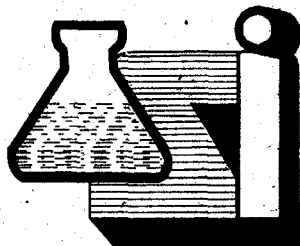


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ANNUAL REPORT
2006 - 2007**

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SHREYAS INTERMEDIATES LTD.



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BOARD OF DIRECTORS

Shri Dinesh Sharma	Chairman
Shri Bramhanand Dabas	Director
Prof. (Smt.) Neelam Arora	Director
Shri N. M. S. Sayyad	Wholetime Director

REGISTERED OFFICE

122- 125 Solaris - II Opp. L & T Gate No. 6,
Sakivihar Road, Powai, Andheri (E),
Mumbai - 400 072.

STATUTORY AUDITORS

M/s Sayeed Kan & Associates
Chartered Accountants

BANKERS

Bank of Baroda
State Bank of India

FACTORY

D - 21, 22, 23, M. I. D. C.
Lote Parshuram, Taluka Khed,
Dist. - Ratnagiri,
Maharashtra.

REGISTRARS & SHARE TRANSFER AGENTS

M/s. System Support Service,
209, Shivai Indl. Estate,
Near Parke Devis,
Andheri Kurla Road,
Sakinaka, Mumbai - 400 072.

18 th ANNUAL GENERAL MEETING

Date : 14th March, 2008

Day : Friday

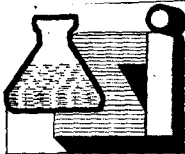
Time : 11.30 a.m.

Place : 122- 125 Solaris-II Opp. L& T
Gate No. 6, Sakivihar Road Powai,
Andheri (E), Mumbai - 400 072.

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SHREYAS INTERMEDIATES LTD.

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Share Holders of SHREYAS INTERMEDIATES LIMITED will be held at registered office at Flat Nos. 122-125, Solaris II, Saki Vihar Road, Opp. L & T Gate No. 6, Andheri (East), Mumbai - 400 072, on Friday, the 14th March, 2008 at 11:30 AM to transact the following business :

A) ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and the audited Balance Sheet as at 30th September 2007 and the audited Profit and Loss Account for the period ended on that date.
2. To appoint a Director in place of Mr. Dinesh Sharma who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Statutory Auditors and to fix their remuneration.

B) SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification, the following resolutions:-

4. AS AN ORDINARY RESOLUTION :-

"RESOLVED THAT pursuant to Sections 198, 269 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII to the Act, Mr. N.M. Sayyad be and is hereby appointed as the Wholetime Director of the Company for a period of 5 years with effect from 1.10.2007 to 30.9.2012, in accordance with the Company's Articles of Association, and that the following remuneration consisting of monthly salary and perquisites be paid to him for a period of 5 years effective from 1.10.2007 to 30.9.2012, as follows :-

- a) Salary of Rs.35,000/- per month in the scale of Rs. 35,000/- - 5,000/- - 1,00,000/-, with annual increments of Rs. 5,000/- per year, the first of such increments falling due on 1.10.2008;
- b) House Rent Allowance / Company leased / owned accommodation at the rate not exceeding 60% of the salary per month;
- c) Reimbursement of medical expenses of an amount not exceeding Rs. 40,000/- per annum;
- d) Leave travel assistance once a year of an amount not exceeding Rs.20,000/- per annum, the first of which shall be due and payable after the first completed year of service;
- e) Company's contributions to Provident Fund and Superannuation Fund not exceeding 25% of his salary;
- f) Gratuity @ 15 days salary for every completed year of service; and
- g) Leave of 30 days for every 11 months of service and encashment of unavailed leave at the end of the tenure.

RESOLVED FURTHER THAT the remuneration payable to Mr. Sayyad shall be limited to Rs. 9,00,000/- per annum or Rs. 75,000/- per month and that the said remuneration shall be the minimum remuneration payable to Mr. Sayyad in the event of the Company having inadequate profits or loss in any year.

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorized to vary the terms of appointment including the remuneration as the Board may deem fit."

