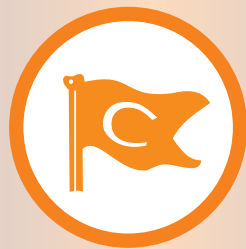


46TH ANNUAL REPORT 2008-09



Chowgule Steamships Limited

CHOWGULE STEAMSHIPS LIMITED

BOARD OF DIRECTORS

Vijay V. Chowgule	Chairman	- Promoter Non-Executive Director
S. Y. Rege		- Independent Non-Executive Director
M. R. B. Punja		- Independent Non-Executive Director
D. N. Mungale		- Independent Non-Executive Director
Jaywant Y. Chowgule		- Promoter Non-Executive Director
Admiral Madhvendra Singh (Retd.)		- Independent Non-Executive Director
Sanjiv N. Shah		- Independent Non-Executive Director
Nathan R. Chowgule		- Promoter Non-Executive Director
M. P. Patwardhan		- Non-Promoter Non-Executive Director
Prof. Rohini V. Chowgule		- Promoter Non-Executive Director (w.e.f. 22.01.2009)

MANAGER (Pursuant to Section 269 of the Companies Act, 1956)

M. S. Sawant - Designated as CFO & Director (Operations)

Company Secretary & Compliance Officer

Suhas Joshi

Solicitors

Crawford Bayley & Co.

Auditors

S. B. Billimoria & Co.

Registered Office

Chowgule House,
Mormugao Harbour,
Goa - 403 803.

Corporate Office

4th Floor, Bakhtawar,
Nariman Point, Mumbai - 400 021.
Tel. : (022) 66202500 Fax : (022) 66202545
Email : joshi.csl@chowgule.co.in
Web : www.chowgulesteamships.co.in

Share Transfer Agents

Link Intime India Private Limited
(formerly 'Intime Spectrum Registry Limited')
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400 078.
Tel. : (022) 2594 6970 / Fax : (022) 2594 6969
Email : rnt.helpdesk@linkintime.co.in

Contents

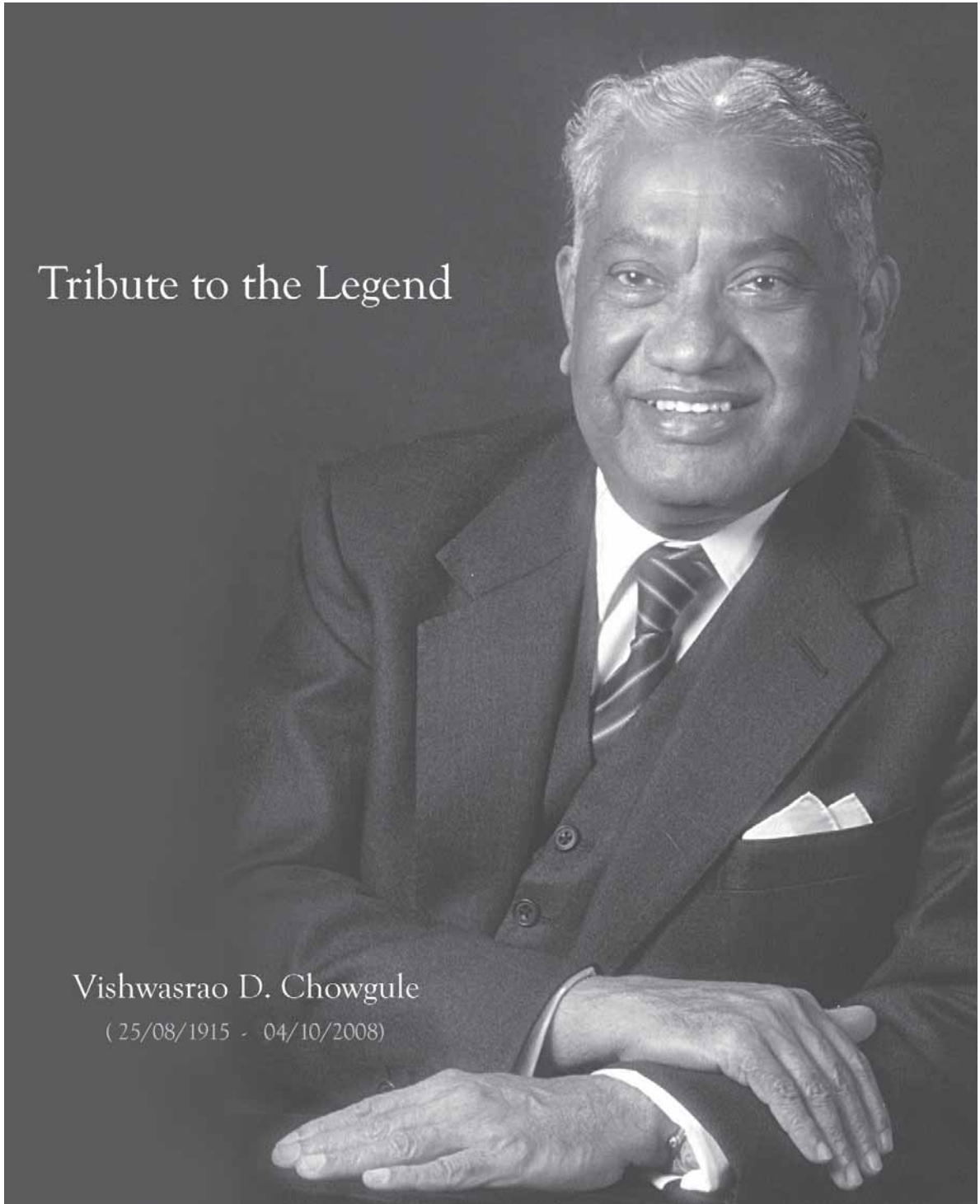
	Pages
Directors etc.	Inside Front Cover
Notice	1-2
Directors' Report / Corporate Governance Report / Auditors' Certificate	3-14
Auditors' Report	15-17
Balance Sheet	18
Profit & Loss Account	19
Cash Flow Statement	20
Schedules & Notes	21-35
Statement Pursuant to Section 212 & Details of subsidiary companies	36-37
Balance Sheet Abstract & Company's General Business Profile	38
Consolidated Financial Statements	39-56
Proxy Form / ECS Form	57
Fleet Profile	Inside Back Cover

