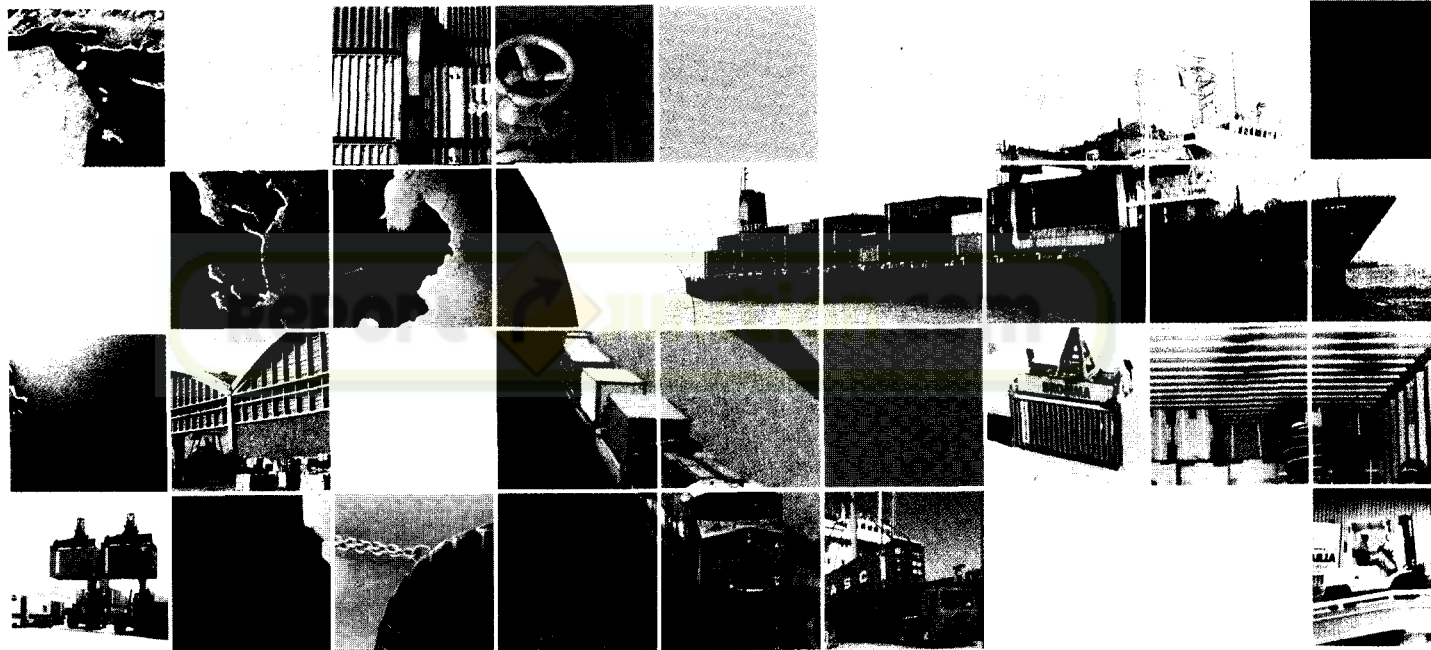


- ✓ **Experience Personified**
- ✓ **Logistics Simplified**



SHREYAS
SHIPPING & LOGISTICS LTD



SPEEDY RELIABLE SAFE
SHREYAS RELAY SYSTEMS LTD

TRANSWORLD
GROUP



SHREYAS
SHIPPING & LOGISTICS LTD

19TH ANNUAL REPORT 2006-2007

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Letter to Shareholders

Dear Shareholders,

At the end of fiscal 06-07, I am pleased to report consistent and continued progress across both of our business segments, i.e., shipping and logistics, together with signs of stronger growth coming through in future years.

The Indian economy is growing at unprecedented rate and all indicators of the health of the economy are positive. The GDP growth rate for the year 2006-07 is now being estimated at 9.2% to touch Rs. 28,44,000 crores. Exports are up 36.3% to USD 89.5 billion in April, 06 to December, 06.