5. AS A SPECIAL RESOLUTION :-

" RESOLVED THAT in accordance with and subject to the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 and/or Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended, the Foreign Exchange (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and other applicable Rules, Regulations, Notifications, Circulars, Schemes, and Guidelines if any, of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Stock Exchanges where the securities of the Company are listed (including provisions of the listing agreement with them), and other concerned and relevant authorities, and other applicable laws, if any, and the relevant provisions of the Memorandum and Articles of Association of the Company; and subject to such approvals, consents, permissions, or sanctions of the Government of India (GOI), RBI, SEBI and any other Indian/Overseas appropriate authorities, institutions or bodies as may be necessary and subject to such terms, conditions, stipulations, alterations, amendments, modifications, or variations as may be prescribed by any of them in granting any such approvals, consents, permissions, or sanctions; and which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors for the time being authorized by the Board of Directors to exercise the powers conferred on the Board by this resolution), consent of the members of the company be and is hereby accorded to the Board to create, offer, issue and allot on behalf of the Company, in one or more tranches of public or private offerings in international markets, through prospectus and/or offer letter or other permissible/requisite offer document, Foreign Currency Convertible Bonds (FCCBs) and/or Global Depository Receipts (GDRs) and/or American Depository Receipts



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(ADRs) convertible into Equity Shares at the option of the Company and/or holders of the Security subscribed to in Foreign Currency(ies), by Non Resident Investors and/ or to create, place and allot on behalf of the Company, in one or more tranches of private placement in domestic markets, on the basis of a placement document, Equity Shares/ fully convertible debentures (FCDs) / partly convertible debentures (PCDs) or any securities other than warrants, which are convertible into or exchangeable with Equity Shares at a later date, subscribed to in Rupees by Qualified Institutional Buyers pursuant to and in accordance with Chapter 13A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended, (hereinafter collectively referred to as the "Securities") whether secured by way of creating charge on the assets of the company or unsecured as may be decided by the Board ; whether or not such Non Resident Investors or Qualified Institutional Buyers are members of the Company; up to an aggregate amount not exceeding [US\$ 30 Million (United States Dollars Thirty Million Only)] or equivalent amount in Indian or any other currency as the case may be, and such offer, issue and allotment to be made; at such time or times, in Indian Rupees or any convertible foreign exchange or other currencies as may be permissible and/or required, at such price or prices, at a discount, par or premium to market price, in such form and manner, including through book building process, and on such other terms and conditions, as may be decided in consultation with the Lead Manager and Underwriter, and deemed appropriate by the Board at the time of such offer, issue and allotment, subject however, to the applicable guidelines, rules, regulations, notifications, circulars and applicable statutory provisions.

RESOLVED FURTHER THAT the Board be and is hereby authorized to create, issue and allot from time to time, such number of equity shares/securities as may be required to be issued and allotted upon conversion or issue of any Securities referred above or as may be necessary in accordance with the terms of the offering(s) at such price (including premium) that may be decided by the Board in its absolute discretion, as may be necessary in accordance with the terms of the offering of any of the aforesaid securities, including additional equity shares or securities, provided that the price of the resultant shares in relation to the placing and allotment of Equity Shares/ fully convertible debentures (FCDs) / partly convertible debentures (PCDs) or any securities other than warrants, which are convertible into or exchangeable with Equity Shares to Qualified Institutional Buyers shall be determined with reference to 13th February, 2008, being the relevant date in accordance with Chapter 13A of the SEBI DIP Guidelines, all such shares/securities ranking pari-passu in all respects, with the then existing respective fully paid up shares/securities, as the case may be, of the Company, but shall be subject to such lock-in requirements, if any, as may be prescribed by appropriate authorities under applicable laws, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of securities or instruments or equity shares or securities representing the same, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including but without limitation, determining the type, form and manner of the issue/securities, the class of eligible investors to whom the securities are to be offered, issued and allotted in each tranche, issue price, face value, premium/discount amount on issue/conversion of securities /redemption of securities, rate of interest, conversion or redemption period, appointment of Managers, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Consultants, Depositories, Custodians, Registrars, Trustees, Bankers, and all other agencies or intermediaries, whether in India or abroad, and to remunerate them by way of commission, brokerage, fees or the like, entering into or execution of all such agreements/ arrangement/Memorandum of Understandings/ documents with any authorities/agencies, listing of the shares/securities (including the resultant equity shares to be issued as per the terms of the issue of the said securities) on any Indian and/ or Foreign Stock Exchange(s), as the Board may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties, doubts or problems that may arise in regard to the offer, issue, or allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of Directors or Managing Directors or any Director or Directors or other officer of the Company, or to any intermediary or agent of the Company, or to such other persons(s) as the Board may think fit and necessary at its absolute discretion."