90%

Tribute to the Legend

Vishwasrao D. Chowgule

(25/08/1915 - 04/10/2008)

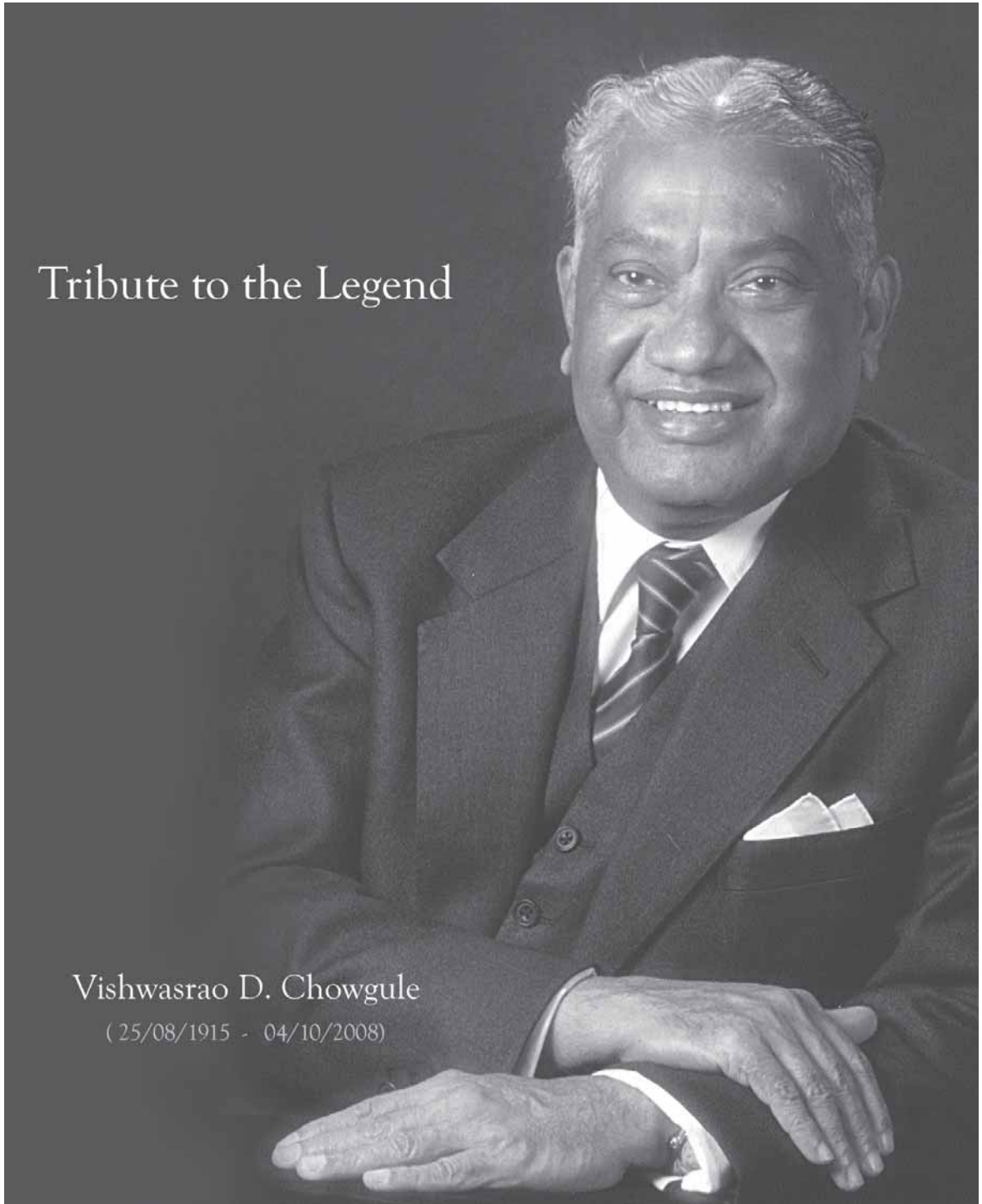


80%

Tribute to the Legend

