Director



**Amitabha Ghosh**  
Director



**D. T. Joseph**  
Director



### Management Team

- Mr. V. Ramnarayan** - Executive Director  
**Mr. Vinay Kshirsagar** - Chief Financial Officer  
**Capt. V. K. Singh** - Chief Executive Officer  
**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

Lovi Mehrotra & Associates, Chartered Accountants

### Registered office

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

### Administrative office

2<sup>nd</sup> 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,

I am pleased to inform you that the performance of your Company has been encouraging during the current year. Overall the Indian container throughput has been on a northward journey despite the overall sluggishness in the global container shipping industry. In fact the year ahead will also bring testing times for the global shipping industry but the Indian container industry has a relatively stable outlook and this is depicted from the statistics herein. As per the data released by Indian Ports Association, the country's 13 state-owned gateway ports handled 7.77 millions teus in 2011-12, compared with 7.54 millions teus the previous year. Containerized tonnage rose 5.36 percent to 120 million tons from 114 million tons. The statistics reveal that container throughput at India's major ports grew 3 percent year-over-year in fiscal 2011-12.

The Company during the current year, has added capacity by acquiring container vessels on time charter. This has resulted in increase in the revenues from ` 126.87 crores in previous year 2010-2011 to ` 167.69 crores in the year 2011-2012. In the previous year 2010-11, the expenditure on fuel oil constituted 36% of the revenue. However during the current year, this has increased to 44%. Thus the EBITDA has been impacted by 8%. The Company was able to successfully pass on some expenses to the customers and also had better utilization of tonnage. Therefore the Company has been able to post a Profit After Tax of ` 5.38 crores and cash profit of ` 16.98 crores.

The Company operated on the Indian coast as well as Karachi and Colombo which ensured stable and steady earnings that are not influenced by international markets. During the year, the Company shall be undertaking refurbishment of two of its vessels for enhancing the qualitative life of the vessel. The Company shall also be evaluating options for adding tonnage to its existing fleet. This will facilitate to rationalize its fleet as well as expand in other areas on the Indian coast.

During the current year, the Company has through its wholly owned subsidiary, Shreyas Relay Systems Limited (hereinafter referred as "SRS") ventured into new verticals in the logistics space which has augmented the top line. With the support from its clientele, SRS has now gained impetus in becoming the Lead Logistics Provider.

SRS is now adding branches and satellite branches at various locations within India to establish a strong set up. It has also hired adequate manpower in view of its expansion plans in the logistics space including road, rail transportation and freight forwarding. The turnover of SRS increased by more than 50 % over the previous year from ` 113.31 crores in year 2010-2011 to ` 172.18 crores in the year 2011-2012. However given the gestation period, SRS has been able to post a Net Profit of ` 2.19 crores.

At a consolidated level, the Company has been able to achieve a top line growth of 42% from ` 190.38 crores in the year 2010-2011 to ` 270.77 crores in the year 2011-2012. The Company posted a Net Profit of ` 5.62 crores.

I would like to express my gratitude for your continual support which gives us the confidence to rise to greater heights. I would also like to assure you that all our efforts will be directed towards strong growth in the future. I look forward to your patronage as always.

I take this opportunity to thank our shareholders and business partners for the trust they have placed in us and 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. I also thank our employees who are the backbone of our organization and immensely value their unstinted effort and co-operation.

I also take this opportunity to recognise the support of our customers, suppliers, all regulatory and statutory authorities, our bankers, auditors, consultants, other business associates and legal advisors/counsels.

Mumbai  
30<sup>th</sup> May, 2012

S. Ramakrishnan  
Chairman & Managing Director





## 24th ANNUAL REPORT 2011-2012

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## NOTICE

NOTICE is hereby given that the Twenty fourth Annual General Meeting of the Members of *Shreyas Shipping & Logistics Limited* will be held on Saturday, the 21<sup>st</sup> day of July, 2012 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, 2012 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.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Mr. Daniel Traveilyn Joseph, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Capt. Panthaloore Puthenveetil Radhakrishnan, 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. Ritesh Ramakrishnan, who was appointed by the Board of Directors at its meeting held on 30<sup>th</sup> May, 2012 as an Additional Director with effect from 30<sup>th</sup> May, 2012 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 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, if any, and further subject to the approval of the Central Government, if applicable, the remuneration of ₹ 73,44,800/- (Rupees Seventy Three Lacs Forty Four 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, 2011 to 31<sup>st</sup> March, 2012 being in excess of the limits specified in Schedule XIII be and is hereby ratified and approved."