6. AS A SPECIAL RESOLUTION :-

"RESOLVED THAT subject to approval of Central Government, Reserve Bank of India and other statutory regulatory bodies if required, consent of the Company be and is hereby accorded for investment by Foreign Institutional Investors, in the equity share capital of the company, either by direct investment or by purchase or otherwise by acquiring from the market under portfolio investment scheme on repatriation basis (including by way of subscription to or acquisition of GDRs) subject to the condition that such investment together with their existing holdings shall not exceed in aggregate of 74% of the paid up equity capital of the company or such other limits as may be prescribed from time to time by the Central



SHREYAS INTERMEDIATES LTD.

Government and/or Reserve Bank of India or any other related authority."

7. AS AN ORDINARY RESOLUTION :-

"RESOLVED THAT pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the company to borrow from time to time any sum(s) of money which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not, at any time, exceed the limit of Rs. 1,000 Crores (Rupees One Thousand Crores)."

By Order of the Board
for SHREYAS INTERMEDIATES LTD.

Mumbai
Date : 5th February, 2008

DINESH SHARMA
CHAIRMAN

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form to be effective, must be duly executed and signed and must be lodged at the company's registered office at least 48 hours before the time of the meeting.
2. The Register of Members and the Share Transfer Books of the Company were closed from Wednesday, the 5th March, 2008 to Friday, 14th March, 2008 (both days inclusive).
3. All matters in connection with the Shares of the Company may be addressed to the Company's Registrars & Transfer Agents viz. M/s. System Support Services, 209, Shivali Industrial Estate, Near Parke Davis, Andheri - Kurla Road, Andheri (East), Mumbai 400 072. Members are requested to quote their respective folio numbers / D.P / I.D. numbers and also notify the change of address, if any, to the Company's Registrars & Transfer Agents.
4. Shareholders desiring information as regards the accounts are requested to write to the Company at least 10 days before the Annual General Meeting to enable the Management to keep the information ready.
5. **ADDITIONAL INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT :**
'Mr. Dinesh Sharma is a B.Com, FCA, aged 50 years, and is the Chairman and Director of the Company since the last 5 years. He is one of the Promoters of the Company and has a vast and varied experience in the fields of finance and chemical intermediates; he is a Director of Kesar Petroproducts Limited since January, 2008. Mr. Dinesh Sharma is not a partner of any firm.'

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS

ITEM NO. 4

The following additional information, given in accordance with the amended Schedule XIII to the Companies Act, 1956, enables the Shareholders to consider the resolution on merits and decide accordingly at the Annual General Meeting -

1. **GENERAL INFORMATION:** The Company is in the business of manufacture, sale, marketing, distribution and export of pigmentary chemicals such as CPC Green, CPC Blue and CPC crude. The Company is in the process of finalizing joint ventures with local corporates / parties overseas for setting up manufacturing facilities and negotiations / discussions are in an advanced stage. The Company's debt is within the acceptable and permissible limits and the utilization of financial and manpower resources are optimum and production / productive oriented resulting in favorable asset utilization.
2. **INFORMATION ABOUT MR. N.M. SAYYAD :**
Mr. N.M. Sayyad is the Wholetime Director, is 42 years old and has extensive exposure and well rounded experience in the chemical industry. He has been and continues to oversee and manage all the activities in the Company's factories at Lote Parshuram.
3. **OTHER INFORMATION :** The Company continues to make profits and has been increasing its domestic as well as export turnover. The Company is actively negotiating with Corporates in other countries for taking over existing factories / setting up new facilities in its sphere of operation and influence.
4. **DISCLOSURES :** None of the Directors except Mr. Sayyad is concerned or interested in the resolution.
5. The above resolution and explanatory statement may be deemed to the memorandum and the extract of the terms of re-appointment of, and payment of remuneration to, Mr. N.M. Sayyad, as and by way of a contract, pursuant to Section 302 of the Companies Act, 1956.



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ITEM NO. 5

Taking into account the improved performance and positive outlook of the company, the company proposes to raise further equity capital from the domestic and international markets to cater to its fund requirements for expansion of its activities; finance additional working capital requirements and general corporate purpose. International listing of the Securities issued in the international markets would also create a wider trading public market for its equity shares. Further International offering would enhance its visibility and brand name and enable the company to use equity shares for future growth opportunities.

