



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.

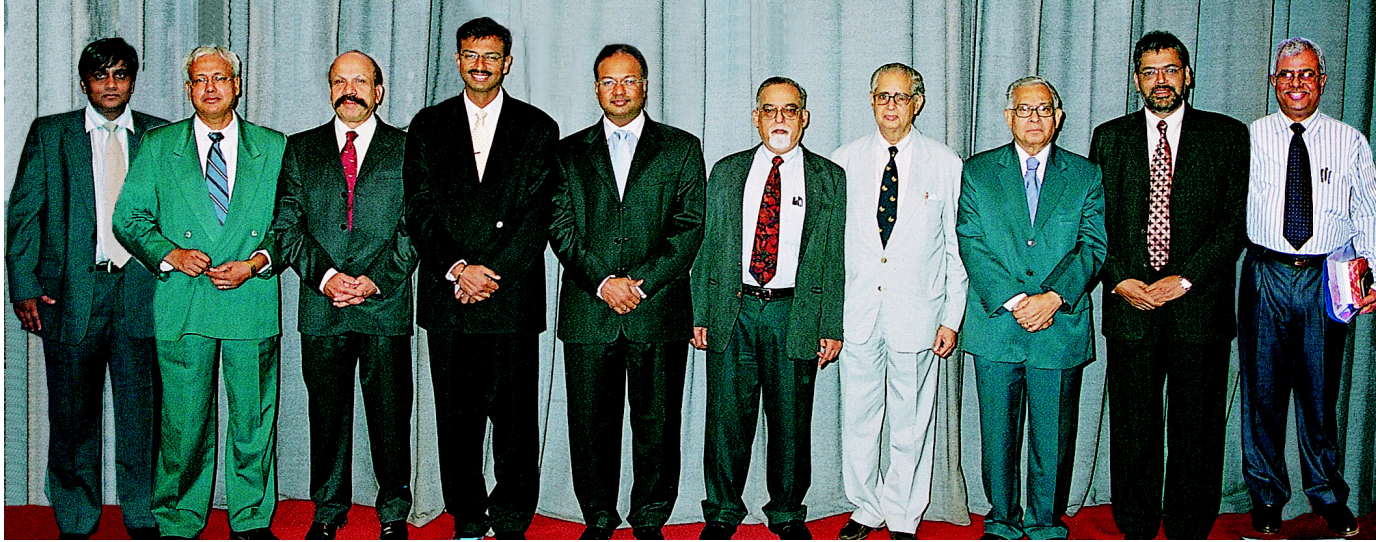
Mumbai
1st June, 2007

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 / 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 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.

With an intention to expand its logistics operations, Shreyas is currently exploring the options of acquiring existing companies having expertise in warehousing and distribution business, container freight station operations, etc. or for forging strategic alliances or joint ventures with these companies. Shreyas expects the growth momentum to be carried forward to the next year too. The thrust for this growth would come from Shreyas' strategy to vertically align its business, consolidating its strength in shipping and logistics operations.

(b) Finance

The operating turnover of Shreyas has registered a growth of about 8.72% during the year under review, increasing from Rs.12,411.14 lacs in the previous year to Rs.13,493.23 lacs. With the addition of the turnover recorded by Shreyas Relay Systems Ltd., the wholly owned subsidiary, the consolidated operating turnover works out to Rs.17911.46 lacs, an increase of about 26.70% over the last year. It is significant to note that the consolidated logistics revenue has contributed to about 62.16% of the total revenue recorded during the year as compared to 38.27% during the last year which is evidence of Shreyas' successful foray into logistics operations.

The Operating expenditure during the year increased to Rs.9,332.95 lacs as compared to Rs.7,804.19 lacs for the last. Shreyas recorded a Profit before tax of Rs.3,150.77 lacs as against Rs.3,501.67 lacs during 2005-06.

As on 31st March, 2007, the loan exposure has increased to Rs.15393.08 lacs as compared to Rs.2,647.36 lacs as on 31st March, 2006 due to the acquisition of three second hand container vessels, financed partly by debt. The Net worth as on 31st March, 2007 stands at Rs.16,105.50 lacs.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company and its business is given in the Management Discussion and Analysis appearing as Annexure I to this Report.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, an amount of Rs.2.07 lacs, being unclaimed dividend for the period ended 31st March, 1999 was transferred during the year to the Investor Education and Protection Fund established by the Central Government.

QUALITY

Shreyas continues to take quality improvement measures and strengthen quality management systems in all its operations. It has been re-certified by DNV Quality Registrar in accordance with ISO 9001:2000 upto 31st October, 2009. It also conforms to the International Safety Management Code (ISM Code) which has been designed with a dual objective of promoting safety on board and protecting the marine environment.

During the year, Shreyas Relay Systems Ltd, the wholly owned subsidiary has also been successfully certified by DNV for ISO 9001:2000.

FIXED DEPOSITS

The Company has not accepted fixed deposits from the public during the year under review.

DIRECTORS

Mr. L. B. Culas, Capt P. P. Radhakrishnan and Mr. S. Ragothaman retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

Mr. Anil Devli was re-appointed as Executive Director of the Company by the Board of Directors at its meeting held on 26th January, 2007 for a further period of five years with effect from 21st April, 2007 upto 20th April, 2012 subject to the approval of the Shareholders.

The above re-appointments form part of the Notice of the Annual General Meeting and the Resolutions are recommended for your approval.

Profiles of these Directors, as required by Clause 49 of the Listing Agreement, are given in the Report on Corporate Governance forming part of this Report.

SUBSIDIARY COMPANY

In compliance with the provisions of Section 212 of the Companies Act, 1956, the audited statement of accounts alongwith the Directors' and Auditors' report for the year ended 31st March, 2007 of Shreyas Relay Systems Ltd., the wholly owned subsidiary of the Company are annexed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief, in respect of the year ended on 31st March, 2007;

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) appropriate accounting policies have been selected and applied consistently, and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the profit of the Company for the year ended on 31st March, 2007;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the annual accounts have been prepared on a 'going concern' basis.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing agreement entered into with the Stock Exchanges, a detailed Report on Corporate Governance is given as Annexure II to this Report alongwith the Auditors' Certificate on its compliance by the Company (Annexure III) and applicable certification of the Chief Executive Officer and Chief Financial Officer (Annexure IV).



AUDITORS

M/s. Sridhar & Santhanam, Chartered Accountants, retire at the conclusion of the 19th Annual General Meeting and offer themselves for re-appointment. A Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

COST AUDIT

The Central Government has not recommended cost audit of the Company during the year under consideration.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Under the Notification No.GSR 1029, dated 31st December, 1988, companies are required to furnish prescribed information regarding conservation of energy and technology absorption. This, however, does not apply to your Company, as the shipping industry is not included in the Schedule to the relevant rules.

With regard to foreign exchange earnings and outgo, the position is as under:

	Rs. in Lacs (2006-07)
(i) Foreign exchange earnings including proceeds on sale of ship (on accrual basis)	1890.29
(ii) Foreign exchange outgo including operating components and spare parts and other expenditure in foreign currency (on accrual basis)	16906.32

PERSONNEL

Information as per section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of section 219(1)(b)(iv) of the said Act, this Report and the Accounts Statement are being sent to all Shareholders excluding the Statement of Particulars of Employees under section 217(2A). Any Shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGMENTS

Your Directors place on record their appreciation for the unstinted support and continued co-operation that the Company received from the Government of India, the Ministry of Shipping, the Ministry of Finance, the Ministry of Company Affairs, the Directorate General of Shipping, the Mercantile Marine Department, the Stock Exchanges, the Reserve Bank of India, the Central Board of Excise and Customs, and other Government agencies. Your Directors also express their sincere thanks to the Indian National Ship Owners Association, Port authorities, Insurance companies, Protection and Indemnity clubs for their continued support during the year.

Your Directors thank the Company's clients, vendors, charterers, business associates, main line operators, investors and bankers for their continued support during the year. Your Directors place on record their deep appreciation for exemplary contribution of the employees at all levels. Their dedicated efforts and enthusiasm has been integral to Shreyas' impressive performance.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 1st June, 2007

S. Ramakrishnan
Chairman & Managing Director

Management’s Discussion and Analysis
(Annexure I to the Directors’ Report)

Industry review

Container Shipping

Indian shipping industry contributes approximately 0.3% to the country’s GDP. Shipping is a global industry and its prospects are associated with the level of global economic activity. Greater industrial activity leads to greater movement of raw material and finished goods. However, the shipping market is known to be cyclical in nature with volatile freight rates.

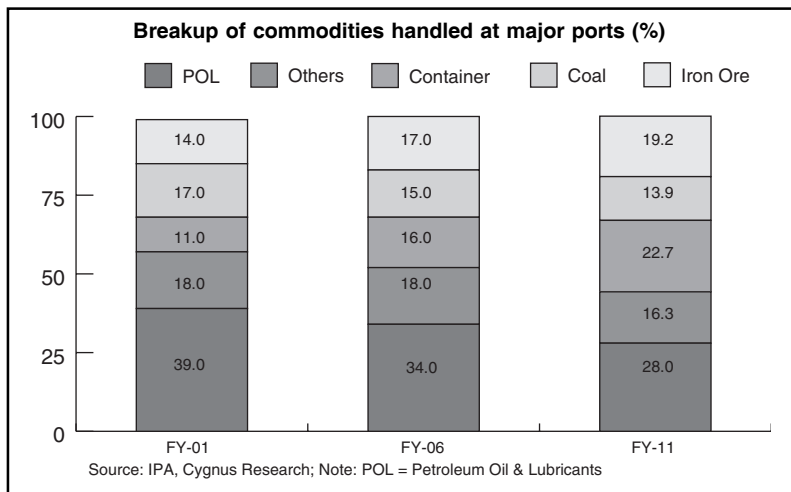
On 26 April, 2006 the container shipping industry commemorated 50 years of containerisation. More than 90% of world merchandise trade is carried by sea and over 50% of that volume is containerised. In today’s era of globalisation, international trade has evolved to the level where almost no nation can be self-sufficient and global trade has fostered an interdependency and interconnectivity between countries. Shipping has always provided the most cost-effective means of transportation over long distances and containerisation has played a crucial role in world maritime transport.

Containerisation began in India in 1973 and has since grown by leaps and bounds. The real increase in containerization has actually taken place in the decade 1995-2005 when India added about 1.76 million Teus. In the Indian context, burgeoning trade is driving container traffic at major ports in the country. In the last six years, India’s container traffic has increased at a CAGR of 13.56 per cent from 2.468 million Teus in 2000-01 to 4.610 million Teus in 2005-06. Remarkably, India’s container traffic has been growing faster than the global container traffic growth of about 9 per cent during the last six to seven years. The country’s growing external trade particularly in textile, automotive, auto ancillary, engineering and capital goods has boosted container trade growth. Further, the demands placed by India’s growing domestic market characterized by growing population, rising life expectancy, rising disposable incomes, rising standards of living, changes in traditional patterns of consumption

and savings are also fuelling container trade growth and has become one of the major drivers for future growth of the domestic container sector.

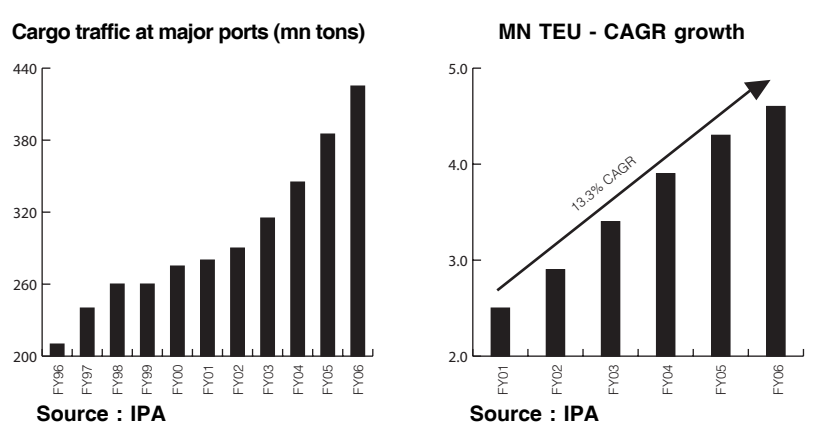
Globally, the average level of containerization is above 70 per cent, while in India, it is around 40-45 per cent, which is expected to improve rapidly. With the booming Indian economy and the wave of liberalization measures ushered in by successive governments, Indian container traffic is poised for a substantial growth in the next four to five years. Indian container traffic is estimated to grow at a CAGR of 16 per cent in the next five years to reach around 11.98 million Teus by 2011-12 and 52.86 million Teus by 2021-22 from 4.24 million Teus in 2004-05.

Indian GDP grew by an average of 6.5 per cent and industry grew by 7 per cent in the past six years while containerisation logged a growth of about 14 per cent. In short, during the last six years, for every one per cent



growth in industrial output, containerisation has grown by 2.25 per cent. Containerisation at major ports of India contributed about 11% of total cargo handled at those ports in 2000-01; it increased to 16% in 2005-06 and is estimated to further increase to 22.7% by 2010-11.

According to CII, India has the potential to handle 20 mn TEUs by 2015 as against 4.5 mn TEUs in FY06. The 12 major ports of India have handled 378.89 MT of traffic during April 2006-January 2007 as against 348.05 MT during the same period of the previous financial year. Cargo throughput at the 12 Major Ports recorded a growth of 6.13 per cent during the first half of the financial year over the same period of 2005-06. The





Major ports handled 214.64 million tonnes of cargo during April-September 2006, as against 202.25 million tonnes in April-September 2005. In view of the current globalisation scenario, container traffic in India is all set for a big stride.

Logistics

The concept of integrated logistics service (co-ordination of all the logistical activities taking place in a value chain to provide optimum benefit to the user) is new to the context of Indian industry. In India, traditional transport companies, Custom House agents, courier companies and freight forwarders have emerged as integrated logistics service provider by leveraging on their existing infrastructure and experience. They not only provide the prime functions like transportation, warehousing, packaging, clearing and forwarding but also handle other activities like order processing, sales tax and excise duty documentation, invoicing, collection of bills, inventory management, and some others even supply skilled labour. In India, the market for logistics service providers is highly fragmented.

The cost of surface logistics is estimated to be anywhere between 9 to 23 per cent of the GDP of any part of the globe. It is an important part of the business economic system and a major global economic activity. The logistics market in India alone is estimated to be US\$60 billion. Manufacturing and marketing companies spend about 6 to 36 per cent of sales on logistics. The major cost component is transportation and it is higher than handling, warehousing, and inventory carrying cost.

Transportation, an indispensable component of economic progress, is an essential and major sub-function of logistics, creating time and place utility in goods. It serves as the backbone of supply chain management. Globally, transportation sector accounts for around 3 to 5 percent of GDP. The demand for transportation industry is directly proportional to the growth of the economy, mobility of population and other related factors. As per the World Bank's estimate, a unit increase in GNP in India generates an increase of 1.5 times in freight transport demand. The rapid economic growth on the onset of the liberalisation in the last decade has substantially increased the potentiality of transportation in India. To cope with the expected rise in demand, huge investments have been made in the last few years.

There has been an ongoing boom in logistics segment due to a booming economy fueling demand for goods, an ever-increasing mass of consumers demanding more higher value goods; the retail boom which is reforming supply chains into being time sensitive from being just volume-sensitive and of course, far more relaxed regulatory and taxation climate than ever before. Logistics in the new millenium is going to be what information technology was in the 1990s.

The long term prospects for outsourcing logistics remains valid. Intermodal and ocean transportation volumes continue to increase, but customers are more and more looking for total solutions. Transportation itself is a 'commodity' type service, which whilst important is not enough in itself. The growth of the 3PL industry is expected to accelerate over the next 5 years reflecting increased appetite for outsourcing combined with a stronger economic growth.

Performance review of Shreyas

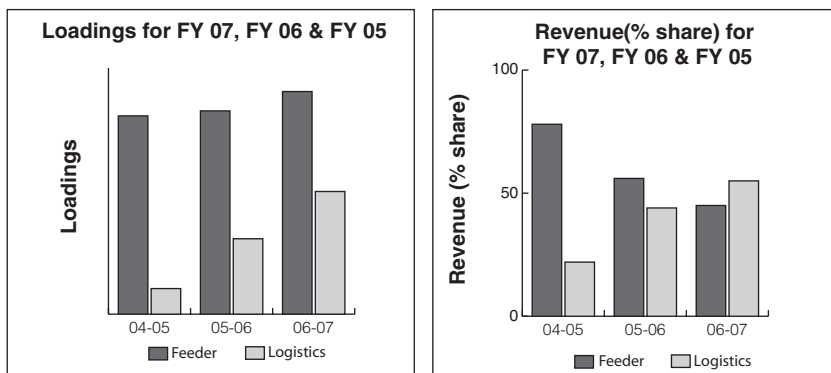
During the year under review, Shreyas has been successfully able to consolidate its position in the logistics business. In order to hedge against the cyclical nature of the shipping business, Shreyas had three years back, chalked out a business model focusing on logistics business and getting into related segments in the maritime sector in order to create a value chain. Set up as a shipping company, Shreyas has rapidly shifted gears to grow into a logistics player. Realisation of the importance and competitive impact of integrated logistics and the widespread acceptance

of operating philosophies such as 'Just In Time', 'Total Quality Management' and 'Customer Satisfaction' have led to a greater emphasis of the role of logistics in achieving Shreyas' corporate mission. The shift has been evident and phenomenal too considering that logistics revenue has contributed to 55% of the total revenue (excluding income from charter hire) during the year as compared to 44% during the last year.

Shreyas has also forayed into warehousing business, rendering such services for various customers across the industry verticals. The way forward is to add value to the set of warehousing services from simple storage to providing value added services such as bundling, packing, refurbishing and invoicing, to name a few, thereby connecting Shreyas to a larger portion of the

supply chain. Shreyas is also looking at opportunities in cold storage services, logistics of agri products, break bulk cargo and liquid logistics.

In order to expand the logistics segment, Shreyas is actively looking at the possibilities of tie-ups with other companies purely as a strategic association. While Shreyas was going slow on increasing its fleet in the beginning of the financial year, as the prices of ships continued to rule high, the growth in logistics volumes have driven Shreyas into fleet acquisition. During the year, Shreyas has added three vessels to its fleet, i.e., OEL Trust, OEL Shreyas and OEL Express. Finance for these acquisitions has been organized from State Bank of India on attractive terms. After taking into account the vessel sold during the year (OEL Patriot) and the vessel lost due to rough weather (OEL Vision), the fleet



capacity as at the end of the year stands at 5,927 Teus as compared to 4,170 Teus as on 31st March, 2006. This tantamounts to an effective addition of nearly 42% of the capacity over the year. Moreover, all the recent acquisitions have been of younger vessels thereby reducing the average fleet age from about 23 years as on 31st March, 2006 to about 20.5 years as on 31st March, 2007.

The growth of the logistic services offered by Shreyas is in keeping with the growing evolution in the transportation business and changing outlook. The shipping business is a strong companion to the logistics activity by filling up the gaps in the supply chain. Shreyas with its India centric strengths is set to become a key player in the segment of transportation. This will also help contribute stability in the times of downturn in other business segments.

As regards shipping, the container market is basically where Shreyas has strength and knowledge. Although the charter income has reduced during the year as compared to the last year due to a radical reduction in the charter indices, the freight income has steadily increased from Rs.7,968.34 lacs for 05-06 to Rs.10,166.56 lacs for 06-07. Apart from the existing services, Shreyas has, during the year, launched a container shuttle service between India and Karachi. Using the sea leg has significantly facilitated providing multi-modal, door-to-door transport services. Shreyas has concentrated on increasing utilization of capacity and moving towards filling available gaps. During the year, Shreyas also added 680 containers to its fleet through its subsidiary.

Having established itself on the North-South leg, Shreyas on 4th May, 2007, initiated freight services on the East Coast of India which would offer a low cost alternative route for the cargo via upcoming container terminals. The USP of Shreyas on this leg would be that the solution offered is a door-to-door solution where the client is assured of safety, reliability, speed and economy. Also, multiple handling of cargo can be avoided leading to zero pilferage, damage and loss to the cargo. With this service, Shreyas will be able to cater to cargoes from West Bengal into Kerala and Tamilnadu and vice versa including servicing the needs of the trade in Orissa and Jharkhand.

In short, the financial year 2006-07 was a 'year of consolidation' and the year 2007-08 would be a 'year of growth'. Shreyas is rapidly moving towards the Vision to offer customers a fully inclusive door-to-door definite solution with complete track and trace capabilities by leveraging its inherent strengths in the maritime segment.

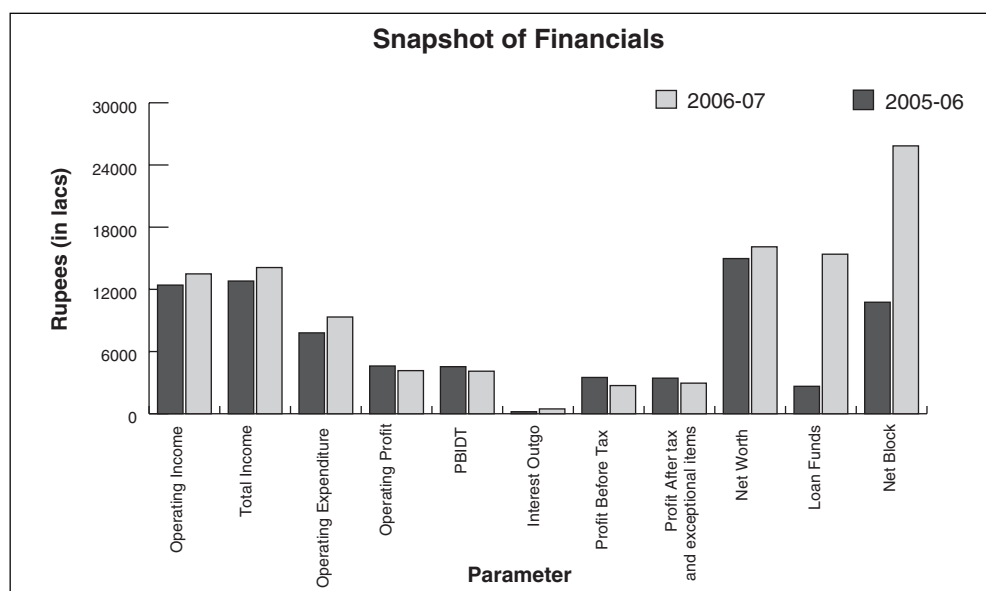
We give below a snapshot of the salient features of the Company's stand-alone performance during 2006-07 vis-à-vis the performance during 2005-06.

- Operating Income increased by 8.72% from Rs. 12411.14 lacs to Rs. 13493.23 lacs
- Operating Expenses increased by 19.58% from Rs. 7804.19 lacs to Rs. 9332.95 lacs
- Total Income increased by 10.17% from Rs.12,802.85 lacs to Rs.14104.98 lacs.
- Interest cost increased by 141.36% from Rs.193.01 lacs to Rs.465.85 lacs
- Depreciation increased by 8.69% from Rs.846.18 lacs to Rs.919.69 lacs
- Net profit before tax after exceptional and prior year items reduced by 10.02% from Rs.3,501.67 lacs to Rs.3150.77 lacs.
- Net block of Fixed assets increased by 140.19% from Rs.10759.25 lacs to Rs.25842.89 lacs.

Outlook on opportunities

Container shipping

Liberalisation of international trade and globalisation has contributed significantly towards the robust world trade, which in turn increased the container traffic. Globally, containerisation is growing at over 9.2% per annum and is expected to grow over 10% per annum in the next five years based on the promising world economic growth. Global trade has bolstered container traffic world-wide and widespread acceptance of containerisation is evident from the current growth trend. The ongoing trade agreements between countries will enhance container trade, particularly in the Asian Pacific countries.





China will make inroads in the East-bound transpacific trade lane with roaring manufacturing sector. The main routes that are likely to attain the highest expansion are Intra-Asian transport and routes from North America and Europe to Asia. According to forecasts by Drewry, ports in Baltic and Black Sea, South America, Africa, China and India will register the highest growth rates in container handling.

In view of the current globalisation scenario, container traffic in India is all set for a big stride. Acceptance of container trade in India, although very low, is picking up exponentially. The huge potential of containerisation in India has to be harnessed through various measures by the Government of India. Riding high with booming economy, India is becoming the most preferred destination for manufacturing outsourcing in the world, offering greater potential for containerisation. India's retail industry is estimated to be over USD 200 billion, which is expected to grow at a CAGR 30% over the next five years. The growing industrialization in India will boost containerisation in the country, which offers immense private and public investment opportunities in port infrastructure development.

The shipping industry has proposed to the Shipping Ministry that if a slice of forex reserves were to be used to develop infrastructure projects in the country, shipping should also get a proportionate share in the scheme, as it was part of the infrastructure. This proposal, if accepted, would further brighten the prospects of the industry.

Indian Railways has allowed private participation in inland container transport which will result in a decline in rail freight rates which is encouraging for container shipping companies.

India and Pakistan have signed a revised shipping protocol, which replaces the protocol on resumption of shipping services signed by India and Pakistan in 1975, which restricted lifting of cargo destined to the other country by the vessels belonging to India or Pakistan only. Also, the vessels of India or Pakistan could not lift the cargo destined to or from other countries from each other's ports. The revised protocol removes restrictions on lifting of third country cargo by Indian and Pakistani vessels from each other's ports. It also lifted the restriction that the cargo destined for the other country could be carried only by an Indian or Pakistani vessel. Signing of this protocol which was long awaited throws open prospects for Shreyas which has been the first operator to commence services from India into Karachi.

It is projected that port capacity will be 1.1 billion metric tonnes by 2012 and almost 2 billion by 2017. There is much action happening in the port sector. In the next two years about 28 projects are expected to be awarded to the private sector. This would involve cargo traffic of 200 million metric tonnes per annum with an aggregate investment of \$2.25 billion. Consequently, there are several green field port projects that are coming up under the various state governments which will lead to additional capacity.

Under the National Maritime Development Programme (NMDP), government is trying to invest in the private-public partnership to the tune of Rs 1,00,000 crore (\$22 billion) of which approx Rs 55,800 crore (\$12 billion) is earmarked to be spent on the port sector and the remaining Rs 44,500 crore (\$10 billion) is going to be spent on shipping and inland water development.

The Government of India has set the target of achieving India's export share of 1.5% to world merchandise trade by 2009 and this will create huge opportunities for containerisation in the country. Looking at the overall aspect of the industry, it can be concluded that future of container shipping business would be bright enough.

Logistics

With the strategies taken up by traditional industrial firms to reduce operational costs and enhance value addition throughout the value chain, importance of integrated logistics has got a new dimension. Outsourcing of logistics service to specialised service provider having considerable expertise over the industry becomes the trend. Overall the role of integrated logistics services is expected to increase in the new economy leading to betterment of value chain.

Estimated increase in the output of the basic industries is likely to create substantial demand for bulk transportation. With the expected annual growth of Indian economy likely to cross 6 percent mark in near future, transportation demand is also likely to rise substantially and estimated to become double in next ten years.

A recent study of 3PL markets reports encouraging developments for logistics players in the country. Increasing preferences of companies to outsource their logistics functions to 3PL service providers is fueling demand for Third Party Logistics (3PL) services in India. Preference of new foreign entrants to India to outsource their logistics operations in the country from a Third Party Logistics (3PL) service provider is expected to boost 3PL activities in a big way.

