



# Chowgule Steamships Limited

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CIN : L63090GA 1963PLC000002

## Notice of Postal Ballot

To  
The Members,

### **Notice Pursuant to Section 110 of the Companies Act, 2013**

Dear Member,

Notice is hereby given that pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 (the "Act"), if any, read together with Rule 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, the Resolution appended below is proposed to be passed as a Special Resolution by way of postal ballot / electronic voting. The Explanatory Statement, pursuant to Section 102 of the Act, pertaining to the said Resolution, setting out the material facts concerning the item and the reasons thereof is annexed hereto along with a Postal Ballot Form (the "Form") for your consideration.

According to Section 180(1)(a) of the Companies Act, 2013, sale, lease or otherwise disposal of the whole or substantially the whole of an undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking, requires the approval of members by way of a special resolution.

The Company proposes to sell / dispose off its vessel viz. Maratha Providence ('Vessel') together with all specified tangible and intangible assets in relation to the Vessel on an "as is where is" basis for a consideration and other terms and condition as may be agreed to by the Board of Directors of the Company. The Company has received an offer for selling the Vessel, on terms and conditions and the price which is a fair valuation in the opinion of the Board of Directors. The in-principle approval of the Board of Directors has been accorded to this sale of the Vessel subject to the approval of the members. The Company is therefore seeking your consent for the said proposal, the details of which are as contained in the Special Resolution appended below. An Explanatory Statement pertaining to the Resolution setting out all material facts and the reasons for which such Resolution is proposed is also annexed.

As per Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 ("Rules"), the consent of the Members of the for the above purpose is required to be obtained by means of a postal ballot. Accordingly, the said Special Resolution and the Explanatory Statement is being sent to you along with the Form for your kind consideration. Further, as per the provisions of the Act, read with the Rules and the Listing Agreement, the Company is required to provide to its members facility to exercise their right to vote by electronic means. Accordingly, instructions for e-voting have been provided hereunder.

You are requested to carefully read the instructions printed on the accompanying Form, record your assent (for) or dissent (against) therein and return the same in original duly completed in the attached self-addressed, pre-paid postage envelope (if posted in India) so as to reach the Scrutinizer not later than 5:00 p.m. on 14<sup>th</sup> October 2015 to be eligible for being considered, failing which, it will be considered that no reply has been received from the Member.

The Board of Directors has appointed Mr. V N Deodhar Practicing Company Secretary, as the Scrutinizer for conducting the Postal Ballot / Electronic Voting process in a fair and transparent manner.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the instructions in the notes to the Postal Ballot Notice.

Upon completion of the e-voting process and the scrutiny of Forms, the Scrutinizer will submit his report to the Chairman or Managing Director & CFO. The result of the Postal Ballot would be announced by the Chairman or Managing Director & CFO of the Company on or before 15<sup>th</sup> October, 2015. The said results would be displayed at the Registered Office of the Company, intimated to the Stock Exchange where the Company's shares are listed and Registrar & Share Transfer Agent and displayed along with the Scrutinizer's report on the Company's website viz. [www.chowgulesteamships.co.in](http://www.chowgulesteamships.co.in) and also on the website of the agency providing e-voting facility i.e. Central Depository Services (India) Limited ("CDSL"). The date of declaration of the result of the postal ballot shall be the date on which the appended resolution would be deemed to have been passed, if approved by requisite majority. The Members are requested to consider and, if thought fit, pass the following resolution as a Special Resolution.

### **PROPOSED SPECIAL RESOLUTION**

**To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:**

**"RESOLVED THAT**, pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the listing agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed, and such other approvals, consents and permissions being

obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) and / or Managing Director & CFO to sell / transfer / dispose off its vessel viz. M. V. Maratha Providence for a consideration of about US \$ 3.79 million less 5% brokerage or such other consideration as may be agreed between the Board of Directors and / or Managing Director & CFO and the said Buyer in the best interest of the Company and on an "as is where is" basis or in any other manner as the Board and / or Managing Director & CFO may deem fit in the interest of the Company and on such other terms and conditions as they may be deemed fit.

**RESOLVED FURTHER THAT** in the event that the proposed sale does not materialise, the Board of Directors and / or the Managing Director be and hereby authorised to enter into negotiation with any other buyer and complete the sale or disposal of the vessel on such terms and conditions as the Board of Directors and / or Managing Director & CFO may deem fit in the best interest of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and / or the Managing Director & CFO be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to Memorandum of Agreement, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by them and to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

**RESOLVED FURTHER THAT** the Board of Directors and / or the Managing Director & CFO be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/documents, arranging delivery and execution of contracts, deeds, agreements and instruments as may be necessary."