Growth in containerized trade remained strong through 2006, at an estimated 10.7%. Growth in the supply of container capable capacity in 2006 was particularly rapid, at 13.3%, giving a container capable fleet, at the end of the year, of 11.5m TEU. Although 2007 is expected to see slightly slowed demand growth (9.6%), it is still healthy, and is projected to speed up into 2008. Whatever their precise progress, demand and supply growth look set to remain at least in relative proximity. This could keep the market balance from tipping too far either way.

This was a significant year for Shreyas because it marked the successful end of a period of strategic change in our approach and business model and, more importantly, the recognition and first fruits of that strategy. Shreyas is on the cusp of a major diversification of its business model which will propel it into a new orbit in terms of size, diversity and performance benchmarks.

We are beginning to see our strategy translate into real financial benefit. We have been re-classified as a logistics company from a pure shipping company. This change is nothing but a reflection of the success of our strategy, pursued in previous years, of migrating Shreyas away from traditional shipping. And we are beginning to see that strategy translate into real financial benefit. This highlights the important fact that during fiscal 06-07, logistics generated about 55% of Shreyas' total revenue. The shipping business is a strong companion to the logistics activity by filling up the gaps in the supply chain.

So, overall, it was a year in which Shreyas did not make any major strategic changes. We stuck to our two main areas of activity, enhancing our shipping and logistics businesses with modest acquisitions of fleet and container inventory. During the year, Shreyas stepped up diversification efforts and scaled up growth targets to enhance value creation for the shareholders and for lasting success of the Company.

The outlook for the next fiscal remains bright. We are in good shape and, as we move through 2007-08, we feel comfortable with the outlook for our businesses. I remain confident that Shreyas' highly skilled and dedicated Management and employees will grasp the opportunity to build on our strengths, expand our services, deepen our client relationships and create value for all our stakeholders. Shreyas' highly competent and committed work force is determined to take the Company into a higher trajectory of growth, performance and profitability.

Shreyas continues to seek acquisitions and strategic alliances which will help extend the range of services to its customers and help expand the logistics chain. We look towards the future from a firm financial and organisational base and are actively pursuing new opportunities for further growth and value creation.

With confidence, based on proven resilience to challenges and with well planned strategies, Shreyas is poised for exponential growth and is moving ahead with strong portfolio of resources and competencies. As we move ahead fuelled by a shared passion to reach our milestones with innovation and speed, we look forward to your support in our journey to success.