Outlook on Threats, Risks and Concerns

Shipping

Declining share of Indian shipping in the country's overseas seaborne trade has been alarming. It is especially so when India's international trade is booming. From 40% in the late 80s, today Indian ships carry only 13.7% of the country's international trade. As on December 31, 2006, the tonnage was 774 ships of 8.4 million GT. With an average age of the Indian fleet of 18 years, over 40% of that will be due for scrapping in the next five years. According to estimates, India's exim trade is expected to maintain a year-on-year growth of 20%. Therefore, it is expected to reach around 1 billion tones by 2009-10 from 400 million tones in 2004-05. Even to maintain the same level of 13.7% in the ever-growing Indian trade, the Indian shipping tonnage needs to expand rapidly. The Indian shipping industry is faced with many challenges of fleet

replacement and growth in a highly capital intensive industry. The fact that foreign ships can gain access to Indian cargoes while operating from tax free jurisdictions places local vessels at a disadvantage. Indian shipowners are migrating to safer shores to beat the tight tax laws and shrinking cargo support in the country to take advantage of the liberal tax regime and significantly lower operating costs.

Globally, the average level of containerisation is above 70%, while in India, it is around 30-35%. The level of containerisation in India can improve rapidly if required infrastructure facilities are provided.

Inadequate port infrastructure in India is a major bottleneck for containerisation in the country. India's contribution to global containerisation is insignificant (just over 1%). Port capacity has to be enhanced to handle the projected container traffic in India. During 2005-06, cargo handled by major ports was 423.41m tonnes; while total capacity was 440.2m tonnes, which indicates about 96% of port utilisation. India still lacks deep water in many ports and currently, only Mundra Port has a draft in excess of 14 meters. However, most ports have embarked on major dredging exercises this year.

Inadequate road infrastructure is one of the important challenges for the growing containerisation in India. Another important bottleneck for container terminals in India is timely evacuation of containers. Generally, container evacuation is done through railways unlike in the West where road transport is the major mode of evacuation. The efficiency at container terminal would definitely improve if the ports have adequate railway corridors. The regulation of tariff by Tariff Authority for Major Ports acts as a key constraint on the efficiency of the port operation. The Indian Railways has, during the year, opened up to private participation for carriage of containers within India by rail. This will bring much expected succor to the trade.

Age profile of Indian fleet is another concern for maritime transport. In India, as of January 2005, 39% of ships are above 20 years as compared to 27.3% global ship age distribution; 17% of ships are under five years against over 23% in the average global fleet. These old ships are becoming a major concern for maritime transport.

In India there has been an improvement in productivity in terms of ship turnaround time which was 3.53 days at major ports and average pre-berthing waiting time was 6.03 hrs in 2004-05. But the performance is very low as compared to international standards. Working time at berth per vessel is one main reason for low performance by Indian ports. Moreover, container handling cost in India is about 70% higher than other developed countries, despite availability of cheaper labour.

Of the 12 major ports of the country, JNPT and Mumbai Port have established as the gateway ports for container traffic to India having a combined market share of around 60% of the total container traffic. Lack of adequate infrastructure in form of container handling equipment, Container Freight station (CFS) network and rail network in other ports have led to concentration of container traffic at Mumbai and JNPT. However, substantial investments have been made in recent times by private sector in the ports of Tuticorin, Chennai and Cochin to overcome the backlog. Liberalisation and privatisation policy taken up by the Government has resulted into the commissioning of new ports like Mundra and Pipavav.

Shippers have become increasingly demanding, looking for better and innovative goods and services that are specifically customized to meet their unique needs. The challenges before the domestic container logistics sector are to acquire, assimilate and integrate technologies, solutions, etc into their systems so as to provide Indian shippers with a true integrated, multimodal transport and logistics value chains and the benefits of visibility, control and seamless flow of goods.

Ocean freights in all key routes such as India-Europe, India-US East Coast and India-Far East are likely to drop by about 10-15% on account of oversupply of container shipping services.

The shipping industry has been performing below its potential as the Government has been slow to respond to changing market scenario and did not address the problems impeding the sector's growth. Reasons for lopsided growth of Indian ports and shipping could be found in inadequate infrastructure and lack of connectivity that is evident across the country. However, the various projects that are underway or on the anvil could rewrite the story for the better.

Logistics

Outsourcing of logistics service to specialised service providers having considerable expertise over the industry has become a trend. This has led to a flow of European logistics service providers to India having significant domain knowledge and technology resulting into a high degree of competition in the domestic market.

Owing to inadequate logistic infrastructure in the various services including customs facilitation, EDI, documentation, etc., the transaction cost in India is very high and placed at around 10% to 12% of the imported value of the goods. Compare this with the transactional cost in the developed world, which stands at 4% to 4.5%. As a result our exports are less competitive. The same holds for India's imports, which basically go into producing exports.

The railways, road network and ports play a major role in the logistic chain. In India both rail and roadways are comparatively less efficient and inadequate and have affected multi-modal transport logistics value chain. Many of our major ports have tremendous assets available but the returns from these assets in terms of land and infrastructure are very low.

Indian containerisation scenario presents a large concentration of container movement on the west coast accounting for 70% of the total container transportation in the country. This has placed tremendous demand on the railway structure thereby making uniform density of transport movement difficult. In the event of a natural catastrophe on the west coast, the entire transportation of the country could get affected.



Roads are the foundation stone for the logistic sector in India. Roads are the lifeline of any nation providing the widest connectivity like any infrastructure sector and the only mode that can provide door-to-door service. Having the second largest road network in the world with 3.3 million km, 75% of freight traffic and 85% of the passenger traffic goes by road in India. The national highway, which constitutes 2% of the overall network, carries 40% of the traffic. Trucking, being unorganised and de-regulated, is also highly fragmented. The small operators contribute 86% to the road sector. As a result, technology has not made much headway into the road transport.

The rail network is the second largest in the world under a single management with 66,000 km of tracks, which is used by 5 billion passengers and 680 million tonnes annually. There hasn't been much privatisation in this sector. But the average cost per tonne/km of cargo is much higher than in the developed world. In India, the railway costs 7.9 cents per tonne/km. The lowest railway service is in Canada where it costs only 2 cents, about one-third of our cost because of economies of scale, technology, incorporation of greater IT intensity and better management.

Internal control systems and their adequacy

Shreyas has adequate internal control systems implemented within the organization commensurate with its size and nature of business. The system ensures optimal utilization of its resources through the presence of standard operating procedures for each activity, ensuring uniformity and quality throughout its operations. Responsibilities are outlined at every level of delegation, thereby ensuring accountability for each level of its organizational hierarchy.

During the year, Shreyas appointed Consultants to handle the project of Business Continuity Planning (BCP) which is a part of Shreyas' Enterprise Risk Management (ERP) framework.

During the year, M/s. A. F. Ferguson & Co. were appointed as the Internal auditors. Audits and checks are carried out regularly during the year by the Internal auditors to ensure that all internal control procedures are being followed as per guidelines and to detect irregularities in its application; thus safeguarding the assets of the Company from misapplication. M/s Pricewaterhouse Coopers Private Limited have been appointed as the Internal Auditors for the year 2007-08.

The internal auditors submit their report to the Chairman & Managing Director and the Audit Committee outlining their findings, presenting an analytical review of the functional area looked into and providing practical recommendations for the problems observed during the conduct of the internal audit.

Human resources

As on 31st March, 2007, the Company had 40 shore staff and 179 floating staff.

Human element forms an important role in any industry, more so in shipping. Leveraging such an expertise calls for the art and science of management. Shreyas continually strives to enrich the employee experience by tapping potential and developing entrepreneurial skill. Efforts are directed towards creating a transparent and conducive work environment that encourages free exchange of ideas.

Cautionary statement

Statements in this report describing the company's objectives, projections, estimates and expectations may be forward looking statements, within the meaning of applicable laws and regulations, based on beliefs of Shreyas' Management. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different from those projected in this report, including amongst others, changes in the general economic and business conditions, changes in the currency exchange rates and interest rates, introduction of competing services, lack of acceptance of new services, and changes in business strategy. Shreyas does not intend to assume any obligation to update any forward-looking statements or information, which speak as of their respective dates reflecting circumstances arising after this date or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 1st June, 2007

S. Ramakrishnan
Chairman & Managing Director

Report on Corporate Governance

(Annexure II to the Directors' Report)

(As required by Annexure IC to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

I. Corporate Governance Philosophy and Practice

Shreyas possesses an ethical mindset about the values of good Corporate Governance. For Shreyas, Corporate Governance stands for responsible and value creating management and control of the Company. The Company's policies and practices are not only consistent with the statutory requirements but also underline its commitment to operate in the best interests of its stakeholders.

Shreyas is committed to maintain highest standards of ethical behaviour and makes an honest endeavour to uphold the attributes of transparency, independence, accountability, responsibility and growth in all aspects of its operations.

II. Board of Directors

Composition of Board of Directors

The composition of the Board is in accordance with the requirements set forth by Clause 49 in this regard. All the Directors are experts in their respective fields / professions. The Board consists of ten Directors (including a Nominee Director appointed by ICICI Bank Ltd.) of which two are Executive Directors and eight are Non-Executive Directors. The Chairman and Managing Director is an Executive Director. The Board has five Independent Directors.

Details, as on date, of the composition of the Board and changes therein since the last Report, category of the Directors and their attendance at Board meetings and the last Annual General Meeting, number of their other directorships and Committee Memberships / Chairmanships are given below:

Name of the Director	Category of Directorship ¹	Number of Board meetings attended out of six held during the year 2006-2007	Attendance at the last AGM (21.07.06)	No. of Directorships in other public limited companies as on 31.03.2007	No. of Committee positions held in other public limited companies as on 31.03.2007 ²	
					Chairman	Member
Mr. S. Ramakrishnan Chairman & Managing Director	ED	3	Yes	11	NIL	NIL
Mr. Anil Devli Executive Director	ED	6	Yes	NIL	NIL	NIL
Mr. V. Ramnarayan Director	NED (NI)	6	Yes	11	NIL	NIL
Mr. S. Mahesh Director	NED (NI)	1	Yes	11	NIL	NIL
Mr. L. B. Culas Director	NED (NI)	2	No	1	NIL	NIL
Mr. K. P. Medhekar Director	NED (I)	6	Yes	3	NIL	1
Capt. P. P. Radhakrishnan Director	NED (I)	4	Yes	2	NIL	1
Mr. Amitabha Ghosh Director appointed as Nominee by ICICI Bank Ltd.	NED (I)	6	Yes	9	4	3
Mr. S. Ragothaman Director	NED (I)	4	No	6	3	3
Mr. Bherulal Chaudhary Director	NED (I)	4	Yes	1	1	1

Notes:

- Category of Directorship:
ED – Executive Director
NED (NI) – Non-Executive Director and not Independent
NED (I) – Non-Executive Director and Independent
- As required by Clause 49 of the Listing agreement entered into with the Stock Exchanges, only Membership / Chairmanship of the Audit Committee and Shareholders' /Investors Grievance Committee have been considered. None of the Directors of the Company is a Member in more than 10 Committees or acts as Chairman of more than 5 Committees across all companies in which he is a Director.



Number of Board meetings

Six Board meetings were held during the year ended on 31st March, 2007. These were on 24th May 2006, 21st July 2006, 29th October 2006, 9th December 2006, 26th January 2007, 15th March 2007.

The gap between any two Board meetings did not exceed four months as required by Clause 49 of the Listing agreement with the Stock Exchanges.

Information supplied to the Board

To enable the Board members to discharge their responsibilities effectively and take informed decisions, a comprehensive Agenda folder with explanation on each item is sent to each Director well in advance of the Board meeting. All the Agenda items are discussed in detail during the Board meeting. The Board members have complete access to any information within the Company and to any employee of the Company. At the meetings, the Board is provided with all the relevant information on important matters affecting the working of the Company as well as the related details that require deliberation by the members of the Board.

The information as specified in Annexure 1A to Clause 49, is made available to the Board whenever applicable and materially significant.

Code of Conduct

All Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics of the Company during the year ended 31st March, 2007. The said Code has been posted on the website of the Company, i.e., www.shreyas.co.in.

III. Audit Committee of Directors (Audit Committee)

Composition

The present composition of the Audit Committee is as follows:

Name	Position held	Category
Mr. Amitabha Ghosh	Chairman	Non-Executive and Independent Director
Mr. K. P. Medhekar	Member	Non-Executive and Independent Director
Capt. P. P. Radhakrishnan	Member	Non-Executive and Independent Director
Mr. S. Ragothaman	Member	Non-Executive and Independent Director
Ms. Megha Samtani	Secretary	Company Secretary

All the members of the Audit Committee are financially literate. In view of their professional qualification and experience in finance, Mr. Amitabha Ghosh and Mr. S. Ragothaman are considered to have accounting or related financial management expertise.

The Chief Financial Officer, General Manager – Finance & Accounts, representative of the Internal auditors and the Statutory auditors are permanent invitees to the meetings of the Audit Committee.

Terms of reference

The powers and terms of reference of the Audit Committee are comprehensive and include all that is mandated as per Clause 49 of the Listing agreement and Section 292A of the Companies Act, 1956. The Committee is vested with necessary powers, as defined in its Charter, to achieve its objectives.

The Committee, inter alia, has reviewed the financial statements including Auditors Report for the year ended 31st March 2007 and has recommended its adoption, records of related party transactions, reports related to compliance of laws and risk management and the financial statements of the subsidiary company.

During the year, five meetings of the Audit Committee were held on 23rd May, 2006, 20th July, 2006, 29th October, 2006, 26th January, 2007 and 5th March, 2007 at which meetings all the members were present.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the Board meetings.

The Chairman of the Audit Committee was present at the 18th Annual General Meeting held on 21st July, 2006.

IV. Shareholders' / Investors Grievance Committee of Directors

Composition

The present composition of the Shareholders' / Investors Grievance Committee is as follows:

Name	Position held	Category
Mr. K. P. Medhekar	Chairman	Non-Executive and Independent Director
Mr. V. Ramnarayan	Member	Non-Executive Director; Not Independent
Ms. Megha Samtani	Secretary	Company Secretary & Compliance Officer

Terms of reference

- a. Review the existing investor redressal system and suggest measures for improvement.
- b. Resolution of investor grievances / complaints.
- c. Suggest improvement in investor relations.
- d. Consider and take on record Certificate from a practicing Company Secretary under Clause 47(c) of the Listing agreement.
- e. Propose to the Board of Directors, the appointment / re-appointment of the Registrar and Share Transfer Agent, including the terms and conditions, remuneration, service charge / fees.

Meetings and attendance during the year

The Company has held two meetings of the Shareholders' / Investors Grievance Committee during the year ended on 31st March, 2007. These were on 11th September 2006 and 15th March 2007. All members of the Committee and the Secretary were present at the above meetings.

The Secretarial Department of the Company, under the supervision of the Company Secretary, who is also nominated by the Company as the "Compliance Officer" as required under Sebi regulations / Listing agreement, and the Registrar and Share Transfer Agent, M/s. Intime Spectrum Registry Ltd. attend to all grievances of the Shareholders and the investors. The Company and M/s. Intime Spectrum Registry Ltd. are making further attempts to ensure that the grievances are expeditiously addressed and redressed to the full satisfaction of the Shareholders. The minutes of the Share Transfer Committee are noted by the Board of Directors at the Board Meetings.

A comparative statement of the various complaints received and redressed by the Company and M/s. Intime Spectrum Registry Ltd. during the year 2006-07 is given below:

Nature of complaints	Number of complaints	
	Received	Pending
Non-receipt of dividend	32	0
Non-receipt of Share certificates after transfer	12	0
Non-receipt of Annual report	1	0
Non-receipt of demat credit / remat credit	9	0
Non-receipt of rejected Demat Requisition Form	7	0
Others (not included above)	23	0
TOTAL	84	0

V. Remuneration Committee

Composition

The present composition of the Remuneration Committee is as follows:

Name	Position held	Category
Capt. P. P. Radhakrishnan	Chairman	Non-Executive and Independent Director
Mr. K. P. Medhekar	Member	Non-Executive and Independent Director
Mr. S. Ragothaman	Member	Non-Executive and Independent Director
Mr. Amitabha Ghosh	Member	Non-Executive and Independent Director
Ms. Megha Samtani	Secretary	Company Secretary

Terms of reference

- a. Determine the Company's policy on specific remuneration packages for Executive Directors.
- b. Bring about objectivity in determining the remuneration package of Executive Directors while striking a balance between the interest of the Company and the Shareholders.
- c. Recommend the remuneration package of Executive Directors to the Board for its approval.

During the year, two meetings of the Remuneration Committee were held on 24th May, 2006, and 26th January, 2007.



Remuneration Policy

a. For Executive Directors

The Board of Directors is authorised to decide the remuneration of the Executive Director(s), subject to the recommendation of the Remuneration Committee of Directors and approval of the Shareholders and the Central Government, if required. The details of remuneration paid to Mr. S. Ramakrishnan, Chairman & Managing Director and Mr. Anil Devli, Executive Director for the year 2006-07 have been disclosed in Note no. 12 to the accounts. The appointment of Mr. S. Ramakrishnan is in terms of the approval received from the Central Government vide its letter bearing reference no. 1/99/2004-CL.VII dated 14th September, 2004 which is valid from 1st April, 2004 upto 31st March, 2009.

The Whole-time directors –Mr. S. Ramakrishnan and Mr. Anil Devli – were paid remuneration as per their respective terms of appointment as approved by the Shareholders.

The remuneration of Mr. S. Ramakrishnan and Mr. Anil Devli was revised with the approval of the Board of Directors at its meeting held on 1st June, 2007 and 26th January, 2007 respectively after the approval accorded by the Remuneration Committee. This is in recognition of their contribution and unstinted efforts towards bringing Shreyas at the position at which it is today and the responsibilities shouldered by them in efficiently managing the business of the Company.

Mr. Anil Devli was reappointed as the Executive Director of the Company by the Board of Directors at its meeting held on 26th January 2007 for a further period of five years with effect from 21st April, 2007 on a remuneration recommended by the Remuneration Committee subject to the approval of the Shareholders.

b. For Non-Executive Directors

All fees / compensation paid to Non-Executive Directors is fixed by the Board of Directors of the Company with the previous approval of the Shareholders in the General meeting. Presently, Non-Executive Directors are paid remuneration by way of Sitting fees of Rs.10,000/- per Board, Audit Committee and Remuneration Committee Meeting attended. The details of sitting fees paid to the Non-Executive Directors for the year 2006-07 and shares held by them in the Company as on 31st March, 2007 are as under:

Name of the Director	Sitting Fees for Board Meetings attended (Rs.)	Sitting Fees for Audit Committee Meetings attended (Rs.)	Sitting Fees for Remuneration Committee Meetings attended (Rs.)	Number of Equity shares held in Shreyas Shipping & Logistics Ltd. as on 31st March, 2007
Mr. V. Ramnarayan	60,000/-	N.A	N.A	109375
Mr. S. Mahesh	10,000/-	N.A	N.A	112475
Mr. L. B. Culas	20,000/-	N.A	N.A	130845
Mr. K. P. Medhekar	60,000/-	50,000/-	20,000/-	NIL
Capt. P. P. Radhakrishnan	40,000/-	50,000/-	20,000/-	NIL
Mr. Amitabha Ghosh	60,000/-	50,000/-	20,000/-	NIL
Mr. S. Ragothaman	40,000/-	50,000/-	20,000/-	3000
Mr. Bherulal Chaudhary	40,000/-	N.A	N.A	NIL

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. Approval of the Shareholders was obtained at the Annual General Meeting held on 21st July, 2005 for payment of remuneration in the form of commission to the Directors not in whole-time employment of the Company, such commission not exceeding in the aggregate 1% per annum of the net profits of the Company for the five years commencing from 1st April, 2005, subject to the discretion and directions of the Board of Directors of the Company. The Board of Directors have not recommended commission for the Directors not in whole-time employment of the Company for the year ended 31st March, 2007.

The Company does not have a scheme for stock options for its Directors. Apart from the above transaction, none of the Non-executive Directors had pecuniary interest or transactions with the Company during the year.

VI. Share Transfer Committee

The Share Transfer Committee has been specifically constituted for approving the transfer / transmission / transposition of shares and consolidation / splitting of folios, issue of share certificates in exchange for sub-divided, consolidated, defaced share certificates, etc. ensuring

compliance with legal requirements of share transfers and co-ordination with the Registrar and Share Transfer Agent, Depositories, etc. The composition of the Committee is as follows:

Name	Position held	Category
Mr. S. Ramakrishnan	Chairman	Chairman & Managing Director
Mr. V. Ramnarayan	Member	Director
Mr. S. Mahesh	Member	Director
Ms. Megha Samtani	Member	Company Secretary
Ms. Rajna Ganesh	Member	General Manager – Finance & Accounts

Meetings of the Share Transfer Committee are usually held fortnightly. 25 meetings of the Share Transfer Committee were held during the year 2006-07.

VII. General Body Meetings

a. Particulars of the last three Annual General Meetings (AGM's)

Financial year	AGM No.	Date	Venue	Time
2005-06	18 th	21 st July, 2006	Sivaswamy Auditorium of Fine Arts Cultural Centre Chembur (East) Mumbai – 400 071	11.00 a.m
2004-05	17 th	21 st July, 2005		11.00 a.m
2003-04	16 th	23 rd July 2004		11.00 a.m

b. Special resolutions passed at last three AGM's

The following three Special resolutions were passed by the Shareholders at the AGM held on 21st July, 2006:

- Payment of incentive remuneration upto 100% of the salary to Mr. Anil Devli, Executive Director.
- Re appointment of Mr. Anil Devli, Executive Director for a further period of one year
- Increase in the remuneration payable to Mr. S. Ramakrishnan; Chairman & Managing Director.

The following five Special resolutions were passed by the Shareholders at the AGM held on 21st July, 2005:

- Increase in the remuneration payable to Mr. S. Ramakrishnan; Chairman & Managing Director.
- Appointment of Mr. Anil Devli as Executive Director.
- Payment of commission to Directors not in whole-time employment of the Company.
- Provision for payment of sitting fees to Directors not in whole-time employment of the Company.
- Approval under proviso to Section 163(1) for place of keeping Register of Members, etc.

The following two Special resolutions were passed by the Shareholders at the AGM held on 23rd July, 2004:

- Alteration of Articles of Association of the Company by replacing the Clause 91(3) on 'Sitting fees payable to Directors' by revised Clause 91(3).
- Voluntary delisting of Equity shares of the Company from Madras Stock Exchange Limited, Cochin Stock Exchange Limited and The Stock Exchange, Ahmedabad.

c. Passing of resolutions by Postal ballot

No resolutions were passed by postal ballot during the year ended 31st March, 2007. Postal ballot shall be conducted as per the provisions of the Companies Act, 1956, as and when situations arise.

VIII. Disclosures

a. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in Annexure to the Notes to Accounts. These are not in conflict with the interests of the Company in view of the following:

- (i) All details relating to financial and commercial transactions, wherein Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters.



- (ii) These are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
- b. 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, the Management periodically submits to the Board, a Risk Assessment & Minimisation Report outlining the various risks encountered by the Company, the control mechanisms adopted for mitigating such risks and the impact of materialization of such risks. The Management continues to take effective steps to mitigate such risks by devising an elaborate business strategy to counter and deal with the components of risks. During the year 2006-07, the Company has embarked on the exercise of Business Continuity Planning (BCP) as a part of Enterprise Risk Management.
- c. Disclosures have been received from Senior Management personnel to the effect that during the year ended 31st March, 2007, there were no financial and commercial transactions in which they had personal interest that may have a potential conflict with the interest of the Company at large.
- d. With regard to matters related to capital markets, the Company has duly complied with the requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authority.
- e. As on 31st March, 2007, the Company has a wholly owned Subsidiary company Shreyas Relay Systems Ltd.
- f. The Company has fully complied with all the mandatory requirements of Clause 49.

The status of compliance with **non-mandatory requirements** stipulated by the said Clause is as under:

- Tenure of Independent Directors is not being restricted to period of nine years in the aggregate since the Board of Directors unanimously opine that the length of the tenure on the Board would not have any material negative impact on the performance of Independent directors and discharge of their duties towards the Company.
- The Board of Directors has constituted a Remuneration Committee consisting of four members, who are non-executive and independent. The Chairman of the Remuneration Committee was present at the 18th Annual General Meeting held on 21st July, 2006.
- Since the half-yearly financial results are being published in leading newspapers as well as being displayed on the Company's website and EDIFAR website of the SEBI, the said results and summary of significant events are not being sent to each household of Shareholders.
- The Company takes concrete and conscious steps to ensure that the Auditors do not have any qualifications on the financial statements. Queries and suggestions on financial statements, if any, are addressed by the concerned Company representatives to the satisfaction of the Auditors.
- Adequate and transparent information is circulated to the members of the Board of Directors at its various meetings, which provide valuable inputs on the business of the Company and their responsibilities as Directors. Also, the Directors are kept abreast of the latest developments in Laws, Rules and Regulations, as also on the various risks to which the Company is subject and the manner in which these risks are mitigated and/or minimised. Therefore, the need for a formal training on these issues is not felt necessary presently.
- The re-appointment of Non-executive Directors is proposed and seconded at meetings of the Board of Directors on the basis of the contribution and performance of the Director being re-appointed. The Director being re-appointed does not participate during such discussions nor does he vote on the resolution proposing his re-appointment.
- The Company presently does not have a documented Whistle Blower Policy in place. However, given its dedication to principles such as honesty, quality, responsibility, compassion, fairness, respect, adaptability and gratitude, the Company personnel feel free to report to the Management, any concerns they may have about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

g. **Disclosure regarding appointment or re-appointment of Directors**

Mr. L. B. Culas, Capt. P. P. Radhakrishnan and Mr. S. Ragothaman retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

Mr. Anil Devli who was re-appointed as Executive Director at the Annual General Meeting held on 21st July, 2006 is being recommended for re-appointment for a further period of five years with effect from 21st April, 2007.

The brief resume of these Directors is given hereinbelow:

i. **Name: Mr. L. B. Culas**

Experience: Mr. L. B. Culas, a Chartered Engineer and a Chartered Ship Broker, has a cumulative maritime experience of over 29 years. He has served abroad for many years on various types of cargo vessels as an Engineer, including four years as Chief Engineer. He also possesses extensive shore experience, which includes various aspects of Container Feeder Business, right from sourcing the right kind of vessel to the actual running of the service.

Other Directorships:

<u>Name of the companies/firm</u>	<u>Nature of interest</u>
Albatross CFS Pvt. Ltd	Director
Orient Express Ship Management Limited	Director

Committee Memberships: NIL

Shareholding in Shreyas Shipping & Logistics Ltd. as on 31st March, 2007: 1,30,845 Equity shares of Rs.10/- each.

II. Name: Capt. P. P. Radhakrishnan

Experience:

Capt. P. P. Radhakrishnan is around 70 years of age. He is a Master Mariner holding Certificate of Competency. He was appointed as Chairman & Managing Director (CMD) of Shipping Corporation Of India (SCI) during 1991-1995 and has commanded various types of vessels in the SCI fleet. Prior to his stint as CMD of SCI, he occupied the position of Director of Technical Services Division, Bulk Carrier and Tanker Division and Coastal and Passenger Services Division at various times. He has been associated with the shipping industry for several decades and has dealt with all facets of the shipping and ship building industry.