The Board of Directors of the Company has therefore, at its meeting held on 5th February, 2008, proposed that the said requirement of funds be met from international markets through issue of Foreign Currency Convertible Bond (FCCBs), or Global Depository Receipts (GDRs), or any other securities/instrument(s) to be subscribed in foreign currency by non resident investors, and from the domestic market through the placing of Equity Shares / fully convertible debentures (FCDs) / partly convertible debentures (PCDs) or any securities other than warrants, which are convertible into or exchangeable with Equity Shares, to be subscribed in Rupees by Qualified Institutional Buyers, as may be finalized by the Board or its duly authorized Committee, to the extent of [US\$ 30 Million (United States Dollars Thirty Million)] or equivalent sum in Indian Rupees in the manner as set out in resolution at Item No. 5 of this notice.

The said resolution is seeking approval of the members of the Company for proposed issue(s) of securities and is proposing to confer authority on the Board to do all acts and deeds which may be required to create, offer, issue and allot securities of appropriate nature at opportune time, including the size, structure, price, timing and other terms and conditions of the offer/issue. The detailed terms and conditions for such domestic/international offerings will be determined in consultation with the lead managers, consultants, advisors, underwriters and/or such other intermediaries that may be appointed for the issue/offer, wherever necessary and applicable, the pricing of the offer/issue will be finalized in accordance with applicable guidelines in force of the government of India, the Reserve Bank of India, SEBI and other appropriate authorities. The pricing of the shares / securities shall be determined with reference to 13th February, 2008, being the relevant date in accordance with Chapter 13A of the SEBI DIP Guidelines, all such shares/securities ranking pari-passu in all respects, with the then existing respective fully paid up shares/securities, as the case may be, of the Company, but shall be subject to such lock-in requirements, if any, as may be prescribed by appropriate authorities.

Section 81(1) of the Companies Act, 1956 inter-alia provides that whenever it is proposed to increase the subscribed capital of the Company by issue of further shares, such shares shall first be offered to the existing shareholders of the Company in the manner laid down in the said section; unless the shareholders decide otherwise by a special resolution. Accordingly, consent of the members of the Company is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the listing agreement(s) executed by the Company with the Stock Exchange(s), and other applicable laws, rules, regulations and guidelines, authorizing the Board to create, offer, issue and allot securities as stated in the said resolution, which would result in issuance of further securities of the Company to persons other than the existing members, in accordance with the terms and nature of the securities.

Your Directors recommend the said special resolution for your approval, as they feel the same to be in interest of the Company. None of the Directors of the Company is in any way concerned or interested in the proposed resolution except to the extent of the shares held by them in the Company.

ITEM NO. 6

As per FEMA Notification dated 3rd May 2000, FIIs can invest up to 100% of the paid up capital of the Company, provided the Company has obtained board approval followed by members approval by way of special resolution in this regard. The Company at the General Meeting is obtaining the approval of members that the investment by Foreign Institutional Investors (FIIs) either by direct investment or by purchase or otherwise by acquiring from the market under portfolio investment scheme on repatriation basis may be increased to the sectoral cap applicable to the Company under FEMA.

As on December 31, 2007, the percentage of shareholding of FIIs / Overseas Bodies Corporate in the company is 3.88%. In view of the active interest evinced by FIIs in our stock and pursuant to issue of Depository Receipts/Convertible Bonds (assuming conversion of such bonds), their shareholdings may exceed 24% of the paid up Capital of the Company. Therefore it is proposed to increase the said limit to 74%. The increase in the FII investment limit requires the approval of the members by a special resolution at the General Meeting. Since the increased investment by FIIs is considered to be in the interest of the company, the Board recommends the resolution for approval of the members.

None of the Directors of the Company is concerned or interested in the resolution except to the extent of the shares held by them in the Company.

ITEM NO. 7

The Shareholders have passed an Ordinary Resolution in the 15th Annual General Meeting of the Company, held on 30th March, 2005, giving authority to the Board of Directors to borrow moneys up to Rs. 500 Crores. In order to meet with the funds requirement for its expanded activities, it is proposed to increase this limit to Rs. 1,000 Crores, pursuant to Section 293(1) (d) of the Companies Act, 1956. None of the Directors is concerned or interested in the resolution except to the extent of the shares held by them in the Company.