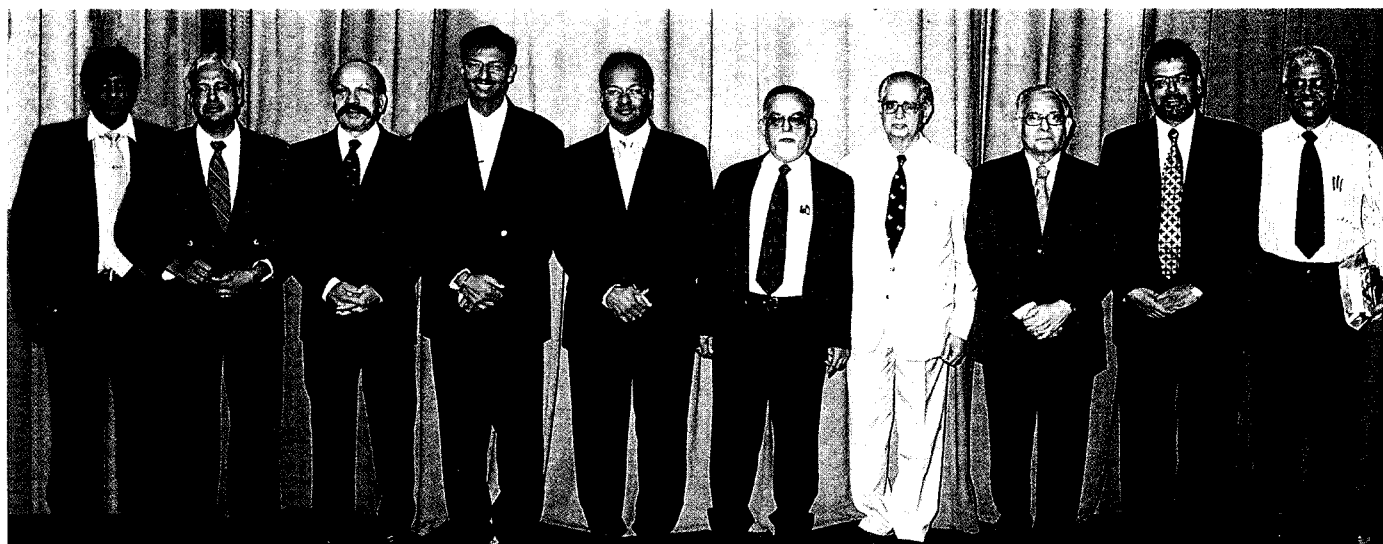
Mumbai
1st June, 2007

S. Ramakrishnan
Chairman & Managing Director



SHREYAS
SHIPPING & LOGISTICS LTD

BOARD OF DIRECTORS



From left to right: Mr. Bherulal Chaudhary, Mr. V. Ramnarayan, Mr. L. B. Culas, Mr. S. Mahesh, Mr. S. Ramakrishnan, Capt. P. P. Radhakrishnan, Mr. K. P. Medhekar, Mr. Amitabha Ghosh, Mr. Anil Devli, Mr. S. Ragothaman

Management Team:

Mr Anil Devli	- Executive Director
Mr. Vinay Kshirsagar	- Chief Financial Officer
Capt. V. K. Singh	- General Manager - Commercial & Operations
Capt. Ashwin Advani	- General Manager - Commercial & Operations
Capt. Pradeep Kumar	- General Manager - Commercial
Capt. Rakesh Prasad	- General Manager - Commercial
Ms. Megha Samtani	- Company Secretary
Ms. Rajna Ganesh	- General Manager - Finance & Accounts
Ms. Monica Gandhi	- General Manager - Finance & Accounts

Statutory Auditors

Sridhar & Santhanam

Internal Auditors

A. F. Ferguson & Co.

Solicitors

Mahimtura & Co.

Bankers

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

Registrar & Share Transfer Agent

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

Registered office

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

Administrative office

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

Notice

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of *Shreyas Shipping & Logistics Limited* will be held on Saturday, the 21st day of July, 2007 at 11.00 a.m. at Nehru Centre Auditorium, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 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, 2007 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 confirm the payment of interim dividend on Equity Shares.
4. To appoint a Director in place of Mr. Leonard Basil Culas, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Capt. Panthloor Puthenveetil Radhakrishnan, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. S. Ragothaman, who retires by rotation and, being eligible, offers himself for re-appointment.
7. To appoint M/s. 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:

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
 "RESOLVED that in partial modification of the Resolution passed at the Annual General Meeting of the Company held on 21st July, 2006 in relation to the terms of remuneration of Mr. Anil Devli, Executive Director of the Company and in accordance with the provisions of Sections 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the amount of remuneration and other benefits payable / allowed to Mr. Anil Devli as set out below (including the remuneration to be paid in the event of loss or inadequacy of profits) for the period 1st April, 2007 to 20th April, 2007, and the Board of Directors be and is hereby authorised to alter and vary such revised terms and conditions in accordance with the laws in force from time to time and as may be agreed to by the Directors and acceptable to Mr. Anil Devli, provided that such alterations are not less beneficial to the Company.

(a) Salary:

Consolidated salary in the range of Rs.5,000,000/- (Fifty lacs only) to Rs.7,500,000/- (Seventy five 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 range from time to time, increasing thereby proportionately, all benefits related to the quantum of salary.

(b) Other benefits:

- Provision of transportation /conveyance facilities.
- Provision of telecommunication facilities.
- Leave encashment as per rules of the Company.
- Reimbursement of medical expenses incurred for himself and his family as per rules of the Company.
- 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.
- Personal accident / Mediclaim insurance.

The aggregate remuneration payable to Mr. Anil Devli, shall be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provisions of the Companies Act, 1956.

(c) Minimum Remuneration:

Where in the financial year during the tenure of Mr. Anil Devli, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Anil Devli the above remuneration by way of salary and perquisites as a minimum remuneration subject to the upper limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force.