Other Directorships:

<u>Name of the companies/firm</u>	<u>Nature of interest</u>
West Asia Maritime Limited	Director
EC Ship Management Company Ltd	Director

Committee Memberships:

<u>Name of the companies/firm</u>	<u>Name of Committee</u>	<u>Committee Position</u>
West Asia Maritime Limited	Audit Committee	Member

Shareholding in Shreyas Shipping & Logistics Ltd. as on 31st March, 2007: NIL

III. Name: Mr. S. Ragothaman

Experience:

Mr. S. Ragothaman aged 61 years is a Commerce Graduate and a Chartered Accountant. He is Ex-General Manager of erstwhile ICICI Ltd (since merged with ICICI Bank Ltd). During his almost 3 decades of service at ICICI, he had exposures in Project finance, Investment Banking, Leasing and other financial services. He has represented ICICI Ltd on the Board of various companies including ICICI Asset Management Co. Ltd and ICICI Bank. After moving out of ICICI Ltd in 1997 he has been offering advisory services to Corporates in the areas of Fund mobilization, Mergers and Acquisitions, Business restructuring, Micro finance etc. He is currently on the Board of following companies.

Other Directorships:

<u>Name of the companies/firm</u>	<u>Nature of interest</u>
The Bombay Dyeing & Manufacturing Co. Ltd	Director
Ennore Foundries Ltd	Director
Xpro India Ltd	Director
Xpro Global Ltd	Director
Southern Iron & Steel Co. Ltd	Director
Senam Microfinance Investment Literacy & Empowerment Ltd	Director

Committee Memberships:

<u>Name of the companies/ firm</u>	<u>Name of Committee</u>	<u>Committee Position</u>
The Bombay Dyeing & Manufacturing Co. Ltd	Audit Committee	Member
Ennore Foundries Ltd	Audit Committee	Member
	Investor Grievance & Share Transfer Committee	Member
Xpro India Ltd	Audit Committee	Chairman
Southern Iron & Steel Co. Ltd	Audit Committee	Chairman
Senam Microfinance Investment Literacy & Empowerment Ltd	Audit Committee	Chairman

Shareholding in Shreyas Shipping & Logistics Ltd. as on 31st March, 2007: 3000 Equity shares of Rs. 10/- each.



IV. Name: Mr. Anil Devli

Experience:

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 also on the Board of Indian National Shipowners Association and is the Vice-Chairman of The Container Shipping Lines Association (India).

Other Directorships:

<u>Name of the companies/firm</u>	<u>Nature of interest</u>
Indian National Shipowners Association Ltd	Director
The Container Shipping Lines Association (India)	Vice Chairman

Committee Memberships: NIL

Shareholding in Shreyas Shipping & Logistics Ltd. as on 31st March, 2007 : 6200 Equity shares of Rs.10/- each.

IX. Means of communication

- a. The financial results of the Company are being published in leading newspapers such as the Economic Times and Maharashtra Times to provide easier accessibility to the Shareholders and are also displayed on the Company's website www.shreyas.co.in.

The financial results during the year 2006-07 were published in the newspapers as under:

Newspapers	Date of publication of results for the Quarter ended			
	31 st March 2006	30 th June 2006	30 th September 2006	31 st December 2006
The Economic Times, Mumbai	25.5.2006	22.7.2006	31.10.2006	28.1.2007
Maharashtra Times, Mumbai	25.5.2006	22.7.2006	31.10.2006	28.1.2007

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. The same can be viewed by logging on to www.sebiedifar.nic.in.

- b. 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. During the year 2006-07, Press and Analyst meet was organized on 24th May, 2006. Press Releases were issued on 24th May, 2006 and 22nd November 2006.
- c. The Management's Discussion & Analysis Report is appearing as Annexure I to the Directors' Report.

X. Auditors' certificate on Corporate Governance

The Auditors certificate on compliance with the Corporate Governance requirements under Clause 49 of the Listing agreements entered into with the Stock Exchanges is given as Annexure III to the Directors' Report.

XI. Code of Conduct for prevention of Insider trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended in 2002, the Company has adopted a comprehensive "Code of Conduct for Prevention of Insider Trading" and "Code of Corporate Disclosure Practices". The Company believes that these Codes will help in ensuring compliance of the Sebi regulations.

XII. General Shareholders' Information

S. No.	Salient items of interest	Particulars
i.	AGM date	21 st July, 2007
ii.	AGM Time	11:00 a.m.
iii.	AGM Venue	Nehru Centre Auditorium, Discovery of India Building, Nehru Centre, Dr. Annie Beasant Road, Worli, Mumbai 400018.
iv.	Financial Calendar (tentative)	1.04.2007 to 31.03.2008
	Results for the quarter ending	
	30 th June, 2007	Last week of July, 2007
	30 th September, 2007	Last week of October, 2007
	31 st December, 2007	Last week of January, 2008
	31 st March, 2008	Last week of June, 2008
		Annual General Meeting is proposed to be held in July, 2008

S. No.	Salient items of interest	Particulars								
v.	Dates of Book Closure	16 th July, 2007 to 21 st July, 2007(both days inclusive)								
vi.	Dividend Payment date	No final dividend has been recommended on Preference and Equity shares for the year ended 31 st March 2007. The interim dividend paid in March, 2007 will be treated as final dividend.								
vii.	Listing on Stock Exchanges	<p>A. Equity shares: The Stock Exchange, Mumbai National Stock Exchange of India Ltd.</p> <p>B. Preference shares: The Stock Exchange, Mumbai</p> <p>C. Global Depositary Receipts (GDRs) Bourse de Luxembourg</p> <p>The Company has paid listing fees for the year 2007-08 to the Indian Stock Exchanges where its securities are listed.</p> <p>The Company has paid listing fees for the Calendar year 2007 to the Luxembourg Stock Exchange for the Global Depositary Receipts listed on the same.</p>								
viii.	Stock Code	<p>A. Equity shares: The Stock Exchange, Mumbai - 520151 National Stock Exchange of India Ltd. - SHREYAS</p> <p>B. Preference shares: The Stock Exchange, Mumbai - 700105</p> <p>C. Global Depositary Receipts (GDRs) CUSIP -Bourse de Luxembourg –825540107</p>								
ix.	The International Securities Identification Number (ISIN Number) for the Company's Shares in dematerialised form.	<p>A. Equity shares:INE757B01015 B. Preference shares:INE757B04019 C. Global Depositary Receipts (GDRs)US8255401072</p>								
x.	Registrar & Share Transfer Agent	Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (West) Mumbai – 400 078 Tel No. 2596 3838 Fax No. 2596 2691								
xi.	Share Transfer System	Transfers of Shares in physical form are processed by M/s. Intime Spectrum Registry Limited and are approved by the Share Transfer Committee, which usually meets fortnightly. Transfers of Shares are effected and Share Certificates are dispatched within a period of 30 days from the date of receipt of the request, provided the relevant documents are valid and complete in all respects. Trading in the Company's Shares is permitted only in dematerialised form. In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit / credit of the accounts involved.								
xii.	Dematerialisation of shares (Equity)	As at 31 st March, 2007 – 6830 Members (57.63% of the total Members) hold 54,66,832 Equity Shares of Rs.10/- each (24.90% of the total Equity Shares) in dematerialised mode.								
xiii.	Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	<p>Outstanding GDRs and likely impact on equity</p> <p>Pursuant to the resolution passed by the Shareholders at the Extraordinary General Meeting held on 16th January, 2006, the Company had issued 21,33,333 GDRs representing one underlying Equity share of the face value of Rs.10/- each.</p> <p>The details of GDRs outstanding as on 1st April, 2006, converted during the financial year 2006-07 and outstanding as on 31st March, 2007 are given hereinbelow:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Nos.</th> </tr> </thead> <tbody> <tr> <td>Outstanding GDRs as on 1st April, 2006</td> <td style="text-align: right;">21,33,333</td> </tr> <tr> <td>GDRs converted into shares during the year</td> <td style="text-align: right;">21,33,333</td> </tr> <tr> <td>Outstanding GDRs as on 31st March, 2007</td> <td style="text-align: right;">NIL</td> </tr> </tbody> </table>	Particulars	Nos.	Outstanding GDRs as on 1 st April, 2006	21,33,333	GDRs converted into shares during the year	21,33,333	Outstanding GDRs as on 31 st March, 2007	NIL
Particulars	Nos.									
Outstanding GDRs as on 1 st April, 2006	21,33,333									
GDRs converted into shares during the year	21,33,333									
Outstanding GDRs as on 31 st March, 2007	NIL									



S. No.	Salient items of interest	Particulars
xiv.	Plant locations	Not applicable as the Company is a ship owning Company.
xv.	Address for correspondence	<p>Registered office: 1110/1111 Embassy Centre Nariman Point Mumbai – 400 021</p> <p>Administrative office: 'Orient Shreyas', Plot no.203, Station Avenue Road, Chembur (East), Mumbai – 400 071</p> <p>Registrar & Share Transfer Agents M/s. Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078</p>

Distribution of Shareholding as on 31st March, 2007

Category (Nominal value of shares) From To	No. of Shareholders	% of Total Shareholders	Share amount (In Rs.)	% of Total Shareholding
Upto 2,500	10151	85.66	10139900	4.62
2,501 - 5,000	875	7.38	3570070	1.63
5,001 - 10,000	416	3.51	3462230	1.58
10,001 - 20,000	217	1.83	3390750	1.54
20,001 - 30,000	73	0.62	1874000	0.85
30,001 - 40,000	24	0.20	881910	0.40
40,001 - 50,000	21	0.18	995800	0.45
50,001 - 1,00,000	34	0.29	2328100	1.06
1,00,001 & above	40	0.33	192932570	87.87
Total	11851	100.00	219575330	100.00

Shareholders' profile

As on 31st March, 2007, the Company had 11,851 shareholders. The Company's Shares are held by diverse entities as per the following break-up:

		Category	No. of Shares held	Percentage of Shareholding
A	1	Promoter's Holding		
		Promoters		
		Indian Promoters:	1014945	4.62
		Foreign Promoters:	15078150	68.67
B	2	Non-Promoter Holding		
		Institutional Investors		
		a. Mutual Funds and UTI	96783	0.44
		b. Banks, Financial Institutions	121294	0.55
		c. Foreign Institutional Investors	2309741	10.53
	3	Others		
		a. Bodies Corporate	353084	1.61
		b. Indian Public	2683933	12.22
		c. NRIs/OCBs	64746	0.29
		d. HUF	234857	1.07
		Total (1+2+3)	21957533	100.00

Top 10 shareholders as on 31st March, 2007

Sr. No	Name of the Shareholder	Number of Shares held as on 31.03.07	% of Shareholding
1	Transworld Holdings Limited	12,351,650	56.25
2	FID Funds (Mauritius) Ltd	2,195,734	10.00
3	Anisha Ramakrishnan	975,575	4.44
4	Mithila Mahesh	975,575	4.44
5	Valli Sivaswamy	383,500	1.75
6	Ritesh Ramakrishnan	168,375	0.77
7	Master Murali Mahesh	168,375	0.77
8	Rajan Ramnarayan	140,875	0.64
9	Rajeev Ramnarayan	136,375	0.62
10	L. B. Culas	130,845	0.60

Stock price data

(1) The monthly high and low stock quotations during the financial year 2006-07 and performance in comparison to the BSE Sensex and S&P CNX Nifty is given below:

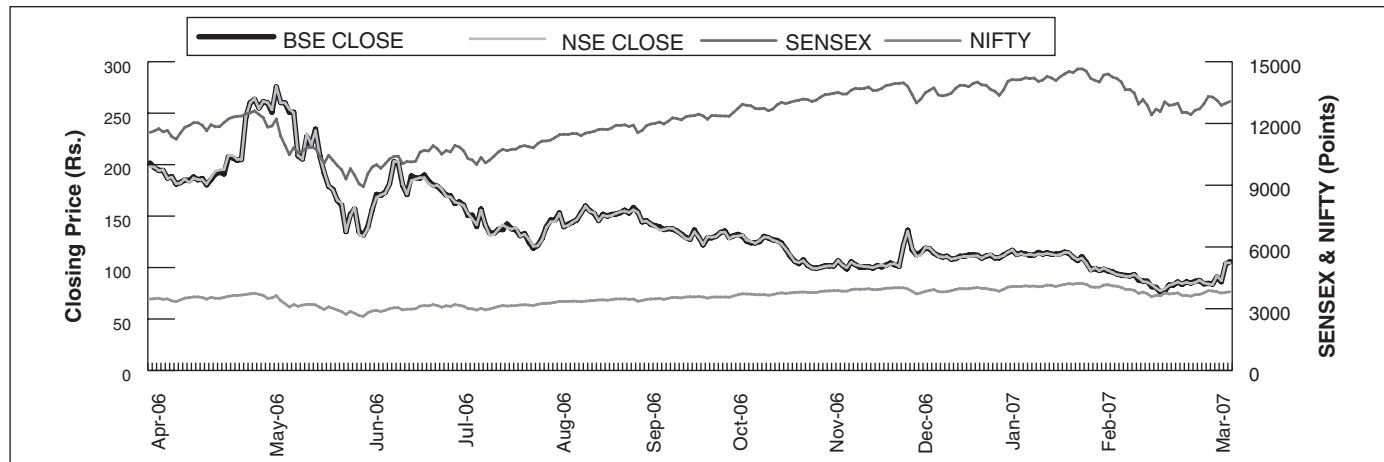
Month & Year	Share Price of Shreyas on BSE		BSE SENSEX		Share Price of Shreyas on NSE		S&P CNX Nifty	
	Month's High (Rs.)	Month's Low (Rs.)	Month's High (Index point)	Month's Low (Index point)	Month's High (Rs.)	Month's Low (Rs.)	Month's High (Index point)	Month's Low (Index point)
April 2006	206.00	176.00	12102.00	11008.43	204.45	165.00	3598.95	3290.35
May 2006	290.00	188.00	12671.11	9826.91	288.00	188.05	3774.15	2896.40
June 2006	227.00	127.15	10626.84	8799.01	236.00	127.10	3134.15	2595.65
July 2006	195.00	126.20	10940.45	9875.35	194.00	125.55	3208.85	2878.25
August 2006	163.20	116.00	11794.43	10645.99	157.50	117.50	3452.30	3113.60
September 2006	160.00	125.10	12485.17	11444.18	159.85	125.05	3603.70	3328.45
October 2006	142.00	116.00	13075.85	12178.83	140.00	117.15	3782.85	3508.65
November 2006	121.65	96.00	13799.08	12937.30	122.00	96.00	3976.80	3737.00
December 2006	143.10	99.00	14035.30	12801.65	139.60	100.00	4046.85	3657.65
January 2007	122.80	107.55	14325.92	13303.22	120.00	109.00	4167.15	3833.60
February 2007	118.00	85.00	14723.88	12800.91	114.95	85.10	4245.30	3674.85
March 2007	110.50	76.00	13386.95	12316.10	110.70	71.15	3901.75	3554.50

(2) Shares traded during 1st April, 2006 to 31st March, 2007

Particulars	On BSE	On NSE
No. of shares traded	5918461	4231908
Highest Share price	Rs.290.00 (on 09/05/2006)	Rs. 288.00 (on 09/05/2006)
Lowest Share price	Rs.76.00 (on 07/03/2007 & 08/03/2007)	Rs.71.15(on 06/03/2007)
Closing Share price as on 30 th March, 2007	Rs. 105.80	Rs. 104.75
Market capitalisation as on 30 th March, 2007	Rs. 2323106991.40	Rs. 2300051581.75



(3) The Company's share price movement during 2006-07 on BSE and NSE vis-à-vis respective indices:



(4) The details of the high /low market price of the GDRs of the Company at the Luxembourg Stock Exchange during 2006-07 are provided hereunder.

Month	Quotation for GDRs (each GDR representing one underlying Equity share of the face value of Rs.10/- each)	
	Month -end GDR Close Price (in USD)	GDR trading volume
April 2006	4.29	N.A
May 2006	4.50	N.A
June 2006	4.06	N.A
July 2006	2.96	N.A
August 2006	3.22	N.A
September 2006	2.82	N.A
October 2006	2.62	N.A
November 2006	2.25	N.A
December 2006	2.53	N.A
January 2007	2.56	N.A
February 2007	1.98	N.A
March 2007	2.43	N.A

Note: Outstanding GDRs have been converted into equity shares by 30th September 2006.

Place: Mumbai
Date: 1st June, 2007

For and on behalf of the Board of Directors

S. Ramakrishnan
Chairman & Managing Director

Certificate

(Annexure III to the Directors' Report)

(As required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

To the Members of
Shreyas Shipping and Logistics Limited

We have examined the compliance of conditions of Corporate Governance by Shreyas Shipping and Logistics Ltd for the year ended on 31st March 2007 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March, 31 2007, no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Sridhar & Santhanam
Chartered Accountants

S Ramakrishnan
Partner
M. No 18967

Place: Mumbai
Date: 1st June, 2007



Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

(Annexure IV to the Directors' Report)

(As required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

To

The Shareholders and the Board of Directors
Shreyas Shipping & Logistics Limited

We, S. Ramakrishnan, Chief Executive Officer (as per Clause 49 of the Listing agreement entered into with the Stock Exchanges) and Vinay Kshirsagar, Chief Financial Officer (as per Clause 49 of the Listing agreement entered into with the Stock Exchanges), of Shreyas Shipping & Logistics Limited, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2007 (hereinafter referred to as 'the year') and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and have taken requisite steps to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year; and
 - ii. significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
- e. There have been no instances of significant fraud of which we have become aware and any involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- f. All Board members and Senior managerial personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics during the year ended 31st March, 2007.

Mumbai
1st June, 2007

S. Ramakrishnan
Chief Executive Officer

Vinay Kshirsagar
Chief Financial Officer

Auditors' Report

To

The Members of Shreyas Shipping and Logistics Ltd.

1. We have audited the attached Balance Sheet of Shreyas Shipping and Logistics Ltd. as at 31st March 2007, the Profit and Loss account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on that date from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
 - (b) In case of the Profit and Loss account, of the profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Sridhar & Santhanam.
Chartered Accountants

S.Ramakrishnan
Partner
M. No. 18967

Place: Mumbai
Date: 1st June, 2007



Annexure to the Auditors' Report

Re: Shreyas Shipping and Logistics Limited

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The major fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification
- (c) A substantial part of fixed assets have not been disposed off during the year.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company had given an unsecured loan of Rs 280 lakhs to its Subsidiary, Shreyas Relay Systems Ltd, in the previous year which was outstanding at the beginning of the year. This loan has been repaid in full including interest by the Subsidiary in the current year. During the year Company has given a fresh unsecured interest free loan of Rs 88 lakhs to the same Subsidiary, the terms and conditions of which are not prima facie prejudicial to the interest of the Company. The principal is not yet due for this loan. Except for this loan, Company has not given any other loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. No goods are sold by the Company. There is no continuing failure to correct major weaknesses in internal control system;
- (v) (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
- (b) In respect of transactions exceeding the value of Rs five lakhs in respect of each party made in pursuance of such contracts or arrangements, they have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
- (vi) The Company has not accepted deposits from the public;
- (vii) The Company has an internal audit system commensurate with its size and nature of its business;
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act,
- (ix) (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) There are no dues of Income tax/sales tax/Wealth tax/Service tax/custom duty/excise duty/Cess that have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year and in the immediately preceding financial year;

- (xi) The Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xiii) As this Company is not a Nidhi/Mutual benefit fund/ Society, the provisions of special statute applicable to chit fund is not applicable to this Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions except for guaranteeing a loan taken by its Subsidiary, the terms and conditions of which are not prejudicial to the Company.
- (xvi) Term loans were applied for the purpose for which the loans were obtained;
- (xvii) On an overall examination of the Balance Sheet, we report that the funds raised on short-term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures.
- (xx) There have been no public issues during the year. The Company had issued in the previous year 21,33,333 Global Depository Receipts (GDRs) (each GDR representing one equity share). All the GDRs have been converted into shares during the year. The proceeds of this have been utilized in full for capital expenditure. This has been duly disclosed by the management and the same has been verified.
- (xxi) No fraud on or by the Company has been noticed or reported during the year.

For Sridhar & Santhanam.
Chartered Accountants

S.Ramakrishnan
Partner
M. No. 18967

Place: Mumbai
Date : 1st June, 2007



BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	(AMOUNT IN RUPEES)	
		AS AT 31.03.2007	AS AT 31.03.2006
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1	349,575,330	349,575,330
RESERVES AND SURPLUS	2	1,260,974,742	1,147,580,011
		<u>1,610,550,072</u>	<u>1,497,155,341</u>
LOAN FUNDS			
SECURED LOANS	3	1,539,308,435	264,735,945
		<u>1,539,308,435</u>	<u>264,735,945</u>
	TOTAL	<u>3,149,858,507</u>	<u>1,761,891,286</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	4	2,396,854,995	1,257,174,950
LESS : DEPRECIATION		323,482,718	433,100,225
NET BLOCK		<u>2,073,372,277</u>	<u>824,074,725</u>
CAPITAL WORK-IN-PROGRESS (Ship Under Building)		<u>510,916,941</u>	<u>251,849,984</u>
	TOTAL	<u>2,584,289,218</u>	<u>1,075,924,709</u>
INVESTMENTS			
CURRENT ASSETS, LOANS AND ADVANCES			
INVENTORIES	6	41,741,551	30,861,276
SUNDRY DEBTORS	7	177,552,910	176,583,491
CASH AND BANK BALANCES	8	74,235,107	47,766,812
OTHER CURRENT ASSETS	9	112,277,169	14,262,826
LOANS AND ADVANCES	10	96,936,525	97,122,484
CURRENT ASSETS TOTAL (A)		<u>502,743,262</u>	<u>366,596,889</u>
LESS : CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES	11	165,601,963	80,915,335
PROVISIONS	12	6,285,827	36,955,838
CURRENT LIABILITIES TOTAL (B)		<u>171,887,790</u>	<u>117,871,173</u>
NET CURRENT ASSETS (A - B)		<u>330,855,472</u>	<u>248,725,716</u>
	TOTAL	<u>3,149,858,507</u>	<u>1,761,891,286</u>
NOTES TO THE ACCOUNTS			
	17		

AS PER OUR REPORT ATTACHED

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Partner
M.No. 18967

Place : Mumbai
Date : 1st June, 2007

FOR AND ON BEHALF OF THE BOARD

S. Ramakrishnan
Chairman & Managing Director

V. Ramnarayan
Director

K. P. Medhekar
Director

Place : Mumbai
Date : 1st June, 2007

Anil Devli
Executive Director

Megha Samtani
Company Secretary

Vinay Kshirsagar
Chief Financial Officer

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

(AMOUNT IN RUPEES)			
	Schedule	Year ended 31.03.2007	Year ended 31.03.2006
INCOME			
OPERATING EARNINGS			
a) CHARTER HIRE INCOME		329,567,301	444,279,804
b) FREIGHT INCOME		1,016,656,073	796,834,376
c) NON LINER INCOME		3,100,293	-
TOTAL OPERATING EARNINGS		<u>1,349,323,667</u>	<u>1,241,114,180</u>
OTHER INCOME			
a) PROFIT ON SALE OF SHIP		28,866,636	29,686,790
b) MISCELLANEOUS INCOME	13	32,307,222	9,484,385
TOTAL OTHER INCOME		<u>61,173,858</u>	<u>39,171,175</u>
TOTAL INCOME		<u>1,410,497,525</u>	<u>1,280,285,355</u>
EXPENDITURE			
OPERATING EXPENSES	14	933,294,513	780,419,477
ADMINISTRATION & OTHER EXPENSES	15	66,730,365	45,780,293
INTEREST	16	46,585,218	19,300,703
DEPRECIATION		92,104,185	84,752,443
LESS : DEPRECIATION ADJUSTED BY TRANSFER FROM CAPITAL RESERVE		134,703	134,703
TOTAL EXPENDITURE		<u>91,969,482</u>	<u>84,617,740</u>
		<u>1,138,579,578</u>	<u>930,118,213</u>
PROFIT BEFORE EXTRA ORDINARY AND EXCEPTIONAL ITEMS AND TAXATION		271,917,947	350,167,142
ADD: EXTRAORDINARY ITEMS (Refer note no 5 in Schedule 17)		48,637,472	-
LESS: EXCEPTIONAL ITEMS (Refer note no 6 in Schedule 17)		5,478,568	-
PROFIT BEFORE TAX		315,076,851	350,167,142
LESS: PRIOR PERIOD ITEMS (net) (Refer note no 8 & 9 in Schedule 17)		293,504	-
LESS PROVISION FOR TAXATION			
— CURRENT		16,000,000	5,600,000
— FRINGE BENEFIT TAX		1,329,823	1,161,000
— PRIOR YEAR		2,226,691	9,555
PROFIT AFTER TAX		<u>295,226,833</u>	<u>343,396,587</u>
SURPLUS BROUGHT FORWARD FROM PREVIOUS YEAR		325,891,649	112,182,688
ADD: TRANSFER FROM CAPITAL REDEMPTION RESERVE		-	39,000,000
AMOUNT AVAILABLE FOR APPROPRIATION		<u>621,118,482</u>	<u>494,579,275</u>
APPROPRIATIONS			
TRANSFER TO GENERAL RESERVE		35,000,000	34,400,000
TRANSFER TO TONNAGE TAX RESERVE		60,000,000	68,800,000
INTERIM DIVIDEND PAID ON EQUITY SHARES		48,306,573	19,824,200
DIVIDEND PAID ON PREFERENCE SHARES		10,660,000	6,699,452
TAX ON DIVIDEND PAID		8,270,062	3,724,439
PROPOSED DIVIDEND ON EQUITY SHARES		-	26,349,040
TAX ON PROPOSED DIVIDEND ON EQUITY SHARES		-	3,695,453
PROPOSED DIVIDEND ON PREFERENCE SHARES		-	4,556,055
TAX ON PROPOSED DIVIDEND ON PREFERENCE SHARES		-	638,987
SURPLUS CARRIED TO BALANCE SHEET		<u>458,881,847</u>	<u>325,891,649</u>
		<u>621,118,482</u>	<u>494,579,275</u>
NOTES TO THE ACCOUNTS			
Earnings per share-Basic and Diluted (excluding extra-ordinary & exceptional items) (Refer Note 19 in schedule 17)	17	10.93	16.49
Earnings per share-Basic and Diluted (including extra-ordinary & exceptional items) (Refer Note 19 in schedule 17)		12.89	16.49

AS PER OUR REPORT ATTACHED

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Partner
M.No. 18967

Place : Mumbai
Date : 1st June, 2007

FOR AND ON BEHALF OF THE BOARD

S. Ramakrishnan
Chairman & Managing Director

V. Ramnarayan
Director

K. P. Medhekar
Director

Place : Mumbai
Date : 1st June, 2007

Anil Devli
Executive Director

Megha Samtani
Company Secretary

Vinay Kshirsagar
Chief Financial Officer



SCHEDULES TO BALANCE SHEET

		(AMOUNT IN RUPEES)	
SCHEDULE 1 : SHARE CAPITAL		AS AT 31.03.2007	AS AT 31.03.2006
AUTHORISED			
24,000,000	Equity Shares of Rs 10/- each	240,000,000	240,000,000
1,400,000	8.2% Non Convertible Cumulative Redeemable Preference Shares of Rs 100/- each	140,000,000	140,000,000
		<u>380,000,000</u>	<u>380,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP			
2,19,57,533	Equity Shares of Rs 10/- each fully Paid up Of the above, 1,23,51,650 Equity Shares held by Holding Company Transworld Holdings Limited., Mauritius. Of the above, 10,162,750 Equity Shares allotted as fully paid up pursuant to a contract without payment being received in cash. Includes 21,33,333 Equity shares of Rs 10 each fully paid up being the underlying shares in respect of equal number of Global Depository Receipts (GDR) issued and fully paid up during the previous year. All the GDRs have been converted into Equity Shares during the year.	219,575,330	219,575,330
1,300,000	8.20% Non-Convertible, Cumulative, Redeemable Preference Shares of Rs 100/- each fully paid up Date of allotment 27th October, 2005 To be redeemed at par at the end of the 3rd, 4th & 5th Year from the Date of allotment in the ratio of 30:30:40	130,000,000	130,000,000
TOTAL		<u>349,575,330</u>	<u>349,575,330</u>
SCHEDULE 2 : RESERVES AND SURPLUS			
SECURITIES PREMIUM			
	As per last Balance sheet	496,753,213	177,272,000
	Add: Premium received on issue of 21,33,333 Global Depository Receipts (GDR) (Gross)	-	333,786,874
	Less: Expenses on GDR & Preference Shares issue.	-	14,305,661
	Less: Expenses on upgradation and refurbishment of vessels and loss of stores in sunken vessel as per court order (Refer note No 3 to Schedule 17)	114,460,764	-
	(a)	<u>382,292,449</u>	<u>496,753,213</u>
GENERAL RESERVE			
	As per last balance sheet	168,489,620	134,089,620
	Add: Transfer from Profit and Loss account	35,000,000	34,400,000
	(b)	<u>203,489,620</u>	<u>168,489,620</u>
TONNAGE TAX RESERVE			
	As per last balance sheet	125,600,000	56,800,000
	Add: Transfer from Profit and Loss account	60,000,000	68,800,000
	(c)	<u>185,600,000</u>	<u>125,600,000</u>
ASSET IMPAIRMENT RESERVE			
	As per last balance sheet	30,000,000	30,000,000
	(d)	<u>30,000,000</u>	<u>30,000,000</u>

(AMOUNT IN RUPEES)

	AS AT 31.03.2007	AS AT 31.03.2006
CAPITAL RESERVE		
As per last balance sheet	845,529	980,232
Less: Transfer to Profit & Loss Account for adjustment against depreciation	134,703	134,703
(e)	<u>710,826</u>	<u>845,529</u>
SURPLUS		
Balance in Profit & Loss Account	458,881,847	325,891,649
(f)	<u>458,881,847</u>	<u>325,891,649</u>
TOTAL (a+b+c+d+e+f)	<u><u>1,260,974,742</u></u>	<u><u>1,147,580,011</u></u>

SCHEDULE 3 : SECURED LOANS

FROM BANKS

ICICI BANK LTD (RUPEE LOAN)

Secured by an exclusive charge over the Vessel M.V.Orient Victory and a second charge over the Vessel M.V.Orient Aishwarya

148,894,502 186,118,126

ICICI BANK LTD (FCNR LOAN)

Secured by a charge over the Vessel M.V.Orient Aishwarya

4,252,295 21,754,912

STATE BANK OF INDIA (FCNR LOAN)

Secured by a charge over the Vessel M.V.Oel Trust

459,300,354 -

STATE BANK OF INDIA (FCNR LOAN)

Secured by a charge over the Vessel M.V.Independent spirit

435,105,000 -

STATE BANK OF INDIA (FCNR LOAN)

Secured by a charge over the Vessel M.V.Oel Express

238,978,125 -

STATE BANK OF INDIA (RUPEE TERM LOAN)

Secured by first charge over Vessel under construction and a second charge over the vessel M.V Orient Independence.