By Order of the Board
for SHREYAS INTERMEDIATES LTD.

DINESH SHARMA
CHAIRMAN

Mumbai

Date : 5th February, 2008.



SHREYAS INTERMEDIATES LTD.

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting their 18th Annual Report and the audited accounts for the financial year ended on 30th September 2007.

FINANCIAL RESULTS

	2006-2007 (Rs. In Lacs)	2005-2006 (Rs. In Lacs)
Gross Income	9,107.35	6,391.77
Profit before Interest And Depreciation	1,303.09	892.60
Less: Interest	234.08	190.19
Profit before Depreciation	1,069.01	702.41
Less Depreciation	236.05	85.43
Profit Before Tax	832.96	616.98
Less: Provision for tax	83.68	82.28
Profit After Tax for the year	749.28	534.70
Balance brought forward	1,490.67	955.98
Profit available for Appropriation	2,239.95	1,490.68

DIVIDEND

Your Directors propose to retain the profits of the Company for the internal use and therefore do not recommend payment of Dividend during the year

REVIEW OF OPERATIONS

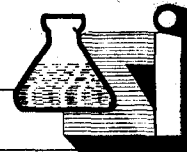
The year under review continued to be a year of exponential growth. Your Company continues its aggressive export marketing strategies - the Gross Income was higher by about 43% as compared to the previous year and the profit after tax for the year registered a growth of about 40%. The demand for the Company's products resulted in increased sales both in terms of volumes and value. The implementation of the strategic cost management initiatives has resulted in improving productivity significantly. The Company's new export oriented production facility (designated as an EOU) at Plot No. D-21, adjacent to the factories of the Company at Lote Parshuram, Taluka Khed, District Ratnagiri in the State of Maharashtra, is complete and the commercial production has commenced in April, 2007. The Company has tied up and availed its debt requirements of about Rs. 34.36 Crores from its Bankers. Production of the new capacities of CPC Blue and CPC Green, have commenced in April, 2007. This new unit has been designated as an Export Oriented Unit (EOU) and the entire production from this unit is being exported, entitling the Company to claim all the export benefits.

PRODUCTION AND PERFORMANCE

The Company has produced CPC to match international quality. The production achieved during the year was 6,764 tons of CPC Crude and Pigments. The Capacity utilization in this product was 18.70%. However in the Pigment capacity utilization was low on account of severe competition in the field. The Company hopes to achieve full capacity utilization in the coming years. •

MARKET

The Company's products are in continuous demand and are positioned to take advantage of the scarcity in the market; the products are the sellers' market, with the market driven prices and volumes bringing in a bigger market share. The Company is exploring the possibility of setting up two more manufacturing facilities and expand the base and market penetration. The enhanced facilities would become operational in about 6 months' time and leverage the Company's position in the market substantially.



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EXPORTS

The Company's exports to countries in Europe, Latin America and the Asian Far East were of the value of Rs. 1730 Lacs. The Company expects to enhance exports to these countries and also explore the possibility of setting up manufacturing facilities in USA and Germany by the process of Joint Ventures / Business Partnerships.

RESEARCH AND DEVELOPMENT

The Company is making continuous efforts to develop new products of international quality, which would cater to the industry specific demands of its buyers and has earmarked a substantial financial outlay for the purpose in the current year.

ISSUE AND ALLOTMENT OF PREFERENCE SHARES

The Company has, in accordance with the Special Resolution passed by the Shareholders in the 16th Annual General Meeting held on 17th March, 2006, issued and allotted (on 29th September, 2007) 1,20,00,000 – 10% Cumulative Redeemable Preference Shares of Rs. 10/- each, at a premium of Rs. 5/- per Share, for cash, redeemable after a period of 10 years from the date of allotment, to the Promoter Group (of seven Promoters). The Company has applied to the Bombay Stock Exchange Limited (BSE) for Listing of these Shares and the Company's application therefore, is pending with BSE.

LISTING

The Company's Equity Shares continue to be listed on the Stock Exchange, Mumbai (BSE). The Company has paid the requisite Annual Listing Fees for the years 2006-07 and 2007-08, to the above Exchange. The Company's Shares are now regularly traded on the exchange on a daily basis.