(d) Sitting fees:

Mr. Anil Devli shall not be entitled to any sitting fees.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered desirable and expedient to give effect to this resolution including the execution of supplemental agreement between the Company and Mr. Anil Devli."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
 "RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all guidelines for managerial remuneration issued by the Central Government from time to time and subject



to such approvals, if any as may be necessary, the Company hereby accords its approval to the re-appointment of Mr. Anil Devli as an Executive Director of the Company for a further period of five years with effect from 21st April 2007 on the terms and conditions including those related to remuneration as set out hereunder with a liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and /or remuneration within the parameters of the applicable laws or any amendments thereto.

(a) Salary:

Consolidated salary in the range of Rs.5,000,000/- (Fifty lacs only) to Rs.7,500,000/- (Seventy five 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 range from time to time, increasing thereby proportionately, all benefits related to the quantum of salary.

(b) Other benefits:

- Provision of transportation /conveyance facilities.
- Provision of telecommunication facilities.
- Leave encashment as per rules of the Company.
- Reimbursement of medical expenses incurred for himself and his family as per rules of the Company.
- 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.
- Personal accident / Medclaim insurance.

The aggregate remuneration payable to Mr. Anil Devli, shall be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provisions of the Companies Act, 1956.

(c) Minimum Remuneration:

Where in any financial year during the tenure of Mr. Anil Devli, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Anil Devli the above remuneration by way of salary and perquisites as a minimum remuneration subject to the upper limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force.

(d) Sitting fees:

Mr. Anil Devli shall not be entitled to any sitting fees.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered desirable and expedient to give effect to this resolution including the execution of agreement between the Company and Mr. Anil Devli."

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that in partial modification of the Resolution passed at the Annual General Meeting of the Company held on 21st July, 2006 in relation to the terms of remuneration of Mr. S. Ramakrishnan, Chairman & Managing Director of the Company and in accordance with the provisions of Sections 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the amount of remuneration and other benefits payable / allowed to Mr. S. Ramakrishnan as set out below (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with effect from 1st April, 2007, and the Board of Directors be and is hereby authorised to alter and vary such revised terms and conditions in accordance with the laws in force from time to time and as may be agreed to by the Directors and acceptable to Mr. S. Ramakrishnan, provided that such alterations are not less beneficial to the Company.

(a) Salary:

Consolidated salary in the range of Rs.7,000,000/- (Seventy lacs only) to Rs.12,500,000/- (One Crore Twenty Five 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 range from time to time, increasing thereby proportionately, all benefits related to the quantum of salary.

(b) Other benefits:

- Provision of transportation /conveyance facilities.
- Provision of telecommunication facilities.
- Leave encashment as per rules of the Company.
- Reimbursement of medical expenses incurred for himself and his family as per rules of the Company.
- 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.
- Personal accident / Medclaim insurance.

The aggregate remuneration payable to Mr. S. Ramakrishnan, shall be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provisions of the Companies Act, 1956.

(c) Minimum Remuneration:

Where in any financial year during the tenure of Mr. S. Ramakrishnan, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. S. Ramakrishnan the above remuneration by way of salary and perquisites as a minimum remuneration subject to the upper limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force.

(d) Sitting fees:

Mr. S. Ramakrishnan shall not be entitled to any sitting fees.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered desirable and expedient to give effect to this resolution including the execution of supplemental agreement between the Company and Mr. S. Ramakrishnan."

1st June, 2007

By Order of the Board of Directors

Registered Office:

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

Megha Samtani
 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 Director being re-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 Monday, 16th July, 2007 to Saturday, 21st July, 2007, both days inclusive, for the purpose of the Annual General Meeting.
5. Members are requested to:
 - (a) Notify any change in their address to the Registrar and Share Transfer Agent, M/s. Intime Spectrum Registry Limited; C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078, in case of Members holding shares in physical form and update such details with their respective Depository Participants, in case of Members holding shares in electronic form.
 - (b) Bring their attendance slips alongwith the copies of the Annual Report to the Meeting.

6. 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, 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 31st March, 1996 and 31st March, 1997 and period ended 30th September, 1998 and 31st March, 1999 has been transferred to the said Fund.

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

7. 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.
8. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.