250,000,000 10,000,000

STATE BANK OF INDIA (CORPORATE LOAN)

Secured by a first charge over the Vessel M.V.Orient Independence

- 46,425,000

ICICI BANK LTD (CAR LOAN)

Secured by hypothecation of Cars

2,778,159 437,907

TOTAL

1,539,308,435 264,735,945

SCHEDULE 4 : FIXED ASSETS

(AMOUNT IN RUPEES)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS AT 01.04.2006	ADDITIONS	DEDUCTIONS/ADJUSTMENTS	COST AS AT 31.03.2007	AS AT 01.04.2006	FOR THE YEAR	DEDUCTIONS/ADJUSTMENTS	AS AT 31.03.2007	AS AT 31.03.2007	AS AT 31.03.2006
FLEET	1,231,386,179	1,572,358,969	432,275,571	2,371,469,577	421,436,588	90,146,499	197,525,512	314,057,575	2,057,412,002	809,949,591
EQUIPMENT ON BOARD	7,206,336	-	3,538,390	3,667,946	2,392,519	350,593	1,286,915	1,456,197	2,211,749	4,813,817
FURNITURE & FIXTURES	4,022,017	2,511,045	45,659	6,487,403	2,339,444	338,729	45,659	2,632,514	3,854,889	1,682,573
OFFICE EQUIPMENTS (INCLUDING COMPUTERS AND SOFT WARE)	9,517,442	888,936	3,374,148	7,032,230	5,545,248	727,697	2,863,606	3,409,339	3,622,891	3,972,194
VEHICLES	5,042,976	3,154,863	-	8,197,839	814,038	405,964	-	1,220,002	6,977,837	4,228,938
ADJUSTMENT FOR DEPRECIATION BY WAY OF TRANSFER FROM CAPITAL RESERVE	-	-	-	-	572,388	134,703	-	707,091	(707,091)	(572,388)
TOTAL AS ON 31.03.2007	1,257,174,950	1,578,913,813	439,233,768	2,396,854,995	433,100,225	92,104,185	201,721,692	323,482,718	2,073,372,277	824,074,725
TOTAL AS ON 31.03.2006	1,505,760,381	39,166,124	287,751,555	1,257,174,950	493,648,597	84,752,443	145,300,815	433,100,225	824,074,725	

Addition/(Deletion) to Fleet include (Rs 2,86,83,129/-) (Previous Year Rs.4,30,793) towards adjustment in respect of exchange difference.



SCHEDULE 5 : INVESTMENTS

(A) LONG TERM INVESTMENTS (AT COST)

1 TRADE — UNQUOTED—FULLY PAID

S. No.	NAME OF THE COMPANY	Face Value Rupees	As at 31.03.2007		As at 31.03.2006	
			No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
1	SHREYAS RELAY SYSTEMS LIMITED (SUBSIDIARY COMPANY)	10	2,500,000	25,000,000	500,000	5,000,000
2	ORIENT EXPRESS SHIP MANAGEMENT LIMITED	10	15,000	150,000	15,000	150,000
TOTAL LONG TERM INVESTMENT (A)			2,515,000	25,150,000	515,000	5,150,000

(B) NON-TRADE CURRENT INVESTMENTS IN MUTUAL FUND- (UNQUOTED, UNLESS OTHERWISE STATED AT LOWER OF COST OR NET ASSET VALUE)

S. No.	DESCRIPTION	As at 31.03.2007 FaceValue	As at 31.03.2007		As at 31.03.2006	
			No. of Units	Amount Rupees	No. of Units	Amount Rupees
1	LIC MF FMP SERIES 13- 6 MONTHS DIVIDEND PLAN (4,000,000 Units purchased, 4966 Units cumulated during the year)	10	4,004,966	40,049,657	—	—
2	UTI FMP - (HFMP/0307) - DIVIDEND PLAN- REINVESTMENT (4,000,000 Units purchased , 13264 Units cumulated during the year)	10	4,013,264	40,132,636	—	—
3	BIRLA FTP - QTRLY- SERIES 9 - DIVIDEND PAYOUT (4,000,000 Units purchased during the year)	10	4,000,000	40,000,000	—	—
4	SBI DEBT FUND SERIES - 90 DAYS (MAR 07) DIVIDEND (4,000,000 Units purchased during the year)	10	4,000,000	40,000,000	—	—
5	RELIANCE FIXED HORIZON FUND II - QTRLY PLAN - SERIES II (290,000 Units purchased during the year)	10	290,000	2,900,000	—	—
6	RELIANCE MONTHLY INTERVAL FUND - SERIES I (150,000 Units purchased during the year)	10	150,000	1,500,000	—	—
7	TATA FIXED HORIZON FUND SERIES 9 - SCHEME A - DIVIDEND-RP (500,000 Units purchased during the year)	10	500,000	5,000,000	—	—
8	LOTUS INDIA FMP - 3 MONTHS - SERIES I - RETAIL DIVIDEND (100,000 Units purchased, 773 Units cumulated during the year)	10	100,773	1,007,726	—	—
9	UTI LIQUID CASH INSTITUTIONAL DAILY INCOME OPTION (41,689 Units purchased, 651 Units cumulated and 39,894 Units sold during the year)	1,000	2,453	2,501,125	7	6,722
10	BIRLA SUNLIFE CASH MANAGER FUND-IP DAILY DIVIDEND (2,749,450 Units purchased, 90,737 Units cumulated and 4,095,536 Units sold during the year)	10	753,485	7,536,355	2,008,834	20,092,354
11	LIC FLOATING RATE FUND - SHORT TERM PLAN - DIVIDEND (738,703 Units purchased and 5,218 Units cumulated during the year)	10	743,921	7,552,956	—	—
12	PRU ICICI SUPER INSTITUTIONAL FUND LIQUID PLAN (14,795,632 Units purchased ,106,032 Units cumulated and 13,622,216 Units sold during the year)	10	1,781,966	17,819,655	502,518	5,025,180
13	RELIANCE FLOATING RATE FUND DAILY DIVIDEND- REINVEST. (1,490,526 Units purchased , 9,735 Units cumulated and 1,146,311 Units sold during the year)	10	353,950	3,562,726	—	—
14	CHOLA LIQUID INSTITUTIONAL DIVIDEND REINVESTMENT PLAN (947,076 Units purchased , 52,769 Unit cumulated and 4,003,643 Units sold during the year)	10	98	980	3,003,896	30,129,377
15	PRU ICICI FIXED MATURITY PLANS (8,881,518 Units purchased , 87,467 Units cumulated and 8,968,985 Units sold during the year)	—	—	—	—	—
16	PRU ICICI SHORT TERM/FLEXIBLE PLAN (10,570,271 Units purchased, 113,995 Units cumulated and 10,684,266 Units sold during the year)	—	—	—	—	—
17	LIC LIQUID FUND (5106601856) (6,421,253 Units purchased, 86,725 Units cumulated and 6,507,978 Units sold during the year)	—	—	—	—	—
18	UTI FIXED MATURITY PLAN-QFMP (03/06) DIVIDEND (2,003,500 Units sold during the year)	—	—	—	2,003,500	20,035,000
19	PRUDENTIAL ICICI FIXED MATURITY PLAN SERIES 24 (10,117 Units cumulated and 3,024,371 Units sold during the year)	—	—	—	3,014,254	30,142,544
20	PRUDENTIAL ICICI FIXED MATURITY PLAN SERIES 28 (6744 Units cumulated, 1,021,262 Units sold during the year)	—	—	—	1,014,518	10,145,178
21	RELIANCE FIXED MATURITY PLAN SERIES II QUARTERLY III (4,774,617 Units sold during the year)	—	—	—	4,774,617	47,746,172

S. No.	DESCRIPTION	As at	As at 31.03.2007		As at 31.03.2006	
		31.03.2007 FaceValue	No. of Units	Amount Rupees	No. of Units	Amount Rupees
22	CHOLA FIXED MATURITY PLAN SERIES-2 QUARTERLY PLAN II (451,737 Units sold during the year)	—	—	—	451,737	4,517,370
23	ABN AMRO FIXED TERM PLAN SERIES-2 (250,165 Units sold during the year)	—	—	—	250,165	2,501,650
24	DSPML FIXED TERM PLAN SERIES -1B (2,664 units cumulated, 253,939 Units sold during the year)	—	—	—	251,275	2,512,746
25	KOTAK FIXED MATURITY SERIES XVIII (14,689 Units cumulated, 4,062,305 during the year)	—	—	—	4,047,616	40,476,160
26	LIC LIQUID FUND DIVIDEND PLAN 5106502012 (2,990,650 Units purchased , 62440 Units cumulated and 6,509,137 Units sold during the year)	—	—	—	3,456,047	37,866,865
27	CANLIQUID INSTITUTIONAL FUND (248,979 Units purchased , 124,572 Units cumulated and 4,628,879 Units sold during the year)	—	—	—	4,255,328	42,727,745
28	DSP MerrillLynch Liquidity Fund Daily- Regular -Dividend (249,750 Units purchased , 91,946 Unit cumulated and 4,358,398 Units sold during the year)	—	—	—	4,016,702	40,207,185
29	STANDARD CHARTERED LIQUIDITY MANAGER (58,648 Units cumulated and 3,825,430 Units sold during the year)	—	—	—	3,766,782	37,671,583
30	J.M.HIGH LIQUIDITY FUND (450,000 Uunits purchased, 28,565 Unit cumulated and 2,487,591 Units sold during the year)	—	—	—	2,009,026	20,090,258
31	CHOLA FLOATING RATE FUND (698,854 Units purchased ,7,516 Unit cumulated and 706,370 Units sold during the year)	—	—	—	—	—
32	PRINCIPAL CASH MANAGEMENT FUND LIQUID INSTITUTIONAL PLAN (499,890 Units purchased, 29,844 Units cumulated and 2,537,868 Units sold during the year)	—	—	—	2,008,134	20,085,762
33	SBI MAGNUM /PREMIER LIQUID (1,895,630 Units purchased , 72,522 Units cumulated and 3,969,872 Units sold during the year)	—	—	—	2,001,720	20,082,256
34	RELIANCE TREASURY PLAN INSTITUTIONAL DAILY DIVIDEND PLAN (6 Unit cumulated and 1,888 Units sold during the year)	—	—	—	1,882	28,754
35	UTI FMP (QFMP/0806/II) (1,250,000 Units purchased , 19,256 Units cumulated and 1,269,256 Units sold during the year)	—	—	—	—	—
36	DEUTCHE MUTUAL FUND (4,481,600 Units purchased , 72,748 Units cumulated and 4,554,348 Units sold during the year)	—	—	—	—	—
37	TATA MUTUAL FUND (536,936 Units purchased,2,688 Units cumulated and 539,624 Units sold during the year)	—	—	—	—	—
Total			20,694,875	209,563,817	42,838,556	432,090,861
TOTAL INVESTMENTS (A + B)				234,713,817		437,240,861

SCHEDULE 6 : INVENTORIES

(At lower of Cost or Net Realisable Value)

Lube Oils and Fuel Oil *

Victualling Stock*

*(As valued and certified by the Management)

TOTAL

SCHEDULE 7 : SUNDRY DEBTORS

(Unsecured and considered good)

Debts outstanding for a period exceeding six months:

Other Debts

TOTAL

(AMOUNT IN RUPEES)	
AS AT 31.03.2007	AS AT 31.03.2006
40,792,870	30,246,996
948,681	614,280
41,741,551	30,861,276
1,470,716	—
176,082,194	176,583,491
177,552,910	176,583,491



		(AMOUNT IN RUPEES)	
		AS AT 31.03.2007	AS AT 31.03.2006
SCHEDULE 8 : CASH AND BANK BALANCES			
Cash on Hand		3,044,277	3,025,823
With Scheduled Banks			
in Current Accounts		40,602,067	19,048,999
in Margin Money Deposits*		23,116,500	23,379,000
(*Pledged with Bank as Margin for Guarantees/Letters of Credit issued)			
in Unclaimed Dividend Accounts		7,472,263	2,312,990
	TOTAL	74,235,107	47,766,812
SCHEDULE 9 : OTHER CURRENT ASSETS			
Claims Receivable (Considered good)		107,265,634	11,094,035
Interest income accrued but not due		1,141,314	1,023,038
Unfinished Voyages Expenses		3,870,221	2,145,753
	TOTAL	112,277,169	14,262,826
SCHEDULE 10 : LOANS AND ADVANCES			
(Unsecured, considered good, unless otherwise stated)			
Loan to Subsidiary		8,800,000	28,000,000
Advances recoverable in cash or in kind or for value to be received		87,294,254	66,329,910
Advance Income Tax Less Provisions		—	1,899,705
Bills receivable (Considered doubtful)		2,266,418	2,266,418
Less: Provision for Doubtful Bills receivable		2,266,418	2,266,418
		—	—
Deposits (Considered good)		842,271	892,869
	TOTAL	96,936,525	97,122,484
SCHEDULE 11 : CURRENT LIABILITIES			
Sundry Creditors for Trade*		123,210,093	57,881,195
Creditors for Expenses*		6,107,776	7,582,363
Other Liabilities		24,975,731	10,126,819
Unfinished Voyages Income		3,390,855	2,440,698
Investor Education and Protection Fund			
Unclaimed Dividend		7,472,262	2,312,990
(No amount is due and outstanding to be credited to the fund.)			
Interest accrued but not due on loans		445,246	571,270
*(Dues to small scale industrial undertakings NIL)			
	TOTAL	165,601,963	80,915,335
SCHEDULE 12 : PROVISIONS			
Proposed Equity Dividend		—	26,349,040
Provision for tax on Equity Dividend		—	3,695,453
Proposed Preference Dividend		—	4,556,055
Provision for tax on Preference Dividend		—	638,987
Provisions for tax net of Advance Tax		4,352,320	—
Provision for Leave Encashment		1,933,507	1,716,303
	TOTAL	6,285,827	36,955,838

SCHEDULES TO PROFIT AND LOSS ACCOUNT

(AMOUNT IN RUPEES)

	Year ended 31.03.2007	Year ended 31.03.2006
SCHEDULE 13 : MISCELLANEOUS INCOME		
Dividend from Mutual Fund Investment (Current - Non Trade)	16,373,523	3,345,877
Interest received on Deposits with Banks (TDS Rs 3,81,894/- , Previous Year Rs 2,51,924/-)	2,478,066	1,113,271
Interest Received Others (TDS Rs 9,30,899/- , Previous Year Rs 4,14,481/-)	4,148,499	1,983,974
Profit on Sale of Investments (Long term)	—	150,000
Other Income	9,307,134	2,891,263
TOTAL	32,307,222	9,484,385
SCHEDULE 14 : OPERATING EXPENSES		
Salaries, Wages & Other Allowances for Floating Staff	145,597,734	129,796,143
Contribution to Provident Fund for Floating Staff	2,712,637	3,130,428
Staff Welfare for Floating Staff	1,768,992	3,413,833
TOTAL	150,079,363	136,340,404
Fuel/Lube Oils Consumed	357,128,823	253,325,438
Slot Hire Costs	1,104,805	6,182,127
Port and Marine Dues	155,417,614	107,029,170
Liner Expenses	38,581	1,483,612
Stores and Spares Consumed	91,910,054	69,753,364
Crew Victualling	17,355,828	14,704,168
Repairs and Maintenance to Fleet	22,443,256	20,290,803
Insurance and Protection Club fee	29,544,440	31,669,920
Vessel Management and Agency Fees	43,088,235	45,608,599
Brokerage / Commission	782,871	3,235,737
Dry Dock Expenses	52,952,714	83,112,793
Sundry Expenses	11,447,929	7,683,342
TOTAL	933,294,513	780,419,477
SCHEDULE 15 : ADMINISTRATION & OTHER EXPENSES		
Salaries, wages and Other Allowances* (*includes payments to Managerial Personnel as per item No 12 in Notes to Accounts)		
Salaries and Bonus	21,419,501	17,644,641
Contribution to Provident Fund and Gratuity	2,339,848	1,540,934
Staff Welfare	2,495,753	2,167,197
TOTAL	26,255,102	21,352,772
Postage, Telephone and Fax	2,497,027	1,948,981
Travelling and Conveyance	3,703,771	2,195,855
Professional & Consultancy Fees	6,021,572	4,352,124
Bad Debts/Deposit written off	382,902	408,486
Loss on Sale of Investments	—	—
Loss on Sale of Assets	494,441	353,728
Insurance Expenses	524,958	349,132
Rates, Taxes & Fees	—	200,000
Rent	2,041,550	736,920
Donations	3,250	700,000
Director's Sitting fees	610,000	375,000
Claim Receivable written off	5,929,427	—
Other Expenses	15,117,168	10,632,877
Loss on Exchange Rate Variation (Net)	3,149,198	2,174,418
TOTAL	66,730,365	45,780,293
SCHEDULE 16: INTEREST		
On Loans For Fixed Periods.	46,263,151	18,845,218
Others	322,067	455,485
TOTAL	46,585,218	19,300,703



SCHEDULE 17 : NOTES TO THE ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

(i) Accounting basis and convention

The Financial Statements are prepared under the historical cost convention on an accrual basis and comply with Section 211 (3C) of the Companies Act, 1956.

(ii) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. When assets are retired or otherwise disposed off, the cost of such assets and the related accumulated depreciation are removed from the accounts. Any profit or loss on retirement or other disposal is reflected in the profit and loss account.

(iii) Depreciation

In respect of fleet, the amount determined by charging cost less residual value as technically assessed equally over the expected useful life of the fleet or depreciation at the rate prescribed (5%) under the Schedule XIV of Companies Act ,1956 which ever is higher, is provided as depreciation. Depreciation on leasehold improvements is provided on the basis that the leases would be renewed consistent with past practice. In respect of software, Depreciation is provided at 33.33% on Straight line method. Depreciation of other Fixed Assets has been provided on straight line method on pro-rata basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Where the cost of depreciable asset has undergone change due to increase/decrease in

- (a) Long term liability on account of exchange fluctuations.
- (b) Additions and major improvements forming an integral part of an asset, depreciation on such changes has been provided prospectively.

(iv) Investments

- a) Long term Investments are stated at cost. Diminution in the value of investments, other than temporary in nature, is provided for.
- b) Current investments are valued at cost or net realizable value whichever is lower.

(v) Inventories

Inventories are valued at Lower of Cost or Net Realisable Value. The costs are determined under "First in First out" formula.

(vi) Foreign Exchange Transactions

- a) Transactions in foreign currencies are recorded at standard exchange rates prevailing in the respective months of the relevant transactions. The realized exchange gains or losses are recognized in the Profit and Loss Account.
- b) Monetary Assets and Liabilities denominated in foreign currency are translated at the year end exchange rates. The resultant gain or loss on such translation is recognised in the Profit and Loss Account
- c) The exchange differences on translation of foreign currency liabilities contracted for acquisition of fixed assets from a Country outside India are added to / deleted from the cost of the relevant fixed assets in terms of Schedule VI to the Companies Act 1956.
- d) In respect of forward exchange contracts covering either Company's earnings or payment related to acquisition of fixed assets, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

(vii) Revenue Recognition

- a) All Income and expenditure are accounted for, on accrual basis other than interest on overdue bills.
- b) Operating Earnings represent the value of charter hire and freight earnings. Freight income is recognized once the ship calls on the port of delivery.
- c) Income and Expenses relating to unfinished leg of the voyage as at the date of Balance Sheet are carried forward and included under Current Liabilities and Current Assets respectively. The expenses included under unfinished leg of voyages include fixed and semi-fixed ship operating costs.
- d) Stores and Spares (other than lube oils and victualling) are charged off to Profit and Loss, on receipt.

(viii) Dry Dock/Special Survey expenses

Dry Dock/Special Survey expenses are charged to Profit and Loss account as and when incurred

(ix) Asset Impairment

The company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance Sheet date. Impairment loss, if any, is recognized in the year in which impairment takes places.

(x) Retirement Benefits

The Company has schemes for retirement benefits namely Provident Fund and Gratuity and contributions are charged to the Profit and Loss account. Contributions to the Provident Fund are made to the relevant authorities.

Contributions to the Gratuity Fund in respect of shore staff are made in accordance with the terms of Group Gratuity Scheme of the Life Insurance Corporation of India (LIC). The shortfall, if any between the amount payable to the employees determined on actuarial basis and accumulated sum with LIC is provided for / borne by the Company. In respect of Floating staff, Gratuity payable to crew is accrued as per agreement with NUSI/NMB. No Gratuity is payable in respect of officers who are on contract with the Company for a period of six months or less only. Provision for leave encashment is made on actual workings for leave standing to the credit of employees at period end.

(xi) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition/ construction of the underlying fixed assets are capitalised as a part of the respective asset up to the date of acquisition /completion of construction.

(xii) Provisions and Contingent liabilities

Provisions are recognised when there is a present obligation as a result of past events where it is probable that there will be outflow of resource to settle the obligation and when a reliable estimate of the amount of the obligation can be made. When any such present obligation can not be measured or where a realistic estimate of the obligation cannot be made Contingent liabilities are recognised. Contingent liabilities are also recognised when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more certain future events not wholly within the control of the company

(xiii) Assets Impairment Reserve:

Considering that Shipping is cyclical and capital intensive, the Board if so required in its judgment sets aside a portion of Net Profits to Asset Impairment Reserve which will be utilized when an impairment loss arises.

(xiv) Taxation

As the Company has opted for Tonnage Tax in respect of shipping income deferred tax is not applicable. Tax provision is created for non-shipping income and profit on sale of ships and other related assets.

NOTES ON ACCOUNTS

- 1 During the year, the company has subscribed to 20,00,000 equity shares of Rs. 10/- each , amounting to Rs. 20,000,000/- in Shreyas Relay Systems Limited (SRSL),
- 2 Capital work in progress represents expenses towards new ship under construction and includes Rs 1,59,26,460/- (P.Y Rs 44,42,461/-) being the interest on direct borrowings capitalized.
- 3
 - a) In terms of the order of the Honorable High Court of Bombay dated 2nd march,2007, the company has written off the following expenditure against the Securities Premium Account:Refurbishment and up gradation of vessels as part of Dry Dock expenditure Rs. 1121.60 Lacs Loss of Stores, Lube Oil Etc. on board the vessel "OEL Vision" which sank Rs.23 Lacs
 - b) Such expenditure would have been otherwise charged to Profit & Loss Account as per the treatment prescribed in Accounting Standards and as per the policy followed by the company.
 - c) The financial impact of this treatment is that Profit for the year is higher to the extent of Rs. 1144.60 Lacs and the Securities premium is reduced by same amount. There is no tax impact to be adjusted.
- 4 Proceeds of the Global Depository Receipts (GDR) of USD 8 Million (Rs 32,07,85,923 net of Rs 1,30,00,951 being the expenses on issue) issued in the Previous Year has been utilised in full towards Capital expenditure as proposed in the offer document.