COMPULSORY DEMATERIALISATION OF COMPANY'S SHARES

The Company's Equity Shares were compulsorily dematerialized and as such the Company's Shares continue to be traded in the electronic form as per the relevant SEBI guidelines.

DIRECTORS

Mr. Dinesh Sharma retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA), which was introduced by the Companies (Amendment) Act, 2000 our Directors' confirm:

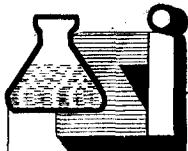
- that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as on 30th September 2007, and of the profit of the Company for the said twelve month period ended 30th September 2007.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that The Directors have prepared the annual accounts on the going concern basis.

CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance, as applicable to the Company, during the period under report, as per the amended Listing Agreement with the Bombay Stock Exchange. The Report on Corporate Governance together with the Auditor's Report thereon, is annexed hereto in accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

AUDITORS

M/s. Sayeed Khan & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, retire at ensuing Annual General Meeting and are eligible for re-appointment.



SHREYAS INTERMEDIATES LTD.

EMPLOYEES

Relations between the management and its employees have been cordial. Your Directors place on record their appreciation of the efficient and loyal services rendered by the employees of the Company at all levels. Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure 'B' to the Report.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is appended hereto as Annexure 'A' and forms Part of this Report.

AUDITORS REPORT

The observation made by the auditors in their report do not require any comment as the same are either self-explanatory or have been fully explained in the notes attached to the accounts.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the support received from the Company's Bankers and Shareholders and look forward to their continued support and goodwill.

By Order of the Board
FOR SHREYAS INTERMEDIATES LTD.

MUMBAI
29th December, 2007

DINESH SHARMA
CHAIRMAN

ANNEXURE "A" - EMPLOYEES' REMUNERATION

Additional Information on given as required under the companies (Disclosure of particulars in the Report of the Board of Directors), Rules 1988:

Information as per section 217(2A) (B)(II) Read with Companies (Particulars of Employees), Rules 1975, and forming part of the Directors Report for the year ended 30th September 2007.

Sr. No.	Name	Age	Designation	Remuneration	Qualification	Experience	Date of Commencement of Employment	Last Employment
1	N. M. Sayyed	42	Wholetime Director	Rs. 3.23 Lacs	B.Sc.	19 years	30-09-2003	Factory Manager

By Order of the Board
FOR SHREYAS INTERMEDIATES LTD.

Mumbai
29th December, 2007

DINESH SHARMA
CHAIRMAN



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ANNEXURE "B" DISCLOSURE OF PARTICULARS RULES, 1988

Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors), Rules 1988.

FORM A (See Rule 2)

Form for disclosure of particulars with respect to conservation of energy.

CONSERVATION OF ENERGY:

- i) By detecting energy waste on the shop floor, furnace and implementing remedial measures the energy was saved. Inefficient use of energy in utilities items like Pumps and Compressors etc. was checked.
- ii) Total energy consumption per kilogram of products 14.36 units amounts to Rs. 2.12 per kilogram.

	2006-07	2005-06
I. Power and Fuel Consumption		
1. Electricity		
Unit Amount (Rs.in lacs)	29.96	24.41
Total Amount (Rs.in lacs)	155.61	93.26
Rate/Unit	5.19	3.82
2 Furnace Oil		
Quantity	46.38	27.06
Total Amount	146.15	107.16
Rate/Unit	3.15	3.96

TECHNOLOGY ABSORPTION:

Continuous efforts are on to produce materials more efficiently. Efforts are being made for semi-automation of some of the machines. Continuous efforts are on to produce products creating less effluent and getting product of higher quality. New methods of drying have been installed in the factory resulting in the final products being of superior quality whereby the products of the Company enjoy a better image over other available in the market. Further efforts are on to minimize the levels of effluent and to get better quality still superior.

II. Consumption per unit of production

1. Electricity	Unit/Kgs	0.76	0.64
2. Furnace Oil	Lt. per Kg	0.65	0.71

FORM B (See Rule 2)

TECHNOLOGY ABSORPTION:

Please see point B above

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in lacs)
2006-07 2005-06

On behalf of the Board of Directors

FOR SHREYAS INTERMEDIATES LTD.

1. Total Foreign Exchange earned 1589.30 816.00
2. Total Foreign Exchange used 922.90 93.61

Mumbai
29th December, 2007

DINESH SHARMA
CHAIRMAN