

## Quarterly compliance report on Corporate Governance

Name of the company: **Shreyas Shipping & Logistics Limited**  
 Quarter ending on: **30<sup>th</sup> June, 2009**

Particulars	Clause Listing Agreement	of Compliance Status (Yes / No)	Remarks
<b>I. Board of Directors</b>	49 (I)		
(A) Composition of Board	49 (IA)	Yes	Annexure 1
(B) Non executive Directors' compensation & disclosures	49 (IB)	Yes	Annexure 2
(C) Other Provisions as to Board and Committees	49 (IC)	Yes	Annexure 3
(D) Code of Conduct	49 (ID)	Yes	Annexure 4
<b>II. Audit Committee</b>	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	Annexure 5
(B) Meeting of Audit Committee	49 (IIB)	Yes	Annexure 6
(C) Powers of Audit Committee	49 (IIC)	Yes	Annexure 7
(D) Role of Audit Committee	49 (IID)	Yes	Annexure 8
(E) Review of Information by Audit Committee	49 (IIE)	Yes	Annexure 9
<b>III. Subsidiary Companies</b>	49(III)	Yes	Annexure 10
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of related party transactions	49 (IVA)	Yes	Annexure 11
(B) Disclosure of accounting treatment	49 (IVB)	N.A	--
(C) Board Disclosures –Risk Management	49 (IVC)	Yes	Annexure 12
(D) Proceeds from public issues, rights issue, preferential issues etc	49 (IVD)	N.A	--
(E) Remuneration of Directors	49 (IVE)	Yes	Annexure 13
(F) Management	49 (IVF)	Yes	Annexure 14
(G) Shareholders	49 (IVG)	Yes	Annexure 15
<b>V. CEO / CFO certification</b>	49(V)	Yes	Annexure 16
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	Annexure 17
<b>VII. Compliance</b>	49 (VII)	Yes	Annexure 18

## **Annexure 1**

### **Composition of Board**

As on 30<sup>th</sup> June, 2009 the Company has total 10 Directors out of which 8 Directors are Non- Executive Directors and 2 are Executive Directors. The Company has an Executive Chairman and the Board includes 6 Independent Directors i.e., Mr. K. P. Medhekar, Capt. P. P. Radhakrishnan, Mr. S. Ragothaman, Mr. Amitabha Ghosh, Mr. Bherulal Choudhary and Mr. D.T. Joseph.

## **Annexure 2**

### **Non executive Directors' compensation & disclosures**

Presently, the Directors of the Company who are not in whole-time employment of the Company are compensated only by way of sitting fees for attending the meetings of the Board and its Committees. As a matter of abundant caution, resolution for specific approval of the Members for sitting fees payable to the Non-Executive Director has been passed by the members at the Annual General Meeting held as on 21<sup>st</sup> July, 2005.

The Company does not have a scheme of stock options for its Directors.

## **Annexure 3**

### **Other Provisions as to Board and Committees**

The last meeting of the Board of Directors was held on 17<sup>th</sup> June, 2009. The gap between any two Board meetings held during 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009 did not exceed four months. The information as specified in Annexure 1A to Clause 49, is made available to the Board whenever applicable and materially significant.

None of the Directors of the Company hold the position of a member in more than 10 committees or act as a Chairman of more than 5 committees across all companies in which they are Directors. Every Director informs the Company about the Committee positions he occupies in other companies on a yearly basis and notifies changes therein, as and when they take place.

Compliance report on all Laws applicable to the Company including steps taken to rectify non-compliances, if any, is circulated to the Board as a part of the Agenda papers and the same is reviewed by the Board.

#### **Annexure 4**

##### **Code of conduct**

The Board of Directors has laid down a Code of Business Conduct and Ethics (the “Code”) for all Board members and senior management personnel. The Code is posted on the website of the Company, i.e., [www.shreyas.co.in](http://www.shreyas.co.in).