**Notes:**

1. The Explanatory Statement for the proposed Special Resolution pursuant to Section 102 of the Act setting out material facts are appended to the Notice.
2. The Postal Ballot Notice and Postal Ballot Form are being sent by courier & other permitted means of despatch to all the Members, whose names appear in the Register of Members / list of Beneficial Owners, received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on 4<sup>th</sup> September, 2015.
3. All the material documents referred to in the explanatory statement will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of the Notice till closing of the e-voting facility.
4. The voting shall be reckoned in proportion to a Member's share of voting rights on the paid-up Equity Share Capital of the Company as on 4<sup>th</sup> September 2015..
5. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. Members may please refer to the instructions below for the purpose of voting through e-voting facility.
6. The Postal Ballot Notice is placed in the '*Investor Info*' section on the Company's website: "chowgulesteamships.co.in"
7. The Members can opt for only one mode of voting i.e. either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
8. A Member cannot exercise his vote by proxy on postal ballot.
9. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). The Registrar and Transfer Agent / Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member.
10. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
11. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
12. The Scrutinizer will submit his report to the Chairman or the Managing Director & CFO after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or Managing Director & CFO on or before 15<sup>th</sup> October, 2015 at the Corporate Office of the Company and will also be displayed on the Company website viz. [www.chowgulesteamships.co.in](http://www.chowgulesteamships.co.in), and communicated to the Stock Exchanges, Depository, Registrar and Share Transfer Agent on the same day.
13. The date of declaration of results of the postal ballot shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
14. Voting through electronic means:  
In compliance with the provisions of section 108 of the Companies Act, 2013 and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with Stock Exchange, the Company is pleased to

provide members facility to exercise their right to vote for Postal Ballot by electronic means and the business may be transacted through E-voting Services provided by Central Depository Services (India) Limited (CDSL):

The voting period begins on 15<sup>th</sup> September, 2015 at 10.00 a.m. and ends on 14<sup>th</sup> October 2015 at 5.00 p.m. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4<sup>th</sup> September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The e-voting procedure is as follows.

- (I) The members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of "Chowgule Steamships Limited" which is **150910004** on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xvii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- (xviii) Note for non-individual shareholders and Custodians.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

## **Annexure to the Notice**

### **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

#### **Item No. 1**

The shipping industry worldwide is going through a very lean phase since 2008. The freight market suffered setback on account of meltdown of economy especially in the Western countries. During the period of 2005-08 substantial orders were placed for new building by various buyers. This led to supply side overwhelming the demand side in dry bulk segment and the earnings of vessels dropped substantially. This phase of weak market is unlikely to reverse in the short period. As a result of drop in freight market, deployment of old vessels is challenging and not viable. The vessel M.V. Maratha Providence, 1995 built and has completed 20 years, is earning very low charter hire income. At the current level of earnings the operations of the vessel becomes unviable. Therefore the Company has been exploring possibility to sell the vessel M.V. Maratha Providence (“**Vessel**”). The Company has now received a firm proposal for the consideration mentioned in the resolution. The Company shall acquire a relatively younger vessel at an opportune time in the future.

The Company presently has only one vessel viz. Maratha Providence (“**Vessel**”). The sale of the said Vessel therefore would be construed as selling of whole or substantially whole of undertaking of the Company as per the Companies Act, 2013; although the Company owns four more vessels through its subsidiaries. In terms of the provisions of Section 180 of the Companies Act, 2013 (“the Act”), the powers of the Board to sell or dispose off whole or substantially whole of an undertaking of the Company can be exercised only with the approval of the members of the Company by way of special resolution. As per explanation (i) to Section 180 (1) (a) the meaning of an Undertaking for the purposes of Section 180 is an undertaking in which investment of a company exceeds 20% of its net worth as per the last audited balance sheet of the Company or which generates at least 20 per cent of its total revenues during the previous financial year. In terms of the above referred explanation, the Vessel falls within definition of “undertaking” as the revenues generated from the said Vessel exceed 20% of the total revenues of the Company during the previous financial year. Accordingly, pursuant to Section 180 (1) of the Companies Act, 2013, approval of members by way of Special Resolution is being sought for giving power to the Board of Directors to sell, transfer or otherwise dispose off the Vessel viz. Maratha Providence on the terms and conditions as it may deem fit.

The Board considers that the sale of the said Vessel would be in the interest of the Company and therefore commends passing of the resolution as set out in Item No. 1 of the accompanying Notice. The Board of Directors have perused the terms and conditions of the proposal and have deemed to be a fit and fair proposal and have granted its approval to the sale subject to the approval of the members.

However, in view of the fact that deploying of the Vessel is no longer a viable option, the Board seeks approval for the sale of the Vessel on terms and conditions as it may deem fit in the interest of the Company to any other buyer should the proposed sale with the Buyer not go through for any unforeseen reasons. Further, the Board of Directors also seek your approval to conduct a scrap sale of the Vessel at the prevailing market rates should there be no buyer available for the Vessel. The Board commends the passing of this resolution.

The Company will continue to carry on the business through 4 (four) vessels deployed by its subsidiaries and may also consider buying a new vessel at an opportune time subject to the market conditions and commercial viability.

None of the Directors / Key Managerial Personnel of the Company and their Relatives are concerned or interested, financially or otherwise, in the passing of the Resolution.

**By Order of the Board of Directors,**

Suhas Joshi  
**Company Secretary**

Place: Mumbai

Date: 10<sup>th</sup> September, 2015