



# CHOWGULE STEAMSHIPS LTD.

(Regd. Office : Mormugao Harbour, Goa, India)

CIN-L63090GA1963PLC000002

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September 10, 2015

Bombay Stock Exchange,  
Department of Investor Services,  
Phiroz Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001

Dear Sir,

**Sub: -Proposed sale of vessel Maratha Providence**

**Ref: Scrip Code 501833**

With reference to the above and further to our letter dated 19<sup>th</sup> January 2015 on the captioned subject, and as part of fleet rationalisation process, the Board of Directors have granted their in – principle approval, subject to the approval of the shareholder, for selling / disposing of its vessel Maratha Providence. The said vessel is 1995 built and is now more than 20 years old.

The shipping industry especially the dry bulk segment is going through a lean phase for last several months. The prevalent condition of oversupply of vessels coupled with weak demand has led to severe drop in charter hire earnings. At the present level of earnings deployment of the vessel Maratha Providence may not be a viable option. The current phase of weak freight market is unlikely to reverse in the short period.

The Company has received a proposal from an interested Buyer for acquiring Maratha Providence at a consideration of about US \$ 3.79 Million less brokerage which after careful consideration and evaluation, has been accepted by the Board of Directors of the Company subject to the approval of the shareholders. The Company is negotiating the terms and would like to go ahead with the proposed sale subject to the approval of its shareholders. However, in case if the deal does not materialise for any reason, the Company would be considering the disposing off the said vessel to another buyer or as a scrap sale.

The Company owns one vessel (Maratha Providence) and four other handy size vessels are owned by its wholly owned subsidiary. However, pursuant to Section 180 of the Companies Act, 2013, the sale/disposal of Maratha Providence by the Company may be construed as sale of an undertaking. Accordingly, pursuant to Sections 110 and 180 of the Companies Act 2013, the Company will obtain approval of its shareholders vide postal ballot, the notice for which is proposed to be sent to the shareholders on September 11, 2015.

The Company may consider acquiring a younger vessel at an opportune time in the future subject to the prevailing market conditions and other factors at that point of time.

Please take the above on record and acknowledge receipt.

Thanking you,

Yours truly,

For **Chowgule Steamships Limited**

**Suhas Joshi**

**Company Secretary**