The next Annual report of the Company shall contain a declaration signed by the Chief Executive Officer (CEO) to the effect that the Board members and Senior management personnel have complied with the Code.

#### **Annexure 5**

##### **Qualified and Independent Audit Committee**

The Board has constituted an Audit Committee. The composition of the Audit Committee as on 30<sup>th</sup> June, 2009 is as follows:

<b>Name</b>	<b>Position held</b>	<b>Category</b>	<b>Financial literacy / expertise</b>
Mr. Amitabha Ghosh	Chairman	Non-Executive Independent Director	and Financially literate Possesses accounting and financial management expertise
Mr. K. P. Medhekar	Member	Non-Executive Independent Director	and Financially literate
Capt. P. P. Radhakrishnan	Member	Non-Executive Independent Director	and Financially literate
Mr. S. Ragothaman	Member	Non-Executive Independent Director	and Financially literate Possesses accounting and financial management expertise
Ms. Namrata Malushte	Secretary	Company Secretary	N.A.

As evidenced by the above table, the composition of the Audit Committee is in line with Clause 49(IIA).

The Chairman of the Audit Committee was not present at the Annual General Meeting held on 27<sup>th</sup> September, 2008 due to unavoidable personal reason. His leave of absence has been granted by the members/shareholders present at the meeting.

The Chief Financial Officer of the Company, representative of the statutory auditors and representative of the internal auditors are permanent invitees to the Audit committee meetings.

The Company Secretary acts as the Secretary to the Committee.

## **Annexure 6**

### **Meeting of Audit Committee**

The last meeting of the Audit Committee was held on 17<sup>th</sup> June, 2009 with proper quorum.

During the year 2008-2009, four meetings of the Audit Committee were held. The gap between any two Audit Committee meetings did not exceed four months.

## **Annexure 7**

### **Powers of Audit Committee**

The powers of the Audit Committee are as mentioned in Clause 49(IIC) of the Listing agreement and Section 292A of the Companies Act, 1956.

## **Annexure 8**

### **Role of Audit Committee**

The role of the Audit Committee is as mentioned in Clause 49(IID) of the Listing agreement and Section 292A of the Companies Act, 1956.

## **Annexure 9**

### **Review of Information by Audit Committee**

The Audit Committee reviews, besides other items, the Management discussion and analysis report, report on significant related party transactions, letters of internal controls issued by the statutory auditors, Internal audit reports and the appointment and terms of remuneration of Internal auditor as required by Clause 49(IIE) of the Listing agreement. It is vested with necessary powers, as defined in its Charter, to achieve its objectives.

## **Annexure 10**

### **Subsidiary companies**

The Company has a wholly owned subsidiary by the name Shreyas Relay Systems Ltd. The Audit Committee of the Company reviews the financial statements, including investments made by the unlisted subsidiary company. The minutes of the Board meetings of the subsidiary are placed at the Board meeting of the Company. The management will bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company, if any.

Mr. Amitabha Ghosh, an independent director of the Company has been appointed as a nominee of the Company on the Board of the wholly owned subsidiary Shreyas Relay Systems Limited.

The Company also has a subsidiary company by the name Haytrans (India) Limited. The Audit Committee of the Company reviews the financial statements, including investments made by the unlisted subsidiary company. The minutes of the Board meetings of the subsidiary are placed at the Board meeting of the Company. The management will bring to the attention of the Board of Directors of the Company, a

statement of all significant transactions and arrangements entered into by the unlisted subsidiary company, if any.

Capt. P. P. Radhakrishnan, an independent director of the Company has been appointed as a nominee of the Company on the Board of the subsidiary Haytrans (India) Limited.

#### **Annexure 11**

##### **Basis of Related Party Transactions**

A statement in summary form of transactions with the related parties in the ordinary course of business will be placed periodically before the Audit Committee. During the quarter under review, there were no material individual transactions with related parties that were not in normal course of business / not at arm's length.