30<sup>th</sup> May, 2012  
Registered Office:  
4<sup>th</sup> 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 14<sup>th</sup> July, 2012 to 21<sup>st</sup> July, 2012, 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 25<sup>th</sup> July, 2012 to Members holding shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on 21<sup>st</sup> July, 2012. 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 21<sup>st</sup> July, 2012 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 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 13<sup>th</sup> July, 2012. 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](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 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. 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, year ended 31<sup>st</sup> March, 1999, 31<sup>st</sup> March, 2001, 31<sup>st</sup> March, 2002, 31<sup>st</sup> March, 2004 and 31<sup>st</sup> March, 2005 (interim) has been transferred to the said Fund.

Unclaimed dividend for the financial year ended 31<sup>st</sup> March, 2005 (final) 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, 2005 (final dividend), 31<sup>st</sup> March, 2006 (interim and final dividend), 31<sup>st</sup> March, 2007 (interim dividend), 31<sup>st</sup> March, 2008, 31<sup>st</sup> March, 2011 (interim and final) 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 Private 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> May, 2012  
Registered Office:  
4<sup>th</sup> Floor, Himalayas,  
Geetmala Complex  
Near Shah Industrial Estate,  
Govandi East, 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. Ritesh Ramakrishnan was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> May, 2012 by the Board of Directors at its meeting held 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. Ritesh Ramakrishnan as a Director of the Company.

Mr. Ritesh has graduated from Purdue University with a BSC in Logistics and a double minor in communication and finance in the year 2009. After successfully working as an understudy in the various group companies of Transworld, Mr. Ritesh joined the group full time in January 2010. Thereafter, Mr. Ritesh has been involved in all aspects of the functioning of Transworld overseeing the financial, commercial, operational and administrative departments.

Mr. Ritesh Ramakrishnan holds 1,68,375 Equity shares in the Company as on date.

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

None of the Directors other than Mr. S. Ramakrishnan, Mr. S. Mahesh and Mr. Ritesh Ramakrishnan are interested in the Resolution.

### Item No. 8

At the Annual General Meeting held on 25<sup>th</sup> September, 2009, 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 year, 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 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 51 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, 2011 was ` 68,84,400 /-. This figure does not include Company's contribution to the Gratuity fund.

##### (3) Recognition or Awards:

Mr. S. Ramakrishnan has been bestowed with the *Maritime Personality of the Year Award* for the year 2011-12 at Maritime And Logistics Awards (MALA).

Shreyas Shipping & Logistics Limited has been honoured with the *Shipping Line of the Year* for the year 2011-12 at Maritime And Logistics Awards (MALA). The Company has been able to achieve this success under the able guidance of Mr. S. Ramakrishnan.

(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 ` 73,44,800/- has been paid to Mr. S. Ramakrishnan during the financial year ended 31<sup>st</sup> March, 2012. A remuneration of ` 25,44,800/- 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 business. 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 Shri R. Sivaswamy, father of Mr. S. Ramakrishnan. He holds 1,08,375 shares in the Company. Mr. S. Mahesh, brother and Mr. Ritesh Ramakrishnan, son of Mr. S. Ramakrishnan are the members of the Board of Directors of the Company.

III Other Information:

(1) Reasons for loss or inadequate profit:

During the second and the third quarter, the bunker prices have increased substantially. Bunker is the fuel that is used in the ship. This increase in the fuel was beyond the control of the management. The Company was forced to continue with the existing freight rates due to its commitment to the customers. This has resulted in the reduction in the operating profit margins and has thus impacted the performance of the second and third quarter significantly.

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

During the fourth quarter, the Company has renewed its freight agreements with its customers. Accordingly, the freight escalation was linked with the increase in fuel prices. With this, the Company was able to pass on the burden of increase in fuel oil to the customers. This is demonstrated by the financial performance of the fourth quarter. In fact, the performance of this quarter was the best performance as compared to the earlier quarters. It may be noteworthy that the Company has posted profits for the current financial year against the losses posted by various other shipping companies. This has been possible due to the leadership skills and the timely decisions of the Chairman & Managing Director.

(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	50,40,000
Special Allowance	12,00,000
Contribution to PF	6,04,800
L. T. A	5,00,000
Total Remuneration	73,44,800

2. Other disclosures:

- All elements or remuneration package such as salary, benefits, bonus, 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. The Company does not pay performance linked incentive.
- Service contract: Mr. S. Ramakrishnan is appointed for a period of 5 years from 1<sup>st</sup> April, 2009.

- iv. Notice Period: Not Applicable
- v. Severance fees: NIL
- vi. Stock options: NIL. The Company does not have a system of stock options.

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

30<sup>th</sup> May, 2012  
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By Order of the Board of Directors

Namrata Malushte  
Company Secretary