- 5 Income under extraordinary items represents excess of insurance settlement received for loss of vessel "OEL Vision" which sank off the coast of Mumbai on 2nd August, 2006, over the written down value of the vessel (Rs. 538.82 Lacs) and expenses on salvage (Rs. 24.15 Lacs).
- 6 Expenses under exceptional items includes
- Provision for wage arrears to crew Rs. 32.08 Lacs for the period up to 31st March 2006 based on NMB's MOU dated 24th August, 2006.
 - Service tax paid Rs. 22.70 Lacs in respect of services rendered to company from outside India for the period up to 31st March, 2006.
- 7 Under the Loan Agreements with the company, ICICI Bank Limited has the right of conversion of part of the loan into equity in the event of any default in repayment or payment of any installment of Principal or Interest or any combination thereof on the part of the Company.
- 8 Change in Accounting Policy**
- Till previous year profit / premium or loss / discount at the time of inception or on cancellation or renewal of forward exchange contracts relating to acquisition of fixed assets from a country outside India was adjusted to the cost of relevant Capital Assets. However from the current year such gain or loss are adjusted to Profit and Loss accounts based on the expert advisory opinion from the Institute of Chartered Accountant of India. Accordingly Rs 13,13,051 credited to Capital Working in Progress (CWIP) in the previous year on this account has been added to CWIP and netted against prior period expenditure in the current year.
- 9 Prior period items include claims towards container damages (Rs 13,29,681) and other administrative expenses (Rs 2,76,874) pertaining to period upto 31st March, 2006.
- 10 Information pursuant to para 4-D, clauses a,b,c and e of Part II of Schedule VI of the Companies Act, 1956 has not been given in view of exemption granted by the Department of Company Affairs Vide Order No 46/52/2007-CL-III Dated 10th May, 2007.
- 11. Dividend remitted in Foreign Currency**

	Year ended 31.03.2007 (Rupees)	Year ended 31.03.2006 (Rupees)
(i) Dividend (Gross)	4,19,95,610	2,84,08,795
(ii) Number of Non-resident shareholders	1	1
(iii) Number of Shares held.	1,23,51,650	1,23,51,650
(iv) Type	Final & Interim	Final & Interim
(v) For the year — Final	2005-2006	2004-2005
— Interim	2006-2007	2005-2006

12 MANAGERIAL REMUNERATION

(Included under Salary, Wages and Allowances-Schedule -15)

	Year ended 31.03.2007 (Rupees)	Year ended 31.03.2006 (Rupees)
TO MANAGING DIRECTOR*		
(i) Remuneration	40,89,549	32,16,667
(ii) Contribution to Provident Fund	4,14,465	3,86,000
(iii) Holiday Passage	—	90,000
(iv) Leave Travel Allowance	2,57,361	1,50,000
(v) Education Allowance	—	1,20,000
Total	47,61,375	39,62,667
TO EXECUTIVE DIRECTOR		
(i) Remuneration	33,44,841	17,00,000
(ii) Contribution to Provident Fund	3,38,400	2,04,000
(iii) Leave Travel Allowance	1,50,000	1,50,000
(iv) Medical Allowance	15,000	15,000
(iv) Performance Incentive	—	12,00,000
Total	38,47,841	32,69,000

* The above figures do not include contribution to Gratuity fund (to LIC) as separate figures are not available

13 AUDITORS REMUNERATION
(included in Administration & Other expenses –Schedule 15)

	Year ended 31.03.2007 (Rupees)	Year ended 31.03.2006 (Rupees)
(I) As Auditors (including Service Tax)	561,800	3,30,600
(ii) In other capacity(including Service Tax)		
a) Tax and Transfer pricing Audit Fees	112,360	82,650
b) Fees for Limited Review of Quarterly Accounts	224,540	1,54,280
c) Tax Representation	—	6,30,600
e) GDR issue Certification*	—	247,950
f) Fees for Certification.	86,932	1,85,930
(iii) Out of Pocket Expenses	234,489	195,558

* Netted against Securities Premium account as part of share issue expenses.

14 CONTINGENT LIABILITIES (Amount in Rupees)

	As at 31.03.2007 (Rupees)	As at 31.03.2006 (Rupees)
a) Claims against the Company not acknowledged as debts	10,57,00,000	10,57,00,000
b) Corporate guarantee given on behalf of Subsidiary company	5,00,00,000	Nil
c) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	69,26,14,250	93,19,24,000

15 Foreign Currency exposures outstanding at the balance sheet date.

Category : Forward Exchange contract for USD 38,11,429.62
: Forward Exchange contract for SGD 80,00,000.00
Purpose : In order to hedge the company's exposure, due to movements in foreign Exchange rates.
Foreign currency exposures that are not hedged by derivative instruments.

(Amount in equivalent US Dollar)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
a) Receivables	41,11,923	26,39,029
b) Payables	12,30,709	6,31,328
c) FCNR Loan taken from banks	2,58,84,773	4,90,086

16 Segment Reporting:

a) Segment wise Revenue and Results:

Particulars	Rupees in lacs	
	Year ended 31 st March, 2007	Year ended 31 st March, 2006
Revenue by Segment		
Shipping	8316.41	10040.39
Logistics (Shipping part)	5145.81	2370.75
Others	642.76	391.71
Total Revenue	14104.98	12802.85
Segment Results		
Shipping	1684.63	2870.68
Logistics (Shipping part)	1550.40	909.11
Others	632.03	391.71
Total	3867.06	4171.50
Less: i) Interest & Finance Charges	465.85	193.01
ii) Unallocated Expenditure	682.03	476.82
Profit before extraordinary, exceptional items and Taxation	2719.18	3501.67
Segment Depreciation		
Shipping	663.31	697.93
Logistics (Shipping part)	241.66	129.23
Unallocated	14.72	19.02



The Company operates in two business segments viz. Shipping and Logistics. Shipping will comprise Charter and Feeder Services and Logistics includes Shipping part of Domestic and Liner business.

b) Geographical Segment (Based on primary Location of Customers)

Particulars	(Rs. In Lacs)	
	Year ended 31.03.2007 (Rupees)	Year ended 31.03.2006 (Rupees)
In India	8810.16	5369.46
In Pakistan	244.00	27.47
Rest of World	5050.82	7405.92
Total Revenue	14104.98	12802.85

c) Segment Capital employed

Fixed Assets used in the company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to individual segment assets and liabilities has been made. However Depreciation has been allocated amongst segments based on best estimates of usage of fixed assets in the respective segments during the year.

d) Others under Revenue and Results include profit on sale of ship Rs. 2,88,66,636/- (Previous year Rs. 2,96,86,790/-).

17. Intangible Assets

Software is amortised over 3 Years and included under Office equipment in Schedule-4: Fixed Assets.

Particulars	(Amount in Rupees)	
	Year ended 31.3.2007	Year ended 31.3.2006
Opening Balance	3,61,360	5,31,407
Addition during the year	23,892	36,400
Total	3,85,252	5,67,807
Amortisation	2,18,625	2,06,447
Closing Balance	1,66,627	3,61,360

18. Accounting for Lease

- The Company has taken Containers on Cancelable Operating Lease and the lease rental of Rs.NIL (Rs 4,638,797/-) is charged to the Profit and Loss account.
- The Company has taken Vehicles on Cancelable Operating Lease and the lease rental of Rs 1,400,900/- (Rs.1,053,000/-) is charged to the Profit and Loss account.

19. Working of Earnings Per Share:

Particulars	Year ended on 31.3.2007	Year ended on 31.3.2006
Weighted average number of Equity shares	2,19,57,533	2,00,57,990
Nominal value Per Share	Rs. 10/-	Rs. 10/-
Profit for the year after Tax	Rs.29,52,26,833	Rs.34,33,96,587
Less: Provision for Preference Dividend + Tax (including proposed dividend)	Rs. 1,21,55,065	Rs.1,27,04,935
Net Balance available to Equity Shareholders	Rs.28,30,71,768	Rs.33,06,91,652
Earnings Per Share (Basic & Diluted) including extraordinary and exceptional items.	Rs.12.89	Rs. 16.49
Earnings Per Share (Basic & Diluted) excluding extraordinary and exceptional items.	Rs.10.93	Rs. 16.49

20. There are no dues to small scale industrial undertakings.

21. Sundry Debtors-Other Debts include following dues from companies under the same management.

Name of the Company	Year ended on 31.3.2007	Year ended on 31.3.2006
Relay Shipping Agency Limited	NIL	6,193,760

22. Loan and Advances include following dues from companies under the same management.

Name of the Company	Year ended on 31.3.2007	Year ended on 31.3.2006
Relay Shipping Agency Limited	33,688,636	35,637,061
Orient Express Ship Management Limited	2,377,620	2,900,000

23. Deposits includes amount with Port Trust of India

50,000

50,000

24. Disclosure made in terms of clause 32 of the listing agreement with stock exchange.

Particulars	Name of the company	Amount outstanding as on 31.03.2007	Maximum amount due at any one time during the year
a) Loans and advances			
(i) Loans and advances in the nature of loans made to subsidiary company.	Shreyas Relay Systems Ltd	88,00,000	2,80,00,000
(ii) Loans and advances in the nature of loans made to associate company.		NIL	NIL
(iii) Loans and advances in the nature of loans where there is.			
1) no repayment schedule or repayment beyond seven year (or) 2) no interest or interest below section 372A of the Companies Act.			
(iv) Loans and advances in the nature of loans made to firms / companies in which directors of the company are interested.			
b) Investments by the company			
(i) In subsidiary company	Shreyas Relay Systems Ltd (25,00,000 Equity shares of Rs. 10 each fully paid)	250,00,000	250,00,000
(ii) In associates company		NIL	NIL
c) Investments by the loanee in the shares of the parent company and Subsidiary company when the company has made a loan or advance in the nature of Loan-NIL.			

25. Related Party Transactions (Refer Annexure 1)

26. Previous years figures have been regrouped/recast wherever necessary to confirm to the current year's classifications.



23) RELATED PARTY TRANSACTIONS (as on 31.03.07)

Annexure-1
(Amount in Rs.'000)

TRANSACTION	Holding company*	Subsidiary Company*	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total as at 31.03.2007	Total as at 31.03.2006
Charter hire income								
Orient Express Lines Ltd., Mauritius	—	—	198,926	—	—	—	198,926	264,606
Orient Express Lines (S) Pte Ltd., Singapore	—	—	—	—	—	—	—	107,639
Balaji Shipping (UK) Ltd.	—	—	—	—	—	—	—	27,447
Service / freight income								
Balaji Shipping (UK) Ltd.	—	—	13,067	—	—	—	13,067	18,362
Orient Exp.Line Singapore	—	—	258	—	—	—	258	670
Orient Express Lines Ltd., Mauritius	—	—	4,949	—	—	—	4,949	32,476
Shreyas Relay Systems Ltd	—	515,522	—	—	—	—	515,522	237,036
Relay Shipping Agency Ltd	—	—	—	11,603	—	—	11,603	32,619
Loan given								
Shreyas Relay Systems Ltd	—	8,800	—	—	—	—	8,800	28,000
Interest received on loan given								
Shreyas Relay Systems Ltd	—	4,148	—	—	—	—	4,148	1,847
Repayment of loan given								
Shreyas Relay Systems Ltd	—	28,000	—	—	—	—	28,000	—
Repayment of deferred credit for sale consideration for business transfer								
Shreyas Relay Systems Ltd	—	59,437	—	—	—	—	59,437	—
Sale of investment								
Mr. S. Ramakrishnan	—	—	—	—	—	—	—	100
Mr. S. Mahesh	—	—	—	—	—	—	—	100
Vessel management fees paid								
Orient Express Ship Management Ltd.	—	—	—	21,003	—	—	21,003	16,567
Agency Fees paid								
Relay Shipping Agency Ltd.	—	—	—	17,193	—	—	17,193	12,887
Clarion Shipping (Pvt) Ltd, Colombo	—	—	—	—	—	—	—	505
Lanka Orient Express line	—	—	—	2,823	—	—	2,823	12,191
Slot Charges paid								
Orient Express Lines Ltd., Mauritius	—	—	—	—	—	—	—	1,521
Orient Express Linse (S) Pte. Ltd., Singapore	—	—	1,105	—	—	—	1,105	4,161
Commission paid								
Seabridge Shipping Co L.L.C	—	—	—	—	—	—	—	2,735
Rent paid								
Sivaswamy Holdings Pvt. Ltd.	—	—	—	1,994	—	—	1,994	1,064
Vehicle Lease Rent paid								
Mrs. Savita Kshirsagar	—	—	—	—	—	455	455	396

23) RELATED PARTY TRANSACTIONS (as on 31.03.07) (Contd.)

(Amount in Rs.'000)

TRANSACTION	Holding company*	Subsidiary Company*	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total as at 31.03.2007	Total as at 31.03.2006
Managerial Remuneration paid								
Mr. S. Ramakrishnan	—	—	—	—	4,761	—	4,761	3,963
Mr. Anil Devli	—	—	—	—	3,848	—	3,848	3,269
Mr Vinay Kshirsagar	—	—	—	—	2,386	—	2,386	2,372
Container rent paid								
Balaji Shipping (UK) Ltd.	—	—	—	—	—	—	—	41
Stores, spares, victualling, Repairs expenses, etc.paid								
ADMEC Logistics Ltd.	—	—	—	20,006	—	—	20,006	20,686
Purchases of vehicle								
Orient Express Ship Management Ltd.	—	—	—	—	—	—	—	517
Purchases of Vessels								
Orient Express Lines - Panama	—	—	—	318,577	—	—	318,577	0
Allowance Written off								
Orient Express Lines (S) Pte Ltd., Singapore	—	—	—	383	—	—	383	—
Investment made								
Shreyas Relay Systems Ltd	—	20,000	—	—	—	—	20,000	4,500
Purchase of Company Shares								
Mr. S.Ramakrishnan	—	—	—	—	—	—	—	50
Mr. S.Mahesh	—	—	—	—	—	—	—	50
Mrs. Mala Mahesh	—	—	—	—	—	—	—	113
Mrs. Geeta Ramakrishnan	—	—	—	—	—	—	—	113
Dividend paid on 9% non-convertible, cumulative, redeemable preference shares								
Transworld Shipping Services (I) Pvt. Ltd.	—	—	—	—	—	—	—	2,705
Crescent Shipping Agency (India) Ltd.	—	—	—	—	—	—	—	2,267
Meridian Shipping Agency pvt. Ltd.	—	—	—	—	—	—	—	1,263
Clarion Solutions. Ltd.	—	—	—	—	—	—	—	464
Dividend paid on Equity shares								
Transworld Holdings Ltd.	41,996	—	—	—	—	—	41,996	28,409
Mr. S. Ramakrishnan	—	—	—	—	372	—	372	252
Mrs. Geeta Ramakrishnan	—	—	—	—	—	368	368	2,147
Mr. Ritesh Ramakrishnan	—	—	—	—	—	572	572	387
Ms. Anisha Ramakrishnan	—	—	—	—	—	3,317	3,317	346
Mrs. Valli Sivaswamy	—	—	—	—	—	1,304	1,304	882
Mrs. Mala Mahesh	—	—	—	—	—	368	368	—
Master Murali Mahesh	—	—	—	—	—	572	572	—
Kumari Mithila Mahesh	—	—	—	—	—	3,317	3,317	—
Mr. S. Mahesh	—	—	—	—	—	382	382	259
Mr. Anil Devli	—	—	—	—	21	—	21	14
Sale consideration for Business transfer								
Shreyas Relay Systems Ltd	—	—	—	—	—	—	—	74,029



23) RELATED PARTY TRANSACTIONS (as on 31.03.07) (Contd.)

Outstanding balances pertaining to related parties as at 31st Mar, 2007 (In Rs.'000)

(Amount in Rs.'000)

Nature of balance	Holding company*	Subsidiary Company*	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total as at 31.03.2007	Total as at 31.03.2006
Debit balance due to company	—	89,981	1,915	37,178	—	—	129,074	187,892
Loan to Subsidiary Company	—	8,800	—	—	—	—	8,800	28,000
Credit balance due from company	—	—	11,113	5,196	—	—	16,309	8,614

NOTE: 1) Figures have been adjusted for exchange rate variations
2) Reimbursement of expenses incurred by/to Group Companies is not included here.

*** Names of related parties**

Nature of relationship	Name of the related party
Holding company	Transworld Holdings Ltd. (holds 56.25% of the equity share capital as at 31st March, 2007)
Fellow subsidiaries	Shreyas World Navigation Pte. Ltd., Singapore Orient Express Lines Ltd., Mauritius Orient Express Lines (S) Pte. Ltd., Singapore Orient Express Lines Inc, Panama Balaji Shipping (UK) Ltd. Balaji Shipping Co. SA, Panama Aqua Container Lines Ltd. Mauritius Jubilee Shipping inc. Panama Sea Bridge Shipping L.L.C
Subsidiary Company	Shreyas Relay Systems Ltd
Other related parties	Orient Express Ship Management Ltd. Transworld Shipping Services (I) Pvt. Ltd. NLS Agency (India) Pvt. Ltd. Sivaswamy Holdings Pvt. Ltd. Crescent Shipping Agency (India) Ltd. Transworld Logistics Pvt. Ltd. Albatross Shipping Pvt. Ltd. Transworld Management Consultancy Pvt. Ltd. Lanka Orient Express Lines Ltd. Colombo Haytrans India Ltd. ADMEC Logistics Ltd. Relay Shipping Agency Ltd. Meridian Shipping Agency Pvt. Ltd. Clarion Shipping (Pvt.) Ltd, Colombo Clarion Solutions Ltd
Key Management Personnel	Mr. S. Ramakrishnan Mr Anil Devli Mr Vinay Kshirsagar
Relatives of Key Management Personnel	Mrs. Geeta Ramakrishnan Mr. Ritesh Ramakrishnan Ms. Anisha Ramakrishnan Mr. S. Mahesh Mrs. Mala Mahesh Master Murali Mahesh Kumari Mithila Mahesh Mrs. Valli Sivaswamy Mrs. Savita Kshirsagar

SIGNATURES TO SCHEDULES 1 TO 17

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Partner
M.No. 18967

Place : Mumbai
Date : 1st June, 2007

FOR AND ON BEHALF OF THE BOARD

S. Ramakrishnan
Chairman & Managing Director

V. Ramnarayan
Director

K. P. Medhekar
Director

Place : Mumbai
Date : 1st June, 2007

Anil Devli
Executive Director

Megha Samtani
Company Secretary

Vinay Kshirsagar
Chief Financial Officer

Additional information under Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile.

I Registration details	
Registration No.	48500
State Code	11
Balance Sheet Date	31/03/2007
II Capital raised during the year	Amount (Rs.in '000)
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
8.2% Non-Convertible, Cumulative, Redeemable Preference Share of Rs 100/- each	Nil
III Position of Mobilization and Deployment of Funds	Amount (Rs.in '000)
Total Liabilities	3149859
Total Assets	3149859
Source of Funds	
Share Capital	349575
Reserves & Surplus	1260975
Secured Loans	1539309
Unsecured Loans	NIL
Deferred Tax Liability	NIL
Application of Funds	
Net Fixed Assets	2584289
Investments	234714
Net Current Assets	330856
Misc. Expenditure	NIL
Accumulated losses	NIL
IV Performance of the Company	
Turnover (Including other income)	1410498
Total Expenditure	1138580
Profit before extraordinary, exceptional items and tax	271918
Profit/(Loss) after Tax	295227
Preference Dividend Paid	10660
Interim Equity Dividend Paid	48307
Tax on Dividend Paid	8270
Proposed Final Equity Dividend	
Tax on final Dividend	
Transfer to Tonnage Tax Reserve	60000
Transfer to General Reserve	35000
Balance available to Equity Shareholders	458882
Earning per share including Exceptional Items (Rs.)	12.89
Earning per share excluding Exceptional items (Rs.)	10.93
Interim Equity Dividend Rate %	22%
Final Equity Dividend Rate%	
V Generic Names of three Principal products/Services of the Company	
Item Code No. (ITC Code)	Nil
Product description	Nil

Note: This is a Shipping Company.

FOR AND ON BEHALF OF THE BOARD

<p>S. Ramakrishnan Chairman & Managing Director</p> <p>V. Ramnarayan Director</p> <p>K. P. Medhekar Director</p>	<p>Anil Devli Executive Director</p> <p>Megha Samtani Company Secretary</p> <p>Vinay Kshirsagar Chief Financial Officer</p>
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Place : Mumbai
Date : 1st June, 2007



CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2007

Particulars	Year ended 31st March, 2007	Year ended 31st March, 2006
A Cashflow from Operating Activities		
Net profit/ (Loss) before tax	271,917,947	350,167,142
Adjusted for		
Depreciation	91,969,482	84,617,740
Loss on Sale on Fixed assets	—	353,728
Interest Expenses	46,263,151	19,300,703
Exchange Loss/(Gain) on Current Assets & Liabilities	3,149,198	2,174,418
Income for current Investments	(16,373,523)	(3,345,877)
Interest Income	(2,478,066)	(3,097,245)
Profit on Sale of Investments	—	(150,000)
Profit on Sale of Ship	(28,866,636)	(29,686,790)
Operating Profit Before Working Capital changes (a)	365,581,553	420,333,819
Adjustments for : Increase/(Decrease) in Working Capital		
Increase/(Decrease) in Current Assets		
Inventories	10,880,275	14,041,075
Sundry Debtors	969,419	47,914,959
Other Current Assets, Loans and Advances	118,665,590	14,979,020
	130,515,284	76,935,054
Less: Increase/(Decrease) in Current Liabilities & Provision	84,096,880	(62,663,939)
Net increase/(Decrease) in Working Capital (b)	46,418,404	139,598,993
Cash Generated from Operations (a) - (b) (c)	319,163,149	280,734,826
Less: Taxation	17,656,809	5,821,502
Add : Inflow from extra ordinary & exceptional items (Net)	43,158,904	—
Less : Prior Period items	293,504	—
NET CASH FROM OPERATING ACTIVITIES (A)	344,371,740	274,913,324
B Cash flow from Investing Activities		
Addition / Revaluation to Fixed Assets including Capital Work in Progress	(1,837,980,770)	(291,016,108)
Vessel upgradation and refurbishment expenses (Adjusted to Securities Premium)	(114,460,764)	—
Sale of Fixed Assets	266,378,712	171,783,802
Sale of Investments	—	300,000
Purchase of Investments	(100,182,293)	(4,989,000)
Income from Current Investments	16,373,523	3,345,877
NET CASH FROM INVESTING ACTIVITIES (B)	(1,769,871,592)	(120,575,429)
C Cash Flow from Financing Activities		
Proceeds / (Repayment) of Borrowings (Net)	1,274,572,490	2,261,867
Proceeds from issue of Shares/GDR (net of issue expenses)	—	340,814,543
Loan to Subsidiary (Net of Repayment)	19,200,000	(28,000,000)
Deferred Payment of Sale consideration to Subsidiary	—	(59,436,974)
Interest Income	2,478,066	3,097,245
Interest Expenses	(46,263,151)	(19,300,703)

Particulars	Year ended 31st March, 2007	Year ended 31st March, 2006
Exchange Loss/(Gain) on Current Assets & Liabilities	(3,149,198)	(2,174,418)
Dividend Paid	(89,871,668)	(28,836,642)
Tax on dividend paid	(12,604,502)	(3,724,439)
NET CASH FROM FINANCING ACTIVITIES (C)	1,144,362,037	204,700,479
NET CHANGES IN CASH & CASH EQUIVALENT (A+B+C)	(281,137,815)	359,038,374
CASH & CASH EQUIVALENTS - OPENING BALANCE	454,165,683	95,127,309
ADD : NET CHANGES IN CASH & CASH EQUIVALENT AS ABOVE	(281,137,815)	359,038,374
CASH & CASH EQUIVALENTS - CLOSING BALANCE	173,027,868	454,165,683
CLOSING CASH & CASH EQUIVALENTS CONSIST		
CASH ON HAND (Refer Schedule 8)	3,044,277	3,025,823
BALANCE WITH SCHEDULE BANK IN CURRENT ACCOUNT (Refer Schedule 8)	40,602,067	19,048,999
INVESTMENT IN LIQUID FUND SECURITIES	129,381,524	432,090,861
TOTAL	173,027,868	454,165,683

Notes:

- 1) The above statement has been prepared in indirect method.
- 2) Cash and Cash equivalents include cash and bank balance and Investments in Liquid fund securities of Mutual Funds maturing within 90 days and exclude margin money deposits.

AS PER OUR REPORT ATTACHED

FOR AND ON BEHALF OF THE BOARD

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Chairman & Managing Director

S. Ramakrishnan
Partner
M.No. 18967

Place : Mumbai
Date : 1st June, 2007

Place : Mumbai
Date : 1st June, 2007



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

SR. NO.	PARTICULARS	SHREYAS RELAY SYSTEMS LIMITED
1	The relevant financial year of the subsidiary ends on	31st March, 2007
2	No. of shares held as on 31st March, 2007	25,00,000 Equity shares of Rs. 10/- each fully paid-up
3	Extent of holding as on 31st March, 2006	100%
4	The net aggregate of profit/(loss) of subsidiary so far as they concern the members of the company	
	(a) Dealt with in the accounts of company for the year ended 31st March, 2007	Not applicable
	(a) Not dealt with in the accounts of company for the year ended 31st March, 2007	16,688,761
5	The net aggregate of profit/(loss) for previous financial year of the subsidiary, since it became subsidiary so far as they concern members of the company	
	(a) Dealt with in the accounts of company	-
	(a) Not dealt with in the accounts of company	-

FOR AND ON BEHALF OF THE BOARD

S. Ramakrishnan
Chairman & Managing Director

Anil Devli
Executive Director

V. Ramnarayan
Director

Megha Samtani
Company Secretary

K. P. Medhekar
Director

Vinay Kshirsagar
Chief Financial Officer

Place : Mumbai
Date : 1st June, 2007

Auditor's Report on Consolidated Financial Statements

To The Board of Directors of Shreyas Shipping & Logistics Ltd.

1. We have audited the attached consolidated Balance Sheet of Shreyas Shipping & Logistics Ltd. ('the Company') and its wholly owned subsidiary Shreyas Relay Systems Ltd. (the company and its subsidiary constitutes 'the Group') as at 31st March 2007, and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. The financial statements are the responsibility of the company's management. Our responsibility is to express our opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted Auditing Standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentations. We believe that our audit provides a reasonable basis for our opinion.
3. (i) We report that the consolidated Financial Statements have been prepared in accordance with the requirement of Accounting Standard (AS 21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, on the basis of the individual audited Financial Statements of the Company and its subsidiary.

(ii) On the basis of the information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31,2007;
 - b) in the case of consolidated Profit and Loss Account of the consolidated results of operations of the Group for the year ended as on that date, and
 - c) in the case of consolidated Cash Flow statement of the consolidated cash flows of the Group for the year ended as on that date.