9. Members who hold Shares in physical form can nominate a person in respect of Shares held by them singly or jointly pursuant to the provisions of Section 109A of the Companies Act, 1956. Members who hold Shares in a single name are advised, in their own interests, to avail of the nomination facility by completing and submitting Form no.2B, in duplicate, to the Company's Registrar and Share Transfer Agent, M/s. Intime Spectrum Registry Limited. Blank forms will be supplied by M/s. Intime Spectrum Registry Limited on request. Form No.2B can also be downloaded from the website of the Company at www.shreyas.co.in 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.
10. 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.

1st June, 2007

By Order of the Board of Directors

Registered Office:

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

Megha Samtani
Company Secretary

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

Item No. 8

The members at the Annual General Meeting of the Company held on 21st July, 2006, appointed Mr. Anil Devli as an Executive Director for a period of 1 year effective 21st April, 2006. Taking into consideration his present salary, the improved performance and growth of the Company under his management and based on the recommendations of the Remuneration Committee, the Board of Directors at its meeting held on 26th January, 2007, approved the revision in the salary of Mr. Anil Devli, subject to the approval of the Members for the period from 1st April, 2007 to 20th April, 2007. All other terms and conditions of the appointment of Mr. Devli as approved by the Members, will remain unchanged.

Notwithstanding anything to the contrary herein contained, where in the financial year during the currency of the tenure of Mr. Devli, the profits are inadequate, the Company will pay remuneration by way of salary and perquisites as per the terms and conditions of the appointment of Mr. Devli subject to the upper limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force.

The Board of Directors is of the view that the increase in remuneration is commensurate with the responsibilities shouldered by Mr. Devli and hence recommends this resolution for your approval.

The Supplemental agreement between the Company and Mr. Devli is available for inspection by the Members of the Company at its Registered Office 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.

None of the Directors, other than Mr. Anil Devli, is interested in the Resolution.

Item No. 9

At the Annual General Meeting held on 21st July, 2006, Members have approved the re-appointment of Mr. Anil Devli as Executive Director of the Company for a further period of one year from 21st April, 2006. The term of Mr. Anil Devli as Executive Director expired on 20th April, 2007. In view of the improved performance and growth of the Company under Mr. Devli's management, his insightful and valuable contribution to the Company and based on the recommendations of the Remuneration Committee, the Board of Directors has, at its meeting held on 26th January, 2007, re-appointed him as Executive Director of the Company for a further period of five years with effect from 21st April, 2007, subject to the approval of the Members of the Company.

Mr. Anil Devli aged about 44 years, is a law graduate from Government Law College, Mumbai. He began his career as an Apprentice with a leading Law firm. Thereafter he set up his independent practice with special emphasis on Marine and Admiralty law. During this period, he successfully handled several marine claims for shipping companies in India. He joined the Company as its Chief Executive Officer in mid 1996 and has since then been looking after the affairs of the Company under the guidance of the Board of Directors. He is currently also on the Board of Indian National Shipowners Association and is the Vice Chairman of Narottam Morarjee Institute of Shipping.

Mr. Devli holds 6200 equity shares in the Company as on date.

The main terms and conditions of Mr. Devli's re-appointment are specified in Resolution no.9 of this Notice. The Board shall have the discretion and authority to modify the terms and remuneration within, however, the limit prescribed under Schedule XIII to the Companies Act, 1956.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of remuneration payable to Mr. Devli are placed before the members, in General meeting, for their approval by way of special resolution.

The Board of Directors is confident that Mr. Devli's vast knowledge and varied experience will be of great value to the Company and hence, commends Resolution no.9 for your approval.

The draft of the agreement entered into with Mr. Anil Devli is available for inspection by any member of the Company at its Registered Office 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.

None of the Directors, other than Mr. Anil Devli, is interested in the Resolution.

Item No. 10

At the Annual General Meeting held on 21st July, 2006, Members have approved the revision in the terms of remuneration of Mr. S. Ramakrishnan; Chairman and Managing Director.

Taking into consideration his present salary, the improvement in the Company's business and financial performance during the year under his leadership, and based on the recommendation of the Remuneration Committee, the Board of Directors of the Company, at its meeting held on 1st June, 2007, approved a revision in the terms of remuneration and benefits of Mr. S. Ramakrishnan with effect from 1st April, 2007, subject to the approval of the Members.