#### **Annexure 12**

##### **Board Disclosures - Risk Management**

In continuation of the practice of keeping the Board of Directors informed about the potential risks of running the business and the Company's processes for risk mitigation and control, Risk Management Report is circulated to all Board members identifying the risks to which the Company is subject and minimisation procedures for the same. These procedures are periodically reviewed to ensure that the Executive management controls risk through means of properly defined framework.

The Management has constituted a Risk Management Committee which meets periodically to identify the risks and devise suitable measures for mitigation thereof. The Minutes of the meeting of the Risk Management Committee are placed before the Board of Directors and the Audit Committee for its information.

#### **Annexure 13**

##### **Remuneration of Directors**

All pecuniary relationships or transactions of the Non-executive Directors vis-à-vis the Company, if any, will be disclosed in the Annual report for the year ended 31<sup>st</sup> March, 2009.

Detailed disclosure on the remuneration of Directors, Remuneration policy of the Company and shareholding of Non-executive Directors in the Company shall be made in the section on Corporate Governance forming part of the Annual report of the Company for the year ended 31<sup>st</sup> March, 2009.

Details of shareholding of Non-executive Director being appointed shall be disclosed in the Notice of the general meeting called for appointment of such director.

## **Annexure 14 Management**

A detailed review of the operations, performance and future outlook of the Company and its business shall be included in the Management Discussion and Analysis forms part of the forthcoming Annual Report.

During the quarter ended 30<sup>th</sup> June, 2009, there were no financial and commercial transactions in which Senior Management personnel had personal interest that may have a potential conflict with the interest of the Company at large.

## **Annexure 15 Shareholders**

In case of the appointment of a new Director or re-appointment of a Director, the Shareholders are provided with particulars such as qualifications, experience, shareholding, etc. of the Director.

The financial results of the Company are being published in leading newspapers such as the The Free Press Journal and Navashkti to provide easier accessibility to the Shareholders and are also displayed on the Company's website [www.shreyas.co.in](http://www.shreyas.co.in). In compliance with Clause 51 of the Listing agreement with the Stock Exchanges, the Company is posting the required statements or documents on the Electronic Data Information Filing and Retrieval 'EDIFAR' website maintained by NIC.

Official press releases and presentations as and when made to the media and Analysts are made available on the Company's website [www.shreyas.co.in](http://www.shreyas.co.in).

The Board has constituted Shareholders' / Investor Grievance Committee under the Chairmanship of Mr. K. P. Medhekar, Non-executive Director to look into the redressal of shareholders complaints. Mr. V. Ramnarayan, Director is also a member of this Committee. Ms. Namrata Malushte, Company Secretary acts as Secretary to the Committee. The Committee looks into the redressal of shareholder and investor complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.

The Company has delegated the power of share transfer to its Registrar and share transfer agent M/s. Link Intime India Private Limited who attends to the share transfer formalities at least once in a fortnight.

## **Annexure 16 CEO / CFO certification**

Requisite Certificate from the CEO and CFO shall form part of the forthcoming Annual Report of the Company.

**Annexure 17**  
**Report on Corporate Governance**

Report on Corporate Governance containing details as required by Annexure –1C to Clause 49 forms part of the forthcoming Annual Report of the Company.

Quarterly Compliance Report on Corporate Governance in the prescribed format is being sent to the Stock Exchanges within 15 days of the close of each quarter.

**Annexure 18**  
**Compliance**

Certificate from the Statutory auditors regarding compliance of conditions of corporate governance as stipulated by Clause 49 forms part of the forthcoming Annual Report of the Company which shall be sent to the Stock Exchanges.

Disclosure on compliance / non-compliance with the mandatory requirements of Clause 49 and adoption / non-adoption of the non-mandatory requirements contained therein forms part of the Corporate Governance Report in the forthcoming Annual Report of the Company.

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