For Sridhar & Santhanam
Chartered Accountants

Place : Mumbai
Date : 1st June, 2007

S. RAMAKRISHNAN
Partner
M. No. 18967



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

		(AMOUNT IN RUPEES)	
	Schedule	AS AT 31.03.2007	AS AT 31.03.2006
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1	349,575,330	349,575,330
RESERVES AND SURPLUS	2	1,286,429,541	1,156,346,050
		<u>1,636,004,871</u>	<u>1,505,921,380</u>
LOAN FUNDS			
SECURED LOANS	3	1,589,308,435	264,735,945
		<u>1,589,308,435</u>	<u>264,735,945</u>
DEFERRED TAX LIABILITY (NET)			
		5,085,000	2,174,000
TOTAL		<u>3,230,398,306</u>	<u>1,772,831,325</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	4	2,505,387,651	1,317,516,768
LESS : DEPRECIATION		329,778,602	435,042,715
NET BLOCK		<u>2,175,609,049</u>	<u>882,474,053</u>
CAPTIAL WORK-IN-PROGRESS			
		511,001,952	251,849,984
TOTAL		<u>2,686,611,001</u>	<u>1,134,324,037</u>
INVESTMENTS			
CURRENT ASSETS, LOANS AND ADVANCES			
INVENTORIES	6	41,741,551	30,861,276
SUNDRY DEBTORS	7	170,919,128	111,978,405
CASH AND BANK BALANCES	8	103,131,870	66,291,214
OTHER CURRENT ASSETS	9	113,742,562	14,262,826
LOANS AND ADVANCES	10	104,225,833	110,284,505
CURRENT ASSETS TOTAL (A)		<u>533,760,944</u>	<u>333,678,226</u>
LESS : CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES	11	196,899,735	89,912,008
PROVISIONS	12	2,787,721	37,499,791
CURRENT LIABILITIES TOTAL (B)		<u>199,687,456</u>	<u>127,411,799</u>
NET CURRENT ASSETS (A - B)		<u>334,073,488</u>	<u>206,266,427</u>
TOTAL		<u>3,230,398,306</u>	<u>1,772,831,325</u>
NOTES TO THE ACCOUNTS			
	17		

AS PER OUR REPORT ATTACHED

FOR AND ON BEHALF OF THE BOARD

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Chairman & Managing Director

Anil Devli
Executive Director

S. Ramakrishnan
Partner
M.No. 18967

V. Ramnarayan
Director

Megha Samtani
Company Secretary

K. P. Medhekar
Director

Vinay Kshirsagar
Chief Financial Officer

Place : Mumbai
Date : 1st June, 2007

Place : Mumbai
Date : 1st June, 2007

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS AT 31ST MARCH, 2007

(AMOUNT IN RUPEES)			
	Schedule	Year ended 31.03.2007	Year ended 31.03.2006
INCOME			
OPERATING EARNINGS			
a) CHARTER HIRE INCOME		329,567,301	444,279,804
b) FREIGHT INCOME		1,461,578,823	969,354,911
OTHER INCOME			
a) PROFIT ON SALE OF SHIP		28,866,636	29,686,790
b) MISCELLANEOUS INCOME	13	28,245,513	7,642,008
TOTAL INCOME		1,848,258,273	1,450,963,513
EXPENDITURE			
OPERATING EXPENSES	14	1,318,727,145	928,573,369
ADMINISTRATION & OTHER EXPENSES	15	83,816,268	52,705,607
INTEREST	16	48,581,424	19,311,952
DEPRECIATION		96,457,579	86,694,933
LESS : DEPRECIATION ADJUSTED FROM CAPITAL RESERVE		134,703	134,703
		96,322,876	86,560,230
TOTAL EXPENDITURE		1,547,447,713	1,087,151,158
PROFIT BEFORE EXTRAORDINARY AND EXCEPTIONAL ITEMS AND TAXATION		300,810,560	363,812,355
ADD: EXTRAORDINARY ITEMS (Refer note no 4 in Schedule 17)		48,637,472	-
LESS: EXCEPTIONAL ITEMS (Refer note no 5 in Schedule 17)		5,478,568	-
PROFIT BEFORE TAX		343,969,464	363,812,355
LESS: PRIOR PERIOD ITEMS (net) (Refer note no 8 in Schedule 17)		2,377,005	-
PROVISION FOR TAXATION			
— CURRENT		22,882,000	8,100,000
— DEFERRED TAX		2,911,000	2,174,000
— FRINGE BENEFIT TAX		1,657,175	1,265,974
— PRIOR YEAR		2,226,691	9,555
PROFIT AFTER TAX		311,915,593	352,262,826
SURPLUS BROUGHT FORWARD FROM PREVIOUS YEAR		334,657,688	112,082,488
ADD TRANSFER FROM CAPITAL REDEMPTION RESERVE		-	39,000,000
AMOUNT AVAILABLE FOR APPROPRIATION		646,573,281	503,345,314
APPROPRIATIONS			
TRANSFER TO GENERAL RESERVE		35,000,000	34,400,000
TRANSFER TO TONNAGE TAX RESERVE		60,000,000	68,800,000
INTERIM DIVIDEND PAID ON EQUITY SHARES		48,306,573	19,824,200
DIVIDEND PAID ON PREFERENCE SHARES REDEEMED		10,660,000	6,699,452
TAX ON DIVIDEND PAID		8,270,062	3,724,439
PROPOSED DIVIDEND ON EQUITY SHARES		-	26,349,040
TAX ON PROPOSED DIVIDEND ON EQUITY SHARES		-	3,695,453
PROPOSED DIVIDEND ON PREFERENCE SHARES		-	4,556,055
TAX ON PROPOSED DIVIDEND ON PREFERENCE SHARES		-	638,987
		-	-
SURPLUS CARRIED TO BALANCE SHEET		484,336,646	334,657,688
		646,573,281	503,345,314
NOTES TO ACCOUNTS			
	17		
Earnings per share-Basic and Diluted (excluding Extraordinary / exceptional items)(Refer Note 16 in schedule 17)		11.69	16.92
Earnings per share-Basic and Diluted (including Extraordinary/ exceptional items)(Refer Note 16 in schedule 17)		13.65	16.92

AS PER OUR REPORT ATTACHED

FOR AND ON BEHALF OF THE BOARD

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Chairman & Managing Director

Anil Devli
Executive Director

S. Ramakrishnan
Partner
M.No. 18967

V. Ramnarayan
Director

Megha Samtani
Company Secretary

K. P. Medhekar
Director

Vinay Kshirsagar
Chief Financial Officer

Place : Mumbai
Date : 1st June, 2007

Place : Mumbai
Date : 1st June, 2007



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

(AMOUNT IN RUPEES)

	AS AT 31.03.2007	AS AT 31.03.2006
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
24,000,000 Equity Shares of Rs 10/- each	240,000,000	240,000,000
1,400,000 8.2% Non Convertible Cumulative Redeemable Preference Shares of Rs 100/- each	140,000,000	140,000,000
	<u>380,000,000</u>	<u>380,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
2,19,57,533 Equity Shares of Rs 10/- each fully Paid up	219,575,330	219,575,330
Of the above, 1,23,51,650 Equity Shares held by Holding Company Transworld Holdings Limited., Mauritius.		
Of the above, 10,162,750 Equity Shares allotted as fully paid up Pursuant to contract without payment being received in cash.		
Includes 21,33,333 Equity shares of Rs 10 each fully paid up being the underlying shares in respect of equal number of Global Depository Receipts (GDR) issued and fully paid up during the previous year. All the GDRs have been converted into Equity Shares during the year.		
1,300,000 8.20% Non-Convertible, Cumulative, Redeemable Preference Shares of Rs 100/- each fully paid up	130,000,000	130,000,000
Date of allotment 27th October, 2005		
To be redeemed at par at the end of the 3rd, 4th & 5th Year from the Date of allotment in the ratio of 30:30:40.		
TOTAL	<u>349,575,330</u>	<u>349,575,330</u>

		(AMOUNT IN RUPEES)	
SCHEDULE 2 : RESERVES AND SURPLUS		AS AT 31.03.2007	AS AT 31.03.2006
SECURITIES PREMIUM			
As per last Balance sheet		496,753,213	177,272,000
Add: Premium received on issue of 21,33,333 Global Depository Receipts (GDR) (Gross)		-	333,786,874
Less: Expenses on GDR & Preference Shares issue.		-	14,305,661
Expenses on upgradation and refurbishment of vessels and loss of stores in sunken vessel as per court order (Refer note No 2 to Schedule 17)		114,460,764	-
(a)		382,292,449	496,753,213
GENERAL RESERVE			
As per last balance sheet		168,489,620	134,089,620
Add: Transfer from Profit and Loss account		35,000,000	34,400,000
(b)		203,489,620	168,489,620
TONNAGE TAX RESERVE			
As per last balance sheet		125,600,000	56,800,000
Add: Transfer from Profit and Loss account		60,000,000	68,800,000
(c)		185,600,000	125,600,000
ASSET IMPAIRMENT RESERVE			
As per last balance sheet		30,000,000	30,000,000
(d)		30,000,000	30,000,000
CAPITAL RESERVE			
As per last balance sheet		845,529	980,232
Less: Transfer to Profit & Loss Account for adjustment against depreciation		134,703	134,703
(e)		710,826	845,529
SURPLUS			
Balance in Profit & Loss Account		484,336,646	334,657,688
(f)		484,336,646	334,657,688
TOTAL (a+b+c+d+e+f)		1,286,429,541	1,156,346,050
SCHEDULE 3 : SECURED LOANS FROM BANKS			
ICICI BANK LTD (RUPEE LOAN)		148,894,502	186,118,126
Secured by an exclusive charge over the Vessel M.V.Orient Victory and a second charge over the Vessel M.V.Orient Aishwaraya			
ICICI BANK LTD (FCNR LOAN)		4,252,295	21,754,912
Secured by a charge over the Vessel M.V.Orient Aishwaraya			
STATE BANK OF INDIA (FCNR LOAN)		459,300,354	-
Secured by a charge over the Vessel Oel Trust			
STATE BANK OF INDIA (FCNR LOAN)		435,105,000	-
Secured by a charge over the Vessel M.V.Independent spirit			
STATE BANK OF INDIA (FCNR LOAN)		238,978,125	-
Secured by a charge over the Vessel M.V.Oel Express			
STATE BANK OF INDIA (RUPEE TERM LOAN)		250,000,000	10,000,000
Secured by first charge over Vessel under construction and a second charge over the vessel M.V Orient Independence.			
STATE BANK OF INDIA (CORPORATE LOAN)		-	46,425,000
Secured by a first charge over the Vessel M.V.Orient Independence			
ICICI BANK LTD (CAR LOAN)		2,778,159	437,907
Secured by hypothecation of Cars			
STANDARD CHARTERED BANK		50,000,000	-
(Secured by Hypothecation of specific Containers)			
TOTAL		1,589,308,435	264,735,945



(AMOUNT IN RUPEES)

SCHEDULE 4 : FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	COST AS AT 01.04.2006	ADDITIONS	DEDUCTIONS/ADJUSTMENTS	COST AS AT 31.03.2007	AS AT 01.04.2006	DURING THE YEAR	DEDUCTIONS/ADJUSTMENTS	AS AT 31.03.2007	AS AT 31.03.2007	AS AT 31.03.2006
FLEET	1,231,386,179	1,572,358,969	432,275,571	2,371,469,577	421,436,588	90,146,499	197,525,512	314,057,575	2,057,412,002	809,949,591
EQUIPMENT ON BOARD	7,206,336	-	3,538,390	3,667,946	2,392,519	350,593	1,286,915	1,456,197	2,211,749	4,813,817
CONTAINER EQUIPMENT	59,333,051	47,915,154	-	107,248,205	1,876,306	4,153,274	-	6,029,580	101,218,625	57,456,746
FURNITURE & FIXTURES	4,087,467	2,554,277	45,659	6,596,085	2,345,953	385,802	45,659	2,686,096	3,909,989	1,741,514
OFFICE EQUIPMENTS (INCLUDING COMPUTERS AND SOFTWARE)	9,952,482	1,121,388	3,374,148	7,699,722	5,576,755	832,590	2,863,606	3,545,739	4,153,983	4,375,727
VEHICLES	5,551,253	3,154,863	-	8,706,116	842,206	454,118	-	1,296,324	7,409,792	4,709,046
ADJUSTMENT FOR DEPRECIATION BY WAY OF TRANSFER FROM CAPITAL RESERVE	-	-	-	-	572,388	134,703	-	707,091	(707,091)	(572,388)
TOTAL AS ON 31.03.2007	1,317,516,768	1,627,104,651	439,233,768	2,505,387,651	435,042,715	96,457,579	201,721,692	329,778,602	2,175,609,049	882,474,053
TOTAL AS ON 31.03.2006	1,505,760,381	40,070,968	228,314,581	1,317,516,768	493,648,597	86,694,933	145,300,815	435,042,715	882,474,053	

Addition/(Deletion) to Fleet include (Rs 2,86,83,129/-) (Previous Year Rs.4,30,793) towards adjustment in respect of exchange difference.

(AMOUNT IN RUPEES)

SCHEDULE 5 : INVESTMENTS

(A) LONG TERM INVESTMENTS (AT COST)		
1 TRADE - UNQUOTED-FULLY PAID	150,000	150,000
(B) CURRENT NON TRADE INVESTMENT- (UNQUOTED)		
1 MUTUAL FUNDS INVESTMENTS (AT LOWER OF COST OR NET ASSET VALUE)	209,563,817	432,090,861
TOTAL (A + B)	209,713,817	432,240,861

SCHEDULE 6 : INVENTORIES

(At lower of Cost or Net Realisable Value)

Lube Oils and Fuel Oil*	40,792,870	30,246,996
Victualling Stock*	948,681	614,280
(*As valued and Certified by the Management)		
TOTAL	41,741,551	30,861,276

SCHEDULE 7 : SUNDRY DEBTORS

(Unsecured and considered good)

Debts outstanding for a period exceeding six months	1,744,129	278,546
Other Debts	169,174,999	111,699,859
TOTAL	170,919,128	111,978,405

SCHEDULE 8 : CASH AND BANK BALANCES

Cash on Hand	3,048,891	3,045,551
With Scheduled Banks		
Current Accounts	67,994,216	37,053,673
in Term Deposits	-	-
in Margin Money Deposits*	24,616,500	23,879,000
(*Pledged with Bank as Margin for Guarantees/Letters of Credit issued)		
Unclaimed Dividend Account	7,472,263	2,312,990
TOTAL	103,131,870	66,291,214

	(AMOUNT IN RUPEES)	
	AS AT 31.03.2007	AS AT 31.03.2006
SCHEDULE 9 : OTHER CURRENT ASSETS		
Claims Receivable (Considered good)	107,265,634	11,094,035
Income accrued	1,374,020	-
Interest income accrued but not due	1,232,687	1,023,038
Unfinished Voyages Expenses	3,870,221	2,145,753
TOTAL	113,742,562	14,262,826
SCHEDULE 10 : LOANS AND ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Advance for Capital Expenditure	3,535,333	26,694,840
Advances recoverable in cash or in kind or for value to be received	95,731,743	76,469,085
Advance Income Tax Less Provisions	2,318,454	5,751,057
Bills receivable (Considered doubtful)	2,266,418	2,266,418
Less: Provision for Doubtful Bills receivable	2,266,418	2,266,418
	-	-
Deposits (Considered good)	2,640,303	1,369,523
TOTAL	104,225,833	110,284,505
SCHEDULE 11 : CURRENT LIABILITIES		
Sundry Creditors for Trade*	152,336,554	65,419,963
Creditors for Expenses*	7,630,388	8,729,018
Other Liabilities	25,624,430	10,438,069
Unfinished Voyages Income	3,390,855	2,440,698
Investor Education and Protection Fund		
Unclaimed Dividend	7,472,262	2,312,990
(No amount is due and outstanding to be credited to the fund.)		
Interest accrued but not due on loans	445,246	571,270
*(Dues to small scale industrial undertakings NIL)		
TOTAL	196,899,735	89,912,008
SCHEDULE 12 : PROVISIONS		
Proposed Equity Dividend	-	26,349,040
Provision for tax on Equity Dividend	-	3,695,453
Proposed Preference Dividend	-	4,556,055
Provision for tax on Preference Dividend	-	638,987
Provision for Leave Encashment	2,787,721	2,260,256
TOTAL	2,787,721	37,499,791



SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

(AMOUNT IN RUPEES)

	Year ended 31.03.2007	Year ended 31.03.2006
SCHEDULE 13 : OTHER INCOME		
Dividend from Mutual Fund Investment (Current - Non Trade)	16,373,523	3,345,877
Interest received on Deposits with Banks (TDS Rs 4,01,348/- , Previous Year Rs 2,51,924/-)	2,564,754	1,117,956
Interest Received Others (TDS Rs 9,30,899/- , Previous Year Rs 4,14,481/-)	102	136,912
Profit on Sale Investments (Long term).	-	150,000
Other Income	9,307,134	2,891,263
TOTAL	28,245,513	7,642,008
SCHEDULE 14 : DETAILS OF OPERATING EXPENSES		
Salaries, Wages & Other Allowances for Floating Staff	145,597,734	129,796,143
Contribution to Provident Fund for Floating Staff	2,712,637	3,130,428
Staff Welfare for Floating Staff	1,768,992	3,413,833
TOTAL	150,079,363	136,340,404
Fuel/Lube Oils Consumed	357,128,823	253,325,438
Slot Hire Costs	6,734,841	11,729,212
Port and Marine Dues	155,417,614	107,029,170
Terminal Handling Charges Domestic	71,573,088	45,152,420
Transportation Expenses	146,098,474	49,168,545
Other Domestic Expenses	54,082,423	9,259,717
Terminal Handling Charges Liner	33,187,280	8,146,333
Other Liner Expenses	8,047,272	9,941,311
Godown Rent	1,795,220	438,064
Stores and Spares Consumed	91,910,054	69,753,364
Crew Victualling	17,355,828	14,704,168
Repairs and Maintenance to Fleet	22,443,256	20,290,803
Insurance and Protection Club fee	30,084,946	31,824,027
Vessel Management and Agency Fees	56,715,866	51,752,351
Brokerage / Commission	5,505,913	5,325,998
Dry Dock Expenses	52,952,714	83,112,793
Sundry Expenses	11,447,929	7,683,342
Container Lease Rent	40,512,029	12,275,954
Other Operating Expenses	4,168,163	1,319,955
Express cargo Expenses	1,486,049	-
TOTAL	1,318,727,145	928,573,369
SCHEDULE 15 : ADMINISTRATION & OTHER EXPENSES		
Salaries, wages and Other Allowances* (*includes payments to Managerial Personnel)		
Salaries and Bonus	29,430,573	21,459,604
Contribution to Provident Fund and Gratuity	2,856,709	1,707,463
Staff Welfare	3,194,143	2,419,391
TOTAL	35,481,425	25,586,458
Postage, Telephone and Fax	3,368,510	2,337,619
Travelling and Conveyance	5,145,841	2,519,133
Professional & Consultancy Fees	7,378,012	4,778,923
Bad Debts/Deposit written off	382,902	408,486
Loss on Sale of Assets	494,441	353,728
Insurance Expenses	640,093	375,001
Rates, Taxes & Fees	113,129	207,248
Rent	3,190,988	1,088,220
Donations	303,250	700,000
Director's Sitting fees	650,000	375,000
Claim Receivable written off	5,929,427	-
Other Expenses	20,345,240	12,552,536
Loss on Exchange Rate Variation (Net)	393,010	1,416,440
Preliminary Expenses written off	-	6,815
TOTAL	83,816,268	52,705,607
SCHEDULE 16: INTEREST		
On Loans For Fixed Periods.	48,259,357	18,856,467
Others	322,067	455,485
TOTAL	48,581,424	19,311,952

SCHEDULE 17 : NOTES TO THE ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

(i) Accounting basis and convention:

The Financial Statements are prepared under the historical cost convention on an accrual basis and comply with Section 211 (3C) of the Companies Act, 1956.

(ii) Fixed Assets:

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

When assets are retired or otherwise disposed off, the cost of such assets and the related accumulated depreciation are removed from the accounts. Any profit or loss on retirement or other disposal is reflected in the profit and loss account.

(iii) Depreciation:

In respect of fleet, the amount determined by charging cost less residual value as technically assessed equally over the expected useful life of the fleet or depreciation at the rate prescribed (5%) under the Schedule XIV of Companies Act ,1956 which ever is higher, is provided as depreciation.

Depreciation on leasehold improvements is provided on the basis that the leases would be renewed consistent with past practice.

In respect of software, Depreciation is provided at 33.33% on Straight line method.

Depreciation of other Fixed Assets has been provided on straight line method on pro-rata basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Where the cost of depreciable asset has undergone change due to increase/decrease in

(a) Long term liability on account of exchange fluctuations.

(b) Additions and major improvements forming an integral part of an asset, depreciation on such changes has been provided prospectively.

(iv) Investments:

a) Long term Investments are stated at cost. Diminution in the value of investments, other than temporary in nature, is provided for.

b) Current investments are valued at cost or net realizable value whichever is lower.

(v) Inventories:

Inventories are valued at Lower of Cost or Net Realisable Value. The costs are determined under "First in First out" formula.

(vi) Foreign Exchange Transactions:

a) Transactions in foreign currencies are recorded at standard exchange rates prevailing in the respective months of the relevant transactions. The realized exchange gains or losses are recognized in the Profit and Loss Account.

b) Monetary Assets and Liabilities denominated in foreign currency are translated at the year end exchange rates. The resultant gain or loss on such translation is recognised in the Profit and Loss Account

c) The exchange differences on translation of foreign currency liabilities contracted for acquisition of fixed assets from a Country outside India are added to / deleted from the cost of the relevant fixed assets in terms of Schedule VI to the Companies Act 1956.

d) In respect of forward exchange contracts covering either Company's earnings or payment related to acquisition of fixed assets, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

(vii) Revenue Recognition:

a) All Income and expenditure are accounted for, on accrual basis other than interest on overdue bills.

b) Operating Earnings represent the value of charter hire and freight earnings. Freight income is recognized once the ship calls on the port of delivery.

c) Income and Expenses relating to unfinished leg of the voyage as at the date of Balance Sheet are carried forward and included under Current Liabilities and Current Assets respectively. The expenses included under unfinished leg of voyages include fixed and semi-fixed ship operating costs.

d) Stores and Spares (other than lube oils and victualling) are charged off to Profit and Loss, on receipt.



(viii) Dry Dock/Special Survey expenses:

Dry Dock/Special Survey expenses are charged to Profit and Loss account as and when incurred.

(ix) Asset Impairment:

The company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance Sheet date. Impairment loss, if any, is recognized in the year in which impairment takes places.

(x) Retirement Benefits:

The Company has schemes for retirement benefits namely Provident Fund and Gratuity and contributions are charged to the Profit and Loss account. Contributions to the Provident Fund are made to the relevant authorities.

Contributions to the Gratuity Fund in respect of shore staff are made in accordance with the terms of Group Gratuity Scheme of the Life Insurance Corporation of India (LIC). The shortfall, if any between the amount payable to the employees determined on actuarial basis and accumulated sum with LIC is provided for / borne by the Company. In respect of Floating staff, Gratuity payable to crew is accrued as per agreement with NUSI/NMB. No Gratuity is payable in respect of officers who are on contract with the Company for a period of six months or less only. Provision for leave encashment is made on actual workings for leave standing to the credit of employees at period end.

(xi) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition/ construction of the underlying fixed assets are capitalised as a part of the respective asset up to the date of acquisition /completion of construction.

(xii) Provisions and Contingent liabilities:

Provisions are recognised when there is a present obligation as a result of past events where it is probable that there will be outflow of resource to settle the obligation and when a reliable estimate of the amount of the obligation can be made. When any such present obligation can not be measured or where a realistic estimate of the obligation cannot be made Contingent liabilities are recognised. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence of one or more uncertain future events not wholly within the control of the company.

(xiii) Assets Impairment Reserve:

Considering that Shipping is cyclical and capital intensive, the Board if so required in its judgment sets aside a portion of Net Profits to Asset Impairment Reserve which will be utilized when an impairment loss arises.

(xiv) Taxation:

As the Company has opted for Tonnage Tax in respect of shipping income in the Holding company deferred tax is not applicable. Tax provision is created for non-shipping income and profit on sale of ships and other related assets as per Income Tax Act, 1961. Deferred tax resulting from difference between book and tax profit in the subsidiary is accounted for at the current rate of tax, to the extent the timing differences are expected to crystallize.

NOTES ON ACCOUNTS

- 1 Capital work in progress represents expenses towards new ship under construction and includes Rs 1,59,26,460/- (P.Y Rs 44,42,461/-) being the interest on direct borrowings capitalized.
- 2 a) In terms of the order of the Honorable High Court of Bombay dated 2nd march,2007, the company has written off the following expenditure against the Securities Premium Account:
Refurbishment and upgradation of vessels as part of Dry Dock expenditure Rs. 1121.60 Lacs.
Loss of Stores, Lube Oil Etc. on board the vessel "OEL Vision" which sank Rs.23 Lacs
b) Such expenditure would have been otherwise charged to Profit & Loss Account as per the treatment prescribed in Accounting Standards and as per the policy followed by the company.
c) The financial impact of this treatment is that Profit for the year is higher to the extent of Rs. 1144.60 Lacs and the Securities premium is reduced by same amount. There is no tax impact to be adjusted.
- 3 Proceeds of the Global Depository Receipts (GDR) of USD 8 Million (Rs 32,07,85,923 net of Rs 1,30,00,951 being the expenses on issue) issued in the Previous Year has been utilised in full towards Capital expenditure as proposed in the offer document.
- 4 Income under extraordinary items represents excess of insurance settlement received for loss of vessel "OEL Vision" which sank off the coast of Mumbai on 2nd August, 2006, over the written down value of the vessel (Rs. 538.82 Lacs) and expenses on salvage (Rs. 24.15 Lacs).
- 5 Expenses under exceptional items includes
 - a) Provision for wage arrears to crew Rs. 32.08 Lacs for the period up to 31st March 2006 based on NMB's MOU dated 24th August, 2006.
 - b) Service tax paid Rs. 22.70 Lacs in respect of services rendered to company from outside India for the period up to 31st March, 2006.
- 6 Under the Loan Agreements with the company, ICICI Bank Limited has the right of conversion of part of the loan into equity in the event of any default in repayment or payment of any installment of Principal or Interest or any combination thereof on the part of the Company.

7 Change in Accounting Policy

Till previous year profit / premium or loss / discount at the time of inception or on cancellation or renewal of forward exchange contracts relating to acquisition of fixed assets from a country outside India was adjusted to the cost of relevant Capital Assets. However from the current year such gain or loss are adjusted to Profit and Loss accounts based on the expert advisory opinion from the Institute of Chartered Accountants of India. Accordingly Rs 13,23,051/- credited to Capital Working in Progress (CWIP) in the previous year on this account has been added to CWIP and netted against prior period expenditure in the current year.

- 8** Prior period items in Holding company include claims towards container damages (Rs 13,29,681) and other administrative expenses (Rs 2,76,874) pertaining to period upto 31st March,2006. The prior period of Rs 13,13,051 as per item 8 above has been netted to this expenditure

Prior Period Expenses Rs 20,83,501/- in Subsidiary represents differential operating expenses incurred by clearing agents and agency commission upto the period 31st March,2006 not provided for in the earlier year.

- 9** Information pursuant to para 4-D, clauses a,b,c and e of Part II of Schedule VI of the Companies Act, 1956 has not been given in view of exemption granted by the Department of Company Affairs Vide Order No 46/52/2007-CL-III Dated 10th May, 2007 to the Holding company and Order No. 46/48/2007-CL-III dated 1st June, 2007 to the Subsidiary company.

10 CONTINGENT LIABILITIES

(Amount in Rupees)

	As at 31.03.2007	As at 31.03.2006
a) Claims against the Company not acknowledged as debts	10,57,00,000	10,57,00,000
b) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	70,28,90,367	93,19,24,000
c) Bank Guarantees issued to Customers	15,00,000	—

11 Foreign Currency exposures outstanding at the balance sheet date.

Category : Forward Exchange contract for USD 38,11,429.62

: Forward Exchange contract for SGD 80,00,000.00

Purpose : In order to hedge the company's exposure, due to movements in foreign Exchange rates.

Foreign currency exposures that are not hedged by derivative instruments.

(Amount in equivalent US Dollar)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
a) Receivables	42,96,534	27,13,934
b) Payables	12,71,739	6,34,301
c) FCNR Loan taken from bank	2,58,84,773	4,90,086

12 Segment Reporting:

- a) Segment wise Revenue and Results:

(Rs. In Lacs)

Particulars	Year ended 31 st March' 2007	Year ended 31 st March' 2006
Revenue by Segment		
Shipping	8316.41	10040.38
Logistics	14719.27	6466.72
Others	643.61	391.76
Total Revenue	23,679.29	16898.86
Less : Intersegment Revenue	5196.70	2389.22
	18482.59	14509.64
Segment Results		
Shipping	1684.62	2870.68
Logistics	1872.35	1064.10
Others	618.97	373.29
Total	4175.94	4308.07
Less: i) Interest & Finance Charges	485.81	193.12
ii) Unallocated Expenditure	682.03	476.83
Profit before Tax	3008.10	3638.12
Segment Depreciation		
Shipping	663.31	697.93
Logistics	285.19	148.65
Unallocated	14.72	19.02



The Company operates in two business segments viz. Shipping and Logistics. Shipping will comprise Charter and Feeder Services, Logistics will include Domestic and Liner business and others will comprise of miscellaneous and non-liner business.

b) Geographical Segment (Based on Location of Customers)

(Rs. In Lacs)

Particulars	Year ended 31.3.2007	Year ended 31.3.2006
In India	18093.38	9154.07
In Pakistan	460.32	45.55
Rest of World	5125.59	7699.24
Total Revenue	23679.29	16898.86

c) Segment Capital employed

Fixed Assets used in the company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to individual segment assets and liabilities has been made. However Depreciation has been allocated amongst segments based on best estimates of usage of fixed assets in the respective segments during the year.

d) Others under Revenue and Results include profit on sale of ship Rs. 2,88,66,636/- (Previous year Rs. 2,96,86,790/-).