The details of the remuneration and benefits are specified in Resolution no.10 of this Notice. The Board shall have the discretion and authority to modify the terms and remuneration within, however, the limit prescribed under Schedule XIII to the Companies Act, 1956.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of remuneration payable to Mr. S. Ramakrishnan are placed before the members, in General meeting, for their approval by way of special resolution.

The Board of Directors is confident that Mr. Ramakrishnan's vast knowledge and varied experience will be of great value to the Company and hence, commends Resolution no.10 for your approval.

The draft of the Supplemental agreement entered into with Mr. S. Ramakrishnan is available for inspection by any member of the Company at its Registered Office 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.

Mr. S. Ramakrishnan is interested in the Resolution. Mr. S. Mahesh, being related to Mr. S. Ramakrishnan, is deemed to be interested in the Resolution. None of the other Directors are interested in this Resolution.

1st June, 2007

By Order of the Board of Directors

Registered Office:

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

Megha Samtani
Company Secretary





Directors' Report

Your Directors are pleased to present the Nineteenth Annual Report and the audited accounts for the financial year ended 31st March, 2007.

FINANCIAL PERFORMANCE

	(Rs. in Lacs)	
	Current Year ended 31.03.2007	Previous Year ended 31.03.2006
Operating Income	13,493.24	12,411.14
Other Income	611.74	391.71
Profit before Interest, Depreciation and Tax	4,104.72	4,540.86
Less: Interest	465.85	193.01
Depreciation	919.69	846.18
Profit before Tax and Prior Year Adjustment	2,719.18	3,501.67
Add: Extraordinary items	431.58	-
Less: Prior Year Adjustment	2.94	-
Less: Provision for Current Taxation and Fringe Benefit tax	173.29	67.61
Provision for Prior Year Tax	22.26	0.10
Profit After Tax And Exceptional Items	2,952.27	3,433.96
Add: Balance brought forward from previous year	3,258.92	1,121.83
Add: Transfer from Capital Redemption Reserve	-	390.00
Amount available for appropriation	6,211.19	4,945.79
Appropriations:		
Transfer to General Reserve	350.00	344.00
Transfer to Tonnage Tax Reserve	600.00	688.00
Interim Dividend paid on Equity shares	483.07	198.24
Preference Dividend paid	106.60	66.99
Tax on dividend paid	82.70	37.24
Proposed Equity Dividend	-	263.49
Tax on Equity Dividend	-	36.96
Proposed Preference Dividend	-	45.56
Tax on Preference Dividend	-	6.39
Balance carried to Balance Sheet	4,588.82	3,258.92

DIVIDEND

The Board of Directors, at its meeting held on 15th March, 2007, declared an Interim dividend at the rate of 22% (previous year total dividend: 22%) on Equity shares, i.e., Rs.2.20 per Equity share and 8.20% on Preference shares, i.e., Rs.8.20 per Preference share. The payment of Interim dividend on Equity shares and Preference shares entailed a cash outflow of Rs.672.37 lacs including dividend distribution tax.

The Board has decided not to declare any further dividend for the year under review.

REVIEW OF OPERATIONS

(a) Business and future prospects

The growth of containerized cargo has been roughly in the range of 8-10 per cent over the last few years. As the level of containerisation is going up and as the import-export trade is growing, growth in the containerized cargo is bound to increase further. With competition becoming more intense for a share in the shipping pie, Shreyas has geared up for the same. Its strength in the container shipping industry has significantly facilitated its logistics business operations (through the subsidiary company) in providing multi-modal, door-to-door transport solutions.

Three years back, Shreyas started providing integrated logistics services by extending its sea service chain through land and rail and making an optimal co-ordination of all the services. The Directors are pleased to report a growth of 62.72% in the logistics volumes during the year as compared to the previous year.

The market of Indian logistics service providers is largely unorganised and has a long way to go to catch up with the world leaders. But customers, multinational competitors and governmental agencies are all relentlessly driving the development and reengineering of the capabilities, offerings and business models of service providers. Having diverted its focus onto logistics business, Shreyas has, during the year, added value to its set of services from simple port to port operations to door to door operations.

Shreyas' USPs are its business model and customer-focused approach. Shreyas has set up all vital and important systems and processes before commencing operations in sync with the needs of its customers.