13 Intangible Assets

In the Holding company Software is amortised over 3 Years and included under Office equipment in Schedule-4: Fixed Assets.

(Amount in Rupees)

Particulars	Year ended 31.3.2007	Year ended 31.3.2006
Opening Balance	3,61,360	5,31,407
Addition during the year	23,892	36,400
Total	3,85,252	5,67,807
Amortisation	2,18,625	2,06,447
Closing Balance	1,66,627	3,61,360

14 Accounting for Lease

a) The Company has taken Containers on Cancelable Operating Lease and the lease rental of Rs. 4,05,12,029/- (Rs 1,69,14,751/-) is charged to the Profit and Loss account.

b) The Company has taken Vehicles on Cancelable Operating Lease and the lease rental of Rs 21,71,915/-. (Rs.12,77,680/-) is charged to the Profit and Loss account.

15 Working of Earnings Per Share:

Particulars	Year ended 31.3.2007	Year ended 31.3.2006
Weighted average number of Equity shares	2,19,57,533	2,00,57,990
Nominal value Per Share	Rs. 10/-	Rs. 10/-
Profit for the year after Tax (adjusted for previous year expenses)	Rs.31,19,15,593	Rs.35,22,62,826
Less: Provision for Preference Dividend + Tax (including proposed dividend)	Rs. 1,21,55,065	Rs.1,27,04,935
Net Balance available to Equity Shareholders including extraordinary & exceptional items	Rs. 29,97,60,528	Rs.33,95,57,891
Less: Extraordinary & exceptional items	Rs. 4,31,58,904	-
Net Balance available to Equity Shareholders excluding extraordinary & exceptional items	Rs. 25,66,01,624	Rs.33,95,57,891
Earnings Per Share (Basic & Diluted) including extraordinary and exceptional items.	Rs. 13.65	Rs. 16.92
Earnings Per Share (Basic & Diluted) excluding extraordinary and exceptional items.	Rs. 11.69	Rs. 16.92

16 Deferred Tax

(Amount in Rupees)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
Deferred Tax Liabilities		
Timing Difference on Depreciation	53,75,000	23,60,000
Less:		
Deferred Tax Assets		
Timing differences on Leave encashment & Preliminary Expense	2,90,000	1,86,000
Net Deferred Tax Liability	50,85,000	21,74,000

17 Related Party Transactions (Refer Annexure 1)

18 Previous years figures have been regrouped/recast wherever necessary to confirm to the current year's classifications.

SIGNATURES TO SCHEDULES 1 TO 17

FOR AND ON BEHALF OF THE BOARD

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Chairman & Managing Director

Anil Devli
Executive Director

S. Ramakrishnan
Partner
M.No. 18967

V. Ramnarayan
Director

Megha Samtani
Company Secretary

K. P. Medhekar
Director

Vinay Kshirsagar
Chief Financial Officer

Place : Mumbai
Date : 1st June, 2007

Place : Mumbai
Date : 1st June, 2007


RELATED PARTY TRANSACTIONS (as on 31.03.07)
Annexure-1
 (Amount in Rs,000)

TRANSACTION	Holding company*	Subsidiary Company*	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total as at 31.03.07	Total as at 31.03.06
Charter hire income								
Orient Express Lines Ltd., Mauritius	-	-	198,926	-	-	-	198,926	264,606
Orient Express Lines (S) Pte Ltd., Singapore	-	-	-	-	-	-	-	107,639
Balaji Shipping (UK) Ltd.	-	-	-	-	-	-	-	27,447
Service / freight income received								
Balaji Shipping (UK) Ltd.	-	-	13,067	-	-	-	13,067	18,362
Orient Exp.Line Singapore	-	-	258	-	-	-	258	670
Orient Express Lines Ltd., Mauritius	-	-	4,949	-	-	-	4,949	32,476
Relay Shipping Agency Ltd.	-	-	-	11,603	-	-	11,603	32,619
Haytrans (India) Ltd	-	-	-	2	-	-	2	1,181
Haytrans (Lanka) Pvt. Ltd	-	-	-	44	-	-	44	-
Transworld Shipping Services (I) pvt ltd	-	-	-	1,050	-	-	1,050	-
Transworld Logistics Pvt Ltd	-	-	-	231	-	-	231	-
Vessel management fees paid								
Orient Express Ship Management Ltd.	-	-	-	21,003	-	-	21,003	16,567
Agency Fees/Brokerage paid								
Relay Shipping Agency Ltd.	-	-	-	25,848	-	-	25,848	16,556
Clarion Shipping (Pvt) Ltd, Colombo	-	-	-	690	-	-	690	2,350
Lanka Orient Express Line, Colombo	-	-	-	2,823	-	-	2,823	12,191
Crescent Shipping Agency (India) Ltd.	-	-	-	1,038	-	-	1,038	423
Albatross shipping pvt ltd	-	-	-	8	-	-	8	-
Transworld Logistics Pvt Ltd	-	-	-	-	-	-	-	125
Seabridge Shipping co LLC	-	-	29	-	-	-	29	-
Slot charges paid								
Orient Express Lines Ltd., Mauritius	-	-	5,583	-	-	-	5,583	5,680
Orient Express Lines (S) Pte. Ltd., Singapore	-	-	1,105	-	-	-	1,105	4,161
Commission paid								
Seabridge Shipping Co L.L.C	-	-	-	-	-	-	-	2,735
Rent paid								
Sivaswamy Holdings Pvt. Ltd.	-	-	-	3,094	-	-	3,094	1,064
Vehicle Lease Rent paid								
Mrs. Savita Kshirsagar	-	-	-	-	-	455	455	396
Managerial Remuneration paid								
Mr. S. Ramakrishnan	-	-	-	-	4,761	-	4,761	3,963
Mr. Anil Devli	-	-	-	-	3,848	-	3,848	3,269
Mr Vinay Kshirsagar	-	-	-	-	2,386	-	2,386	2,372
Container rent paid								
Balaji Shipping (UK) Ltd.	-	-	-	-	-	-	-	41
Haytrans (India) Ltd	-	-	-	8	-	-	8	-
Admec Logistics Ltd	-	-	-	1,867	-	-	1,867	522
Transportation charges to related parties								
Admec Logistics Ltd	-	-	-	1,943	-	-	1,943	-
Stores, spares, victualling, Repairs expenses, etc. paid								
ADMEC Logistics Ltd.	-	-	-	20,006	-	-	20,006	20,686
Donation paid to related parties								
Sivaswamy Memorial Charitable Trust	-	-	-	300	-	-	300	-
Sale of investment								
Mr. S. Ramakrishnan	-	-	-	-	-	-	-	100
Mr. S. Mahesh	-	-	-	-	-	-	-	100
Purchases of vehicle								
Orient Express Ship Management Ltd.	-	-	-	-	-	-	-	517
Purchases of Vessels								
Orient Express Lines - Panama	-	-	-	318,577	-	-	318,577	-
Bad Debts/Deposit written off								
Orient Express Lines (S) Pte Ltd., Singapore	-	-	-	383	-	-	383	-
Purchase of Containers								
Transworld Logistics Pvt ltd.	-	-	-	21,220	-	-	21,220	-
Security deposit given								
Transworld Management Consultancy Pvt. Ltd.	-	-	-	72	-	-	72	-
Purchase of Company Shares								
Mr. S.Ramakrishnan	-	-	-	-	-	-	-	50
Mr. S.Mahesh	-	-	-	-	-	-	-	50
Mrs. Mala Mahesh	-	-	-	-	-	-	-	113
Mrs. Geeta Ramakrishnan	-	-	-	-	-	-	-	113
Dividend paid on 9% non-convertible, cumulative, redeemable preference shares								
Transworld Shipping Services (I) Pvt. Ltd.	-	-	-	-	-	-	-	2,705
Crescent Shipping Agency (India) Ltd.	-	-	-	-	-	-	-	2,267
Meridian Shipping Agency pvt. Ltd.	-	-	-	-	-	-	-	1,263

RELATED PARTY TRANSACTIONS (as on 31.03.07) (Contd.)

(Amount in Rs,000)

TRANSACTION	Holding company*	Subsidiary Company*	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total as at 31.03.07	Total as at 31.03.06
Clarion Solutions Ltd.	-	-	-	-	-	-	-	464
Dividend paid on Equity shares								
Transworld Holdings Ltd.	41,996	-	-	-	-	-	41,996	28,409
Mr. S. Ramakrishnan	-	-	-	-	372	-	372	252
Mrs. Geeta Ramakrishnan	-	-	-	-	-	368	368	2,147
Mr. Ritesh Ramakrishnan	-	-	-	-	-	572	572	387
Ms. Anisha Ramakrishnan	-	-	-	-	-	3,317	3,317	346
Mrs. Valli Sivaswamy	-	-	-	-	-	1,304	1,304	882
Mrs. Mala Mahesh	-	-	-	-	-	368	368	-
Master Murali Mahesh	-	-	-	-	-	572	572	-
Kumari Mithila Mahesh	-	-	-	-	-	3,317	3,317	-
Mr. S. Mahesh	-	-	-	-	-	382	382	259
Mr. Anil Devli	-	-	-	-	21	-	21	14

Outstanding balances pertaining to related parties as at 31st Mar, 2007 (In Rs.'000)

Nature of balance	Holding company*	Subsidiary Company*	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total as at 31.03.07	Total as at 31.03.06
Debit balance due to company	-	-	2,898	43,903	-	-	46,801	58,306
Credit balance due from company	-	-	12,319	6,277	-	-	18,596	8,923

*** Names of related parties**

Nature of relationship	Name of the related party
Holding company	Transworld Holdings Ltd. (holds 56.25% of the equity share capital as at 31st March, 2007)
Fellow subsidiaries	Shreyas World Navigation Pte. Ltd., Singapore Orient Express Lines Ltd., Mauritius Orient Express Lines (S) Pte. Ltd., Singapore Orient Express Lines Inc, Panama Balaji Shipping (UK) Ltd. Balaji Shipping Co. SA, Panama Aqua Container Lines Ltd. Mauritius Jubilee Shipping inc. Panama Seabridge Shipping co. L.L.C
Subsidiary Company	Shreyas Relay Systems Ltd
Other related parties	Orient Express Ship Management Ltd. Transworld Shipping Services (I) Pvt. Ltd. NLS Agency (India) Pvt. Ltd. Sivaswamy Holdings Pvt. Ltd. Crescent Shipping Agency (India) Ltd. Transworld Logistics Pvt. Ltd. Albatross Shipping Pvt. Ltd. Transworld Management Consultancy Pvt. Ltd. Lanka Orient Express Lines Ltd., Colombo Haytrans India Ltd. ADMEC Logistics Ltd. Relay Shipping Agency Ltd. Meridian Shipping Agency Pvt. Ltd. Clarion Shipping Agency Pvt. Ltd., Colombo Clarion Solutions Ltd.
Key Management Personnel	Mr. S. Ramakrishnan Mr. Anil Devli Mr. Vinay Kshirsagar
Relatives of Key Management Personnel	Mrs. Geeta Ramakrishnan Mr. Ritesh Ramakrishnan Ms. Anisha Ramakrishnan Mr. S. Mahesh Mrs. Mala Mahesh Master Murali Mahesh Kumari Mithila Mahesh Mrs. Valli Sivaswamy Mrs. Savita Kshirsagar

Note : Reimbursement of expenses incurred by/to Group Companies is not included here.



STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2007

	Year ended 31st March 2007	Year ended 31st March 2006
A Cashflow from Operating Activities		
Net profit/ (Loss) Before tax	300,810,560	343,969,464
Adjusted for Non Operating Expenses (income)		
Depreciation	96,322,876	96,322,876
Amortisation of miscellaneous expenses	—	6,815
Loss on Sale on Fixed assets	—	353,728
Interest Expenses	48,581,424	21,159,014
Exchange Loss/(Gain) on Current Assets & Liabilities	393,010	1,416,440
Income for current Investments	(16,373,523)	(3,345,877)
Interest Income	(2,564,754)	(3,101,930)
Profit on Sale of Investments	—	(150,000)
Profit on Sale on Asset	(28,866,636)	(29,686,790)
Operating Profit Before Working Capital changes	(a) 398,302,957	426,943,740
Adjustments for : Increase/(Decrease) in Working Capital Increases/(Decreases) in Current Assets		
Inventories	10,880,275	14,041,075
Sundry Debtors	58,940,723	93,398,158
Other Current Assets, Loans and Advances	120,750,675	30,410,688
	190,571,673	137,849,921
Less: increases (Decreases in Current Liabilities & Provision)	93,845,145	(18,590,448)
Net increases (Decreases in Working Capital)	(b) 96,726,528	156,440,369
Cash Generated from Operations	(a) - (b) = (c) 301,576,429	270,503,371
Less: Taxation	23,333,263	12,277,828
Add : Extra Ordinary Item	48,637,472	—
Less : Exceptional Items	5,478,568	—
Less : Prior Period	2,377,005	—
NET CASH FROM OPERATING ACTIVITIES	(A) 319,025,065	258,225,543
B Cash flow from Investing Activities		
Addition / Revaluation to fixed Assets including Capital Work in Progress	(1,854,586,337)	(351,357,926)
Sale of Fixed Assets	266,378,712	171,783,802
Sale of investments	(114,460,764)	300,000
Purchase of Investments	(80,182,293)	(4,989,000)
Income from current investments	16,373,523	3,345,877
NET CASH FROM INVESTING ACTIVITIES	(B) (1,766,477,159)	(180,917,247)
C Cash Flow from Financing Activities		
Proceeds / (Repayment) of Borrowings (Net)	1,324,572,490	2,261,867
Proceeds from issue of Shares/GDR (net of issue expenses)	—	345,314,543
Interest Income	2,564,754	3,101,930
Interest Expenses	(48,581,424)	(21,159,014)
Exchange Loss/(Gain) on Current Assets & Liabilities	(393,010)	(1,416,440)
Dividend Paid	(89,871,668)	(26,523,652)
Tax on dividend paid	(12,604,502)	(3,724,439)
NET CASH FROM FINANCING ACTIVITIES	(C) 1,175,686,640	297,854,795
NET CHANGES IN CASH & CASH EQUIVALENT	(A+B+C) (271,765,454)	375,163,091
CASH & CASH EQUIVALENTS - OPENING BALANCE	472,190,085	97,026,994
ADD : NET CHANGES IN CASH & CASH EQUIVALENT AS ABOVE	(271,765,454)	375,163,091
CASH & CASH EQUIVALENTS - CLOSING BALANCE	200,424,631	472,190,085
CLOSING CASH & CASH EQUIVALENTS CONSIST		
CASH ON HAND (Refer Schedule 8)	3,048,891	3,045,551
BALANCE WITH SCHEDULE BANK IN CURRENT ACCOUNT (Refer Schedule 8)	67,994,216	37,053,673
INVESTMENT IN LIQUID FUND SECURITIES (Refer Schedule 5)	129,381,524	432,090,861
TOTAL	200,424,631	472,190,085

Notes:

- 1) The above statement has been prepared in indirect method except in case of dividend and investments which have been considered on the basis of actual movement of cash.
- 2) Cash and Cash equivalents include cash and bank balance and Investments in Liquid funds and Mutual Funds

AS PER OUR REPORT ATTACHED

FOR AND ON BEHALF OF THE BOARD

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Chairman & Managing Director

S. Ramakrishnan
Partner
M.No. 18967

Place : Mumbai
Date : 1st June, 2007

Place : Mumbai
Date : 1st June, 2007

Directors' Report

Your Directors are pleased to present the Fourteenth Annual Report and the Audited Accounts for the financial year ended 31st March 2007.

FINANCIAL PERFORMANCE

	(Rs. in Lacs)	
	Previous Year ended 31.03.2006	
	Current Year ended 31.03.2007	
Operating Income	4095.96	9573.44
Other Income	7.62	28.43
Profit before Interest, Depreciation and Tax	174.46	393.91
Less: Interest	18.58	61.45
Depreciation	19.42	43.53
Profit Before Tax	136.45	288.93
Less: Provision for Tax		
Current	25.00	68.82
Deferred	21.74	29.11
Fringe Benefit Tax	1.04	3.27
Profit After Tax	88.66	166.88
Surplus / Deficit Brought Forward from Previous Year	(1.00)	87.66
Surplus Carried to Balance Sheet	87.66	254.55

DIVIDEND:

With a view to conserve the resources, your Directors do not recommend any Dividend.

SHARE CAPITAL:

In order to meet the fund requirements, your Company, during the year, issued and allotted 20,00,000 further equity shares to Shreyas Shipping & Logistics Ltd, the holding company. The Company would continue to explore opportunities in the future for raising capital using a judicious mix of debt and equity.

REVIEW OF OPERATIONS:

Your company is the logistics arm of Shreyas Shipping & Logistics Ltd. It is dedicated towards offering focused terrestrial logistics services including mid size and small parcel services. It provides seamless door to door multimodal transportation solutions. The operating earnings during the year increased by 133.73% from Rs.4095.96 lacs during 2005-06 to Rs. 9573.44 lacs during 2006-07.

QUALITY:

Your Company firmly believes that the pursuit of excellence is one of the most critical components for success in the competitive market and therefore consistently strives to adhere to the highest quality standards. Your company has been certified by DNV Quality Registrar in accordance with Standard ISO 9001: 2000 for Systems for Multimodal Transportation of Cargo upto 30th November 2009.

FIXED DEPOSITS:

The Company has not accepted fixed deposits from the public during the year under review.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. S. Mahesh retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re- appointment.

Mr. Amitabha Ghosh has been appointed as a Nominee Director of Shreyas Shipping & Logistics Limited with effect from 24th May, 2006.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO:

Under the Notification No. GSR 1029 dated 31st December 1988, Companies are required to furnish prescribed information regarding conservation of energy and technology absorption. This however does not apply to your Company, as the industry in which the Company operates is not included in the Schedule to the relevant rules.

With regard to foreign exchange earnings and outgo, the position is as under:

	Rs. in Lacs (2006-07)
(i) Foreign exchange earnings (on accrual basis)	1912.64
(ii) Foreign exchange outgo including operating and other expenditure, purchase of containers in foreign currency (on accrual basis)	488.31

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief, in respect of the year ended on 31st March, 2007;

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) appropriate accounting policies have been selected and applied consistently, and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the profit of the Company for the year ended on 31st March, 2007;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the annual accounts have been prepared on a 'going concern' basis.

AUDITORS:

M/s Sridhar & Santhanam, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and offer themselves for reappointment. A certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

COST AUDIT:

The Central Government has not recommended cost audit of the Company during the year under consideration.

PERSONNEL:

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However as per the provisions of section 219(1)(b)(iv) of the said Act, this Report and the Accounts Statement are being sent to the Shareholders excluding the Statement of Particulars of Employees under section 217(2A). Any Shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 1st June, 2007

S. Ramakrishnan
Chairman

Auditors' Report

To

The Members of Shreyas Relay Systems Ltd.

1. We have audited the attached Balance Sheet of Shreyas Relay systems Ltd. as at 31st March 2007, the Profit and Loss account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on that date from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - (b) In case of the Profit and Loss account, of the profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Sridhar & Santhanam
Chartered Accountants

S.Ramakrishnan
Partner
M. No. 18967

Place: Mumbai
Date: 1st June 2007

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The major fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) A substantial part of fixed assets have not been disposed off during the year.
- (ii) (a) The Company has no inventories.
- (iii) (a) The Company has not given any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) The company had taken an unsecured loan of Rs 280 lakhs in the previous year from its holding company, Shreyas Shipping and Logistics Ltd which was outstanding at the beginning of the year. Company has repaid this loan during the year in full including interest. During the year Company has taken a fresh unsecured interest free loan of Rs 88 lakhs from the holding company, the terms and conditions of which are not prima facie prejudicial to the interests of the Company. The Company has not taken any other loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. In respect of fresh loan from holding company the principal is not yet due.
- (iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. No goods are sold by the Company. There is no continuing failure to correct major weaknesses in internal control system;
- (v) (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
- (b) In respect of transactions exceeding the value of Rs five lakhs in respect of each party made in pursuance of such contracts or arrangements, they have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
- (vi) The Company has not accepted deposits from the public.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act,
- (ix) (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) There are no dues of Income tax/sales tax/Wealth tax/Service tax/custom duty/excise duty/Cess that have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xiii) As this Company is not a Nidhi/Mutual benefit fund/ Society, the provisions of special statute applicable to chit fund is not applicable to this Company.

- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The term loan taken from the Bank was applied for the purpose for which it was obtained.
- (xvii) On an overall examination of the Balance Sheet, we report that the funds raised on short-term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act except to its holding company; The price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has not issued any debentures.
- (xx) There have been no public issues during the year.
- (xxi) No fraud on or by the Company has been noticed or reported during the year.

For Sridhar & Santhanam
Chartered Accountants

Place: Mumbai
Date: 1st June 2007

S.Ramakrishnan
Partner
M. No. 18967



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BALANCE SHEET AS AT 31ST MARCH, 2007

(AMOUNT IN RUPEES)

	Schedule	AS AT 31.03.2007	AS AT 31.03.2006
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1	25,000,000	5,000,000
RESERVES AND SURPLUS	2	25,454,800	8,766,039
		50,454,800	13,766,039
LOAN FUNDS			
SECURED LOANS	3	50,000,000	-
UNSECURED LOANS	4	8,800,000	28,000,000
		58,800,000	28,000,000
DEFERRED TAX LIABILITY (NET)		5,085,000	2,174,000
TOTAL		114,339,800	43,940,039
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	5	108,532,656	60,341,818
LESS : DEPRECIATION		6,295,884	1,942,490
NET BLOCK		102,236,772	58,399,328
CAPITAL WORK- IN-PROGRESS		85,011	-
TOTAL		102,321,783	58,399,328
CURRENT ASSETS, LOANS AND ADVANCES			
SUNDRY DEBTORS	6	83,346,770	45,483,199
CASH AND BANK BALANCES	7	28,896,763	18,524,402
OTHER CURRENT ASSETS	8	1,465,393	4,685
LOANS AND ADVANCES	9	20,441,629	41,157,336
CURRENT ASSETS TOTAL (A)		134,150,555	105,169,622
LESS : CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES	10	121,278,324	119,084,958
PROVISIONS	11	854,214	543,953
CURRENT LIABILITIES TOTAL (B)		122,132,538	119,628,911
NET CURRENT ASSETS (A - B)		12,018,017	(14,459,289)
TOTAL		114,339,800	43,940,039
NOTES TO THE ACCOUNTS	17		

AS PER OUR REPORT ATTACHED

FOR AND ON BEHALF OF THE BOARD

For Sridhar & Santhanam
Chartered AccountantsS. Ramakrishnan
ChairmanS. Ramakrishnan
Partner
M.No. 18967V. Ramnarayan
DirectorNamrata Malushte
Company SecretaryPlace : Mumbai
Date : 1st June, 2007Place : Mumbai
Date : 1st June, 2007

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	(AMOUNT IN RUPEES)	
		Year ended 31.03.2007	Year ended 31.03.2006
INCOME			
OPERATING EARNINGS	12	957,344,215	409,596,123
OTHER INCOME	13	2,842,876	762,663
TOTAL INCOME		960,187,091	410,358,786
EXPENDITURE			
OPERATING EXPENSES	14	900,954,390	385,229,480
ADMINISTRATION & OTHER EXPENSES	15	19,842,090	7,683,292
INTEREST	16	6,144,603	1,858,311
DEPRECIATION	5	4,353,394	1,942,490
TOTAL EXPENDITURE		931,294,477	396,713,573
PROFIT BEFORE TAX		28,892,614	13,645,213
LESS PRIOR PERIOD EXPENSES (Refer note 10 in Schedule 17)		2,083,501	-
PROVISION FOR TAX FOR THE YEAR			
— CURRENT		6,882,000	2,500,000
— DEFERRED TAX		2,911,000	2,174,000
— PRIOR PERIOD		-	-
— FRINGE BENEFIT TAX		327,352	104,974
PROFIT AFTER TAX		16,688,761	8,866,239
SURPLUS BROUGHT FORWARD FROM PREVIOUS YEAR		8,766,039	(100,200)
SURPLUS/(DEFICIT) CARRIED TO BALANCE SHEET		25,454,800	8,766,039
NOTES TO THE ACCOUNTS	17		
Earnings per Share (Basic & Diluted) Ref Note No. 3 In schedule No 17		15.93	24.50

AS PER OUR REPORT ATTACHED

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Partner
M.No. 18967

Place : Mumbai
Date : 1st June, 2007

FOR AND ON BEHALF OF THE BOARD

S. Ramakrishnan
Chairman

V. Ramnarayan
Director

Place : Mumbai
Date : 1st June, 2007

Namrata Malushte
Company Secretary



SCHEDULES TO BALANCE SHEET

(AMOUNT IN RUPEES)

SCHEDULE 1 : SHARE CAPITAL

AUTHORISED

30,00,000 (Previous year 20,00,000) Equity Shares of Rs 10/- each

ISSUED, SUBSCRIBED AND PAID UP

25,00,000 (Previous year 5,00,000) Equity Shares of Rs 10/- each fully Paid up

All the shares are held by Shreyas Shipping & Logistics Ltd, the Holding Company

TOTAL

SCHEDULE 2 : RESERVES AND SURPLUS

SURPLUS:

Balance in Profit & Loss A/c.

TOTAL

SCHEDULE 3 : SECURED LOANS

Loan from Banks

Standard Chartered Bank

(Secured by Hypothecation of specific Containers and Corporate guarantee from Shreyas Shipping & Logistics Ltd, the Holding Company)

TOTAL

SCHEDULE 4 : UNSECURED LOANS

From Holding Company

TOTAL

SCHEDULE 5 : FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS AT 01.04.2006	ADDITIONS	DEDUCTIONS/ADJUSTMENTS	COST AS AT 31.03.2007	AS AT 01.04.2006	DURING THE YEAR	DEDUCTIONS/ADJUSTMENTS	AS AT 31.03.2007	AS AT 31.03.2007	AS AT 31.03.2006
CONTAINER EQUIPMENT	59,333,051	47,915,154	-	107,248,205	1,876,306	4,153,274	-	6,029,580	101,218,625	57,456,745
FURNITURE & FIXTURES	65,450	43,232	-	108,682	6,509	47,073	-	53,582	55,100	58,941
COMPUTERS	368,155	161,877	-	530,032	27,409	81,759	-	109,168	420,864	340,746
OFFICE EQUIPMENTS	66,885	70,575	-	137,460	4,098	23,134	-	27,232	110,228	62,787
VEHICLES	508,277	-	-	508,277	28,168	48,154	-	76,322	431,955	480,109
TOTAL AS ON 31.03.2007	60,341,818	48,190,838	-	108,532,656	1,942,490	4,353,394	-	6,295,884	102,236,772	58,399,328
TOTAL AS ON 31.03.2006	-	60,341,818	-	60,341,818	-	1,942,490	-	1,942,490	58,399,328	

	(AMOUNT IN RUPEES)	
	AS AT 31.03.2007	AS AT 31.03.2006
SCHEDULE 6 : SUNDRY DEBTORS		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	273,413	278,546
Others	83,073,357	45,204,653
TOTAL	83,346,770	45,483,199
SCHEDULE 7 : CASH AND BANK BALANCES		
Cash on Hand	4,614	19,728
With Scheduled Banks		
in Current Accounts	27,392,149	18,004,674
in Margin Money Deposit*	1,500,000	500,000
(*Pledged with Bank as Margin for Guarantees issued)		
TOTAL	28,896,763	18,524,402
SCHEDULE 8 : OTHER CURRENT ASSETS		
Income accrued	1,374,020	-
Interest income accrued but not due	91,373	4,685
TOTAL	1,465,393	4,685
SCHEDULE 9 : LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Advance for Capital Expenditure	3,535,333	26,694,840
b) Advances recoverable in cash or in kind or for value to be received	8,437,490	10,134,490
c) Advance Income Tax less provision	6,670,774	3,851,352
d) Deposits	1,798,032	476,654
TOTAL	20,441,629	41,157,336
SCHEDULE 10 : CURRENT LIABILITIES		
Shreyas Shipping & Logistics Ltd (Business transfer Purchases Consideration)	-	59,436,974
Sundry Creditors for Trade (Dues to small Scale Industrial Undertaking NIL Previous year NIL)	119,107,013	58,190,079
Creditors for Expenses	1,522,612	1,146,655
Other Liabilities	648,699	311,250
TOTAL	121,278,324	119,084,958
SCHEDULE 11 : PROVISION		
Provision for Leave Encashment	854,214	543,953
TOTAL	854,214	543,953



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SCHEDULES TO PROFIT AND LOSS ACCOUNT

(AMOUNT IN RUPEES)

	Year ended 31.03.2007	Year ended 31.03.2006
SCHEDULE 12 : OPERATING EARNINGS		
DOMESTIC FREIGHT INCOME	733,754,123	350,340,563
LINER INCOME	222,713,909	59,255,560
EXPRESS CARGO INCOME	876,183	-
TOTAL	957,344,215	409,596,123
SCHEDULE 13: OTHER INCOME		
Interest on bank deposit (TDS Rs 19454/- , Previous Year Rs NIL)	86,688	4,685
Gains on exchange Rate Variation (Net)	2,756,188	757,978
TOTAL	2,842,876	762,663
SCHEDULE 14 : OPERATING EXPENSES		
Terminal Handling Charges Domestic	71,573,088	45,152,420
Transportation Expenses	146,098,474	49,168,545
Other Domestic Expenses	54,082,423	9,259,717
Terminal Handling Charges Liner	33,148,699	6,030,683
Other Liner Expenses	8,047,272	9,941,311
Godown Rent	1,795,220	438,064
Container/Cargo Insurance	540,506	154,107
Container Lease Rent	40,512,029	12,275,954
Other Operating Expenses	4,168,163	1,319,955
Expresss cargo Expenses	1,486,049	-
Agency Fees	13,627,631	6,143,752
Brokerage / Commission	4,723,042	2,722,299
Slot Charges	521,151,794	242,622,673
TOTAL	900,954,390	385,229,480
SCHEDULE 15 : ADMINISTRATION & OTHER EXPENSES		
Salaries and Other Allowances		
Salaries and Bonus	8,011,072	3,814,963
Contribution to Provident Fund and Gratuity	516,861	166,529
Staff Welfare	698,390	252,194
TOTAL	9,226,323	4,233,686
Postage, Telephone and Fax	871,483	388,638
Travelling and Conveyance	1,442,070	323,278
Professional & Consultancy Fees	1,356,440	426,799
Insurance Expenses	115,135	110,200
Gifts & Presents	31,067	25,869
Rent	1,149,438	351,300
Director Sitting Fees	40,000	-
Rates and Taxes	113,129	7,248
Donation	300,000	-
Miscellaneous Expenses	5,197,005	1,809,459
Preliminary Expenses Written off	-	6,815
TOTAL	19,842,090	7,683,292
SCHEDULE 16 : INTEREST		
On Loans for Fixed Periods	6,144,603	1,858,311
TOTAL	6,144,603	1,858,311

SCHEDULE 17 : NOTES TO THE ACCOUNTS**SIGNIFICANT ACCOUNTING POLICIES****(i) Accounting basis and convention**

The Financial Statements are prepared under the historical cost convention on an accrual basis and comply with Section 211 (3C) of the Companies Act, 1956.

(ii) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. When assets are retired or otherwise disposed off, the cost of such assets and related accumulated depreciation are removed from the accounts. Any profit or loss on retirement or other disposal is reflected in profit and loss account.

(iii) Depreciation

Depreciation on Fixed Assets has been provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on leasehold improvements is provided on the basis that the leases would be renewed consistent with past practice.

(iv) Foreign Exchange Transactions

- a) Transactions in foreign currencies are recorded at standard exchange rates prevailing in the respective months of the relevant transactions. The realized exchange gains or losses are recognized in the Profit and Loss Account or adjusted to carrying cost of capital assets depending upon the nature of transactions.
- b) Monetary Assets and Liabilities denominated in foreign currency are translated at the year end exchange rates. The resultant gain or loss on such translation is recognized in the Profit and Loss Account except that pertaining to capital assets which are adjusted to their carrying cost in terms of schedule VI to the Companies Act, 1956.

(v) Revenue Recognition

- a) All Income and expenditure are accounted for, on accrual basis other than interest on overdue bills which is accounted on receipt basis.
- b) Operating Income represent freight earnings. Freight income is recognized once the ship calls on the port of delivery.
- c) Income and Expenses relating to unfinished legs of voyages as at the date of Balance Sheet are carried forward and included under Current Liabilities and Current Assets respectively.

(vi) Retirement Benefits

Contributions to the Provident Fund are made to Provident Fund Organization and charged to the profit & loss account. Contributions to gratuity are made to Life Insurance Corporation of India in accordance with the terms of Group Gratuity scheme based on actuarial valuation done by them.

Provision for leave encashment is provided based on actual workings for eligible leave standing to the credit of employees at period end.

(vii) Taxation

Provision for tax is made as per Income Tax Act, 1961. Deferred tax resulting from difference between book and tax profit is accounted for at the current rate of tax, to the extent the timing differences are expected to crystallize.

(viii) Asset Impairment

The company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance Sheet date. Impairment loss, if any, is recognized in the year in which impairment takes places.

(ix) Provisions and Contingent liabilities

Provisions are recognised when there is a present obligation as a result of past events where it is probable that there will be outflow of resource to settle the obligation and when a reliable estimate of the amount of the obligation can be made. When any such present obligation can not be measured or where a realistic estimate of the obligation cannot be made Contingent liabilities are recognised.

Contingent liabilities are also recognised when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more certain future events not wholly within the control of the company.

17. NOTES ON ACCOUNTS

- Information pursuant to para 4-D, clauses a,b,c and e of Part II of Schedule VI of the Companies Act, 1956 has not been given as an exemption has been granted by the Department of Company Affairs Vide Order No 46/48/2007-CL-III dated 1st June, 2007.
- Foreign Currency exposures not hedged by derivative instrument.

(Amount in equivalent US Dollar)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
a) Receivables	1,84,611	74,905
b) Payables	41,030	2,973

- Working for Earnings per share

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
Weighted average number of Equity shares	1047945	361918
Nominal value Per Share	Rs. 10/-	Rs. 10/-
Profit after Tax	Rs.1,66,88,761/-	Rs.88,66,239/-
Earnings Per Share (Basic & Diluted)	Rs. 15.93/-	Rs. 24.50/-

- Deferred Tax

(Amount in Rupees)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
Deferred Tax Liabilities		
Timing Difference on Depreciation	53,75,000	23,60,000
Less:		
Deferred Tax Assets		
Timing differences on Leave encashment & Preliminary Expense	2,90,000	1,86,000
Net Deferred Tax Liability	50,85,000	21,74,000

- Loans and advances include the following dues from companies under the same management

(Amount in Rupees)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
Relay Shipping Agency Ltd.	NIL	69,97,155
Orient Express Ship Management Ltd.	5,000	5,000

- AUDITORS REMUNERATION (included in Administration & Other expenses –Schedule 15)

(Amount in Rupees)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
(I) As Auditors (including Service Tax)	3,37,080	1,12,240
(ii) In other capacity (including Service Tax)		Nil
a) Tax Audit Fees	95,476	Nil
b) Fees for Certification.	18,836	Nil

(AMOUNT IN RUPEES)

	AS AT 31.03.2007	AS AT 31.03.2006
7. CONTINGENT LIABILITIES		
a) Bank Guarantees issued to Customers.	15,00,000	NIL
b) Estimated amount of contract on Capital Account not provided for.	1,02,76,117	NIL

8. Segment Reporting

The company's business is only in one segment namely Logistics.

9. Accounting for Lease

- a) The Company has taken Containers on Cancelable Operating Lease and the lease rental of Rs.405,12,029/- (P.Y Rs 1,22,75,954) is charged to the Profit and Loss account.
- b) The Company has taken Vehicles on Cancelable Operating Lease and the lease rental of Rs. 7,71,015/- (P.Y Rs.2,24,680) is charged to the Profit and Loss account.
- 10.** Prior Period Expenses Rs 20,83,501/-represent differential operating expenses incurred by clearing agents and agency commission upto the period 31st March,2006 not provided for in the earlier year.
- 11.** Related Party Transactions (Refer Annexure 1)
- 12.** Previous years figures have been regrouped/recast wherever necessary to confirm to the current year's classifications.
Previous year figures are only for eight months commercial operation and hence as such are not comparable with the current year figures.

11) RELATED PARTY TRANSACTIONS (as on 31.03.07)

Annexure - 1

(Rs. In '000)

TRANSACTION	Holding company *	Other related parties*	Total as at 31.03.07	Total as at 31.03.06
Service / freight income received				
Haytrans (India) Ltd	-	2	2	1,181
Haytrans (Lanka) Pvt. Ltd	-	44	44	-
Transworld Shipping Services (I) pvt ltd	-	1,050	1,050	-
Transworld Logistics Pvt Ltd	-	231	231	-
Agency Fees/Brokerage paid.				
Relay Shipping Agency Ltd.	-	8,655	8,655	3,669
Crescent Shipping Agency (India) Ltd.	-	1,038	1,038	423
Clarion Solutions Ltd	-	-	-	1,526
Clarion shipping agency (pvt) Ltd Colombo	-	690	690	319
Albatross shipping pvt ltd	-	8	8	-
Transworld Logistics Pvt Ltd	-	-	-	125
Seabridge Shipping Co LLC	-	29	29	-
Donation paid				
Sivaswamy Memorial Charitable Trust	-	300	300	-
Rent paid				
Sivaswamy Holdings Pvt. Ltd	-	1,100	1,100	-
Container charges paid				
Haytrans (India) Ltd	-	8	8	-
Admec Logistics Ltd	-	1,867	1,867	522
Transportation charges paid				
Admec Logistics Ltd	-	1,943	1,943	-
Slot charges paid				
Orient Express Lines Ltd , Mauritius	-	5,583	5,583	4,159
Shreyas Shipping & Logistics Ltd	515,522	-	515,522	237,076
Allotment of Equity shares				
Shreyas Shipping & Logistics Ltd	20,000	-	20,000	4,500
Acquisition of Business on Transfer basis				
Shreyas Shipping & Logistics Ltd	-	-	-	74,029
Repayment of Purchase consideration for business transfer				
Shreyas Shipping & Logistics Ltd	59,437	-	59,437	-
Purchase of Containers				
Transworld Logistics Pvt Ltd	-	21,220	21,220	-
Interest paid on loan taken				
Shreyas Shipping & Logistics Ltd	4,148	-	4,148	1,847
Loan taken				
Shreyas Shipping & Logistics Ltd	8,800	-	8,800	28,000
Repayment of Loan taken				
Shreyas Shipping & Logistics Ltd	28,000	-	28,000	-
Security deposit given				
Transworld Management Consultancy Pvt Ltd	-	72	72	-
Outstanding balances pertaining to related parties as at 31st March, 2007 (In Rs.'000)				
Nature of balance	Holding company*	Other related parties*	Total as at 31.03.07	Total as at 31.03.06
Debit balances due to company	-	9,590	9,590	8,502
Credit balances due from company	89,981	4,170	94,150	138,397
Loan from Holding Company	8,800	-	8,800	28,000

Note: 1) Figures have been adjusted for exchange rate variations.
2) Reimbursement of expenses incurred by/to Group Companies is not included here.

*** Names of related parties**

Nature of relationship	Name of the related party
Holding company	Shreyas Shipping & Logistics Ltd.
Other related parties	Transworld Shipping Services (I) Pvt. Ltd.
	Orient Express Lines Ltd., Mauritius
	Sea Bridge Shipping L.L.C
	Crescent Shipping Agency (India) Ltd.
	Sivaswamy Holdings Pvt. Ltd.
	Transworld Logistics Pvt. Ltd.
	Transworld Management Consultancy Pvt Ltd
	Albatross Shipping Pvt. Ltd.
	Admec Logistics Ltd.
	Clarion Shipping Agency Pvt. Ltd. Colombo
	Relay Shipping Agency Ltd.
	Haytrans (India) Ltd.
	Sivaswamy Memorial Charitable Trust
	Clarion Solutions Ltd.

SIGNATURES TO SCHEDULES 1 TO 17

FOR AND ON BEHALF OF THE BOARD

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Chairman

S. Ramakrishnan
Partner
M.No. 18967

V. Ramnarayan
Director

Namrata Malushte
Company Secretary

Place : Mumbai
Date : 1st June, 2007

Place : Mumbai
Date : 1st June, 2007

Additional information under Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile.

I Registration details	
Registration No.	77152
State Code	11
Balance Sheet Date	31/03/2007
II Capital raised during the year	Amount (Rs. in '000)
Public Issue	Nil
Rights Issue	Nil
Private Placement	20000
III Position of Mobilization and Deployment of Funds	Amount (Rs. in '000)
Total Liabilities	114340
Total Assets	114340
Source of Funds	
Share Capital	25000
Reserves & Surplus	25455
Secured Loans	50000
Unsecured Loans	8800
Deferred Tax Liability	5085
Application of Funds	
Net Fixed Assets	102322
Investments	NIL
Net Current Assets	12018
Misc. Expenditure	NIL
Accumulated losses	NIL
IV Performance of the Company	
Turnover (Including other income)	960187
Total Expenditure	931294
Profit/(Loss) before Tax	28893
Profit/(Loss) after Tax and prior period item	16689
Profit/(Loss) after Exceptional Items	16689
Balance available to Equity Shareholders	16689
Earning per share including Exceptional Items (Rs.)	15.93
Earning per share excluding Exceptional items (Rs.)	15.93
Interim Equity Dividend Rate %	NIL
Final Equity Dividend rate%	NIL
V Generic Names of three Principal products/Services of the Company	
Item Code No. (ITC Code)	Nil
Product description	Nil

FOR AND ON BEHALF OF THE BOARD

S. Ramakrishnan
Chairman

V. Ramnarayan
Director

Namrata Malushte
Company Secretary

Place : Mumbai
Date : 1st June, 2007

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2007

Particulars	As at 31st March, 2007	As at 31st March, 2006
A Cashflow from operating activities		
Net profit/ (Loss) Before tax	28,892,614	13,645,214
Adjusted for:		
Depreciation	4,353,394	1,942,490
Amortisation of misc expenses	—	6,815
Interest Expenses	6,144,603	1,858,311
Exchange Loss/(Gain) on Current Assets & Liabilities	(2,756,188)	(757,978)
Operating Profit Before Working Capital changes (a)	36,634,423	16,694,852
Adjustments for in Working Capital		
increase (Decrease) in in Current Assets		
Sundry Debtors	37,863,571	45,483,199
Margin money deposits	1,000,000	500,000
Other Current assets	1,460,708	4,685
Loans & Advances	(375,622)	10,611,145
	39,948,657	56,599,029
Less: Increase/(Decrease) in Current Liabilities & Provisions	53,429,826	60,185,237
Net increase/(Decrease) in working Capital (b)	(13,481,169)	(3,586,208)
Cash Generated from Operations (a) - (b)= (c)	50,115,592	20,281,060
Less: Taxation	10,028,774	6,456,326
Less: Prior period expenses	2,083,501	—
NET CASH FROM OPERATING ACTIVITIES (A)	38,003,317	13,824,734
B Cash flow from investing activities		
Addition to Fixed Assets including capital advances	(16,605,567)	(87,036,658)
NET CASH FROM INVESTING ACTIVITIES (B)	(16,605,567)	(87,036,658)
C Cash Flow from Financing Activities		
Proceeds / (Repayment) of Borrowings (Net)	30,800,000	28,000,000
Issue of Equity Share	20,000,000	4,500,000
Deferred Payment credit for purchase consideration	(59,436,974)	59,436,974
Interest Expenses	(6,144,603)	(1,858,311)
Exchange Gain/(Loss) on current Assets & Liabilities	2,756,188	757,978
NET CASH FROM FINANCING ACTIVITIES (C)	(12,025,389)	90,836,641
NET CHANGES IN CASH & CASH EQUIVALENT (A+B+C)	9,372,361	17,624,717
CASH & CASH EQUIVALENTS - OPENING BALANCE	18,024,402	399,685
ADD : NET CHANGES IN CASH & CASH EQUIVALENT AS ABOVE	9,372,361	17,624,717
CASH & CASH EQUIVALENTS - CLOSING BALANCE	27,396,763	18,024,402
CLOSING CASH & CASH EQUIVALENTS CONSIST (Refer Schedule 7)		
CASH ON HAND	4,614	19,728
BALANCE WITH SCHEDULED BANK IN CURRENT ACCOUNT	27,392,149	18,004,674
TOTAL	27,396,763	18,024,402

Notes:

- 1) The above statement has been prepared in indirect method
- 2) Cash and Cash equivalents include cash and bank balance except Margin money Deposits.

AS PER OUR REPORT ATTACHED

FOR AND ON BEHALF OF THE BOARD

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Chairman

S. Ramakrishnan
Partner
M.No. 18967

Place : Mumbai
Date : 1st June, 2007

Place : Mumbai
Date : 1st June, 2007

19TH ANNUAL REPORT



SHREYAS
SHIPPING & LOGISTICS LTD

ATTENDANCE SLIP

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

I/We hereby record my/our presence at the Nineteenth Annual General Meeting of the Company held at Nehru Centre Auditorium, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Saturday, 21st July, 2007 at 11:00 a.m.

NAME & ADDRESS OF THE SHARE HOLDER (IN BLOCK LETTERS)	L.F. NO.	NO. OF SHARES HELD
--	----------	--------------------

*D.P. Id No.

*Client Id No.

SIGNATURE/NAME OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

If Shareholder, please sign here	If Proxy, please sign here
Name	Name

Notes :

- Your are requested to sign and hand this over at the entrance.
- If you intend to appoint a proxy to attend the meeting instead of yourself, the proxy form must be deposited at the Registered office of the Company at 1110/1111 Embassy Centre, Nariman Point, Mumbai - 400 021 not less than 48 hours before the time for holding the meeting.
- If you are attending the meeting in person or by proxy, your copy of the Balance Sheet may please be brought by you/your proxy for reference at the meeting.

* In case of dematerialised shares.



SHREYAS
SHIPPING & LOGISTICS LTD

PROXY FORM

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

I/We of
in the district of being a Member/Members of the above named Company,
hereby appoint of
in the district of or failing him
of in the district of as my/our proxy to attend and vote for me/us and
on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held on Saturday, 21st July, 2007 and at any adjournment thereof.

Signed this day of 2007

Signature

Please
Affix Re.1/-
Revenue
Stamp

Registered Folio : _____

DPID No.: _____

Client ID No.: _____

No. of Shares : _____

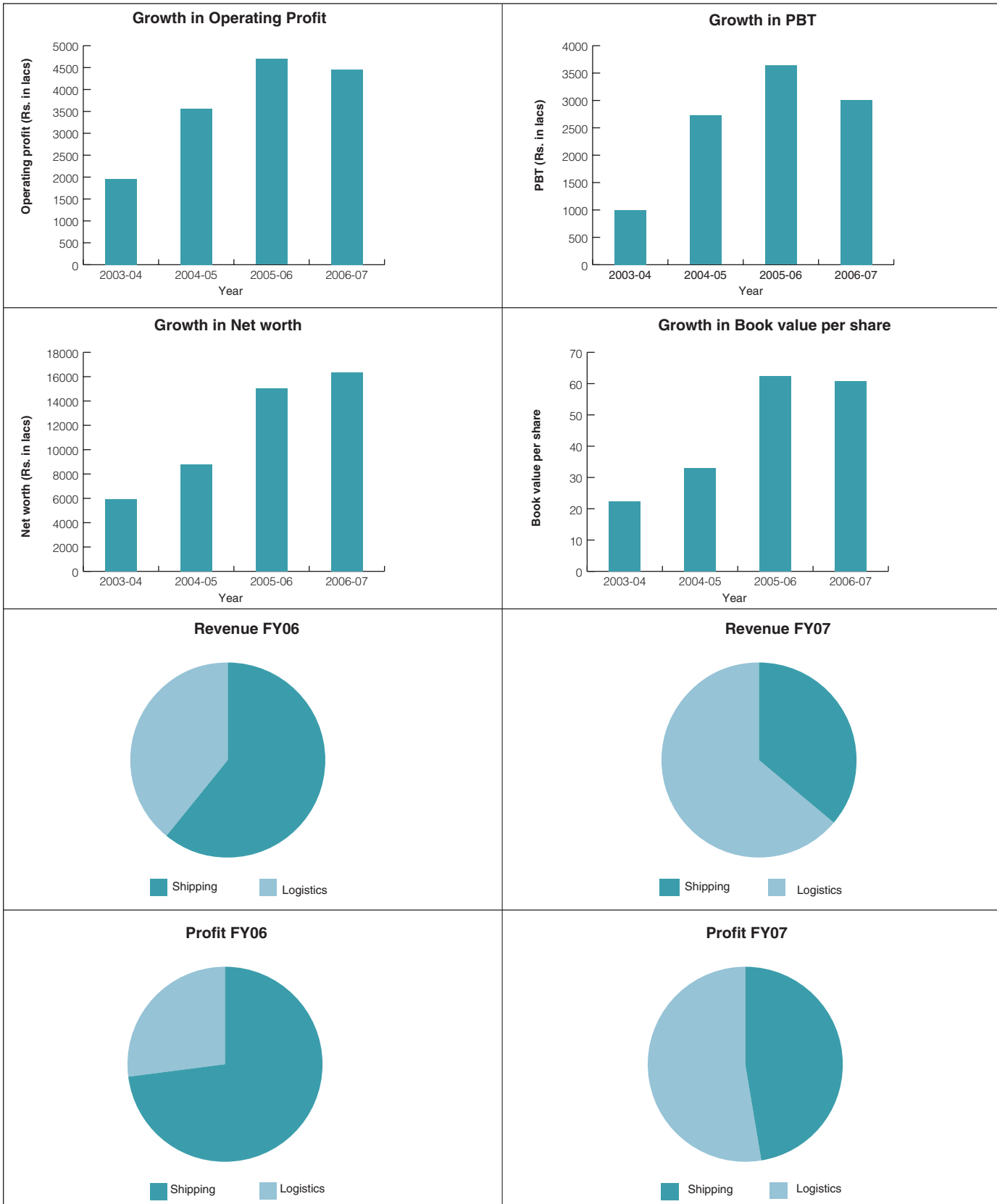
Notes :

- The Proxy form must be deposited at the Registered Office of the Company at 1110/1111 Embassy Centre, Nariman Point, Mumbai - 400 021, not less than 48 hours before the time for holding the Meeting.
- This form is to be used ^{* in favour of} _{* against} the resolution. Unless otherwise directed, the Proxy will act as he thinks fit.

* strike out whichever is not applicable.



FINANCIAL HIGHLIGHTS





SHREYAS
SHIPPING & LOGISTICS LTD

FINANCIAL HIGHLIGHTS

(Rs. in Lacs except where stated otherwise)

Particulars	1997-98*	1998-99#	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06**	2006-07**
Operating Earnings	17,544.36	5,741.10	10,544.32	6,674.57	6,492.67	6,757.39	7,689.86	9,683.74	14136.35	17911.46
Other Income	84.40	6.57	91.12	147.17	116.14	147.92	693.08	82.22	373.29	571.12
Total Income	17,628.76	5,747.67	10,635.44	6,821.74	6,608.81	6,905.31	8,382.94	9,765.96	14509.64	18482.58
Operating Expenses	14,898.85	4,470.81	9,917.71	4,769.91	4,768.15	5,252.90	5,925.77	5,772.37	9,285.73	13187.27
Administration & Other Expenses	502.42	296.79	297.56	486.43	305.76	371.09	493.03	462.22	527.06	838.16
PBIDT	2,136.49	980.07	420.17	1,565.40	1,534.90	1,281.32	1,964.14	3,567.37	4,696.85	4457.15
Interest	977.71	421.09	681.14	679.16	569.10	273.91	174.65	85.44	193.12	485.81
PBDT	1,158.78	558.98	(260.97)	886.24	965.80	1,007.41	1,789.49	3,481.93	4,503.73	3971.34
Depreciation	762.15	300.94	607.73	610.10	605.58	666.96	786.93	756.70	865.60	963.23
PBT	396.63	258.04	(868.70)	276.14	360.22	340.45	1,002.56	2,725.23	3,638.13	3008.11
Tax	41.65	27.75	—	2.79	53.55	278.19	271.77	29.77	115.50	296.77
PAT (including exceptional & prior year item)	354.98	230.29	(868.70)	273.35	306.67	106.53	730.79	3,573.68	3,522.63	3119.15
Share Capital	1,982.42	1,982.42	1,982.42	1,982.42	1,982.42	3,282.42	3,282.42	3,282.42	3,495.75	3495.75
Reserves & Surplus	3,018.81	3,095.07	2,226.36	2,390.48	2,623.64	2,303.86	2,632.94	5,503.25	11,563.46	12864.30
Net Worth	5,001.23	5,077.49	4,208.78	4,372.90	4,606.06	5,586.28	5,915.36	8,785.67	15,059.21	16360.05
Loan Funds	7,067.93	6,277.15	5,835.31	5,139.88	5,271.75	4,760.51	1,582.24	2,624.74	2,647.36	15893.08
Fixed Assets (Net) (including Capital work-in-progress)	9,996.25	9,796.09	9,262.00	8,668.44	9,392.09	10,209.73	7,945.95	10,121.12	11,343.24	26866.11
Investments	69.17	69.17	40.33	14.63	223.75	224.51	14.05	3.11	4,322.41	2097.14
Net Current Assets	1,664.12	1,226.58	(263.49)	205.43	106.97	84.47	152.46	1,286.18	2,062.66	3340.73
EPS (Annualised) (Rs.) (excluding exceptional items)	1.19	2.32	—	1.38	1.55	0.24	3.02	12.87	16.92	11.69
Debt Equity Ratio	1.41	1.24	1.39	1.17	1.14	0.85	0.27	0.30	0.18	0.97
Dividend Per Equity Share (Rs.)	1.00	0.70	—	0.50	0.60	-	1.20	2.00	2.20	2.20
Book Value per share (Rs.)	25.23	25.61	21.23	22.06	23.23	21.62	22.45	32.88	62.29	60.10

* For 18 months

For 6 months

** Consolidated figures have been presented