Vishwasrao D. Chowgule

(25/08/1915 - 04/10/2008)

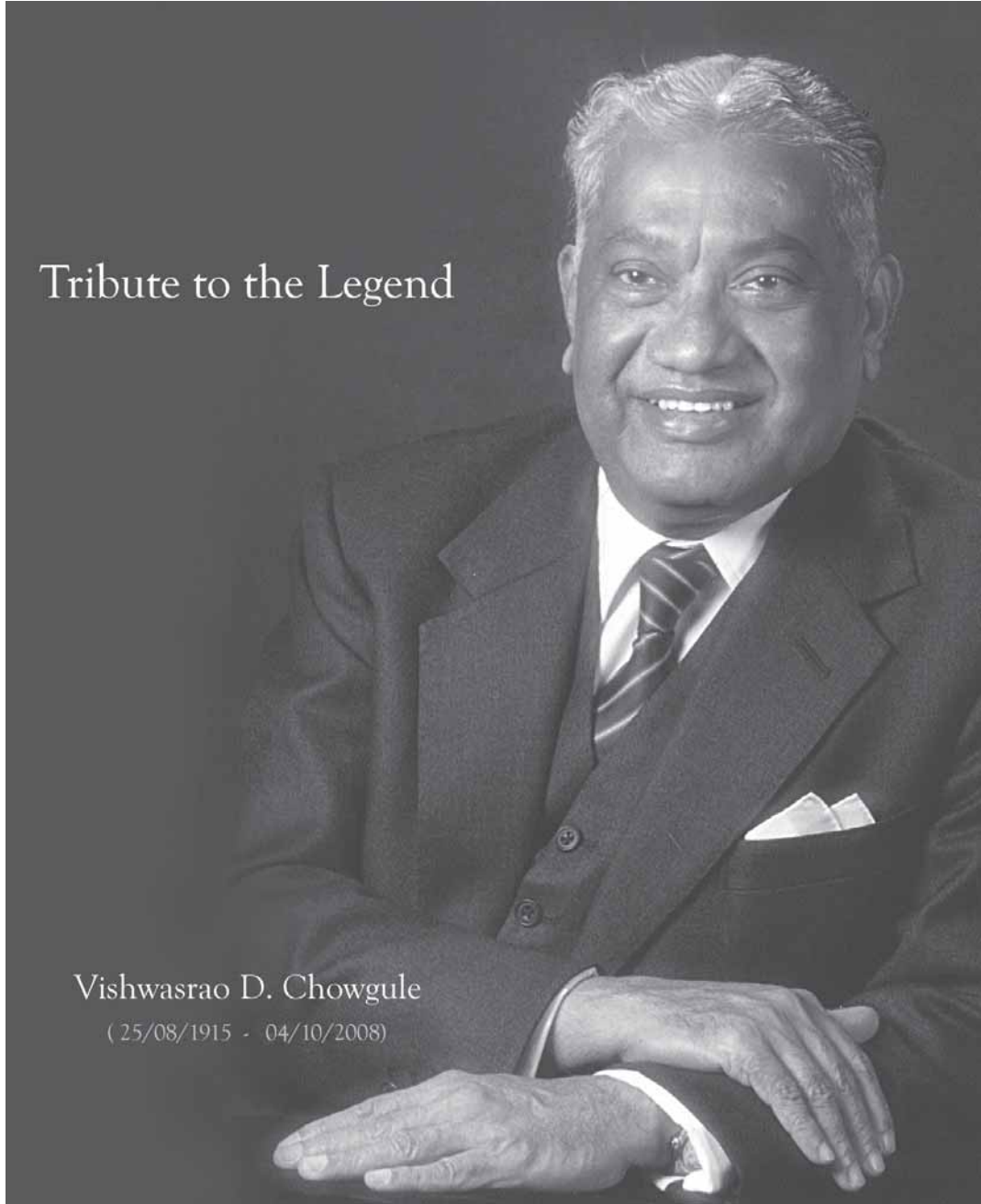


70%

Tribute to the Legend

Vishwasrao D. Chowgule

(25/08/1915 - 04/10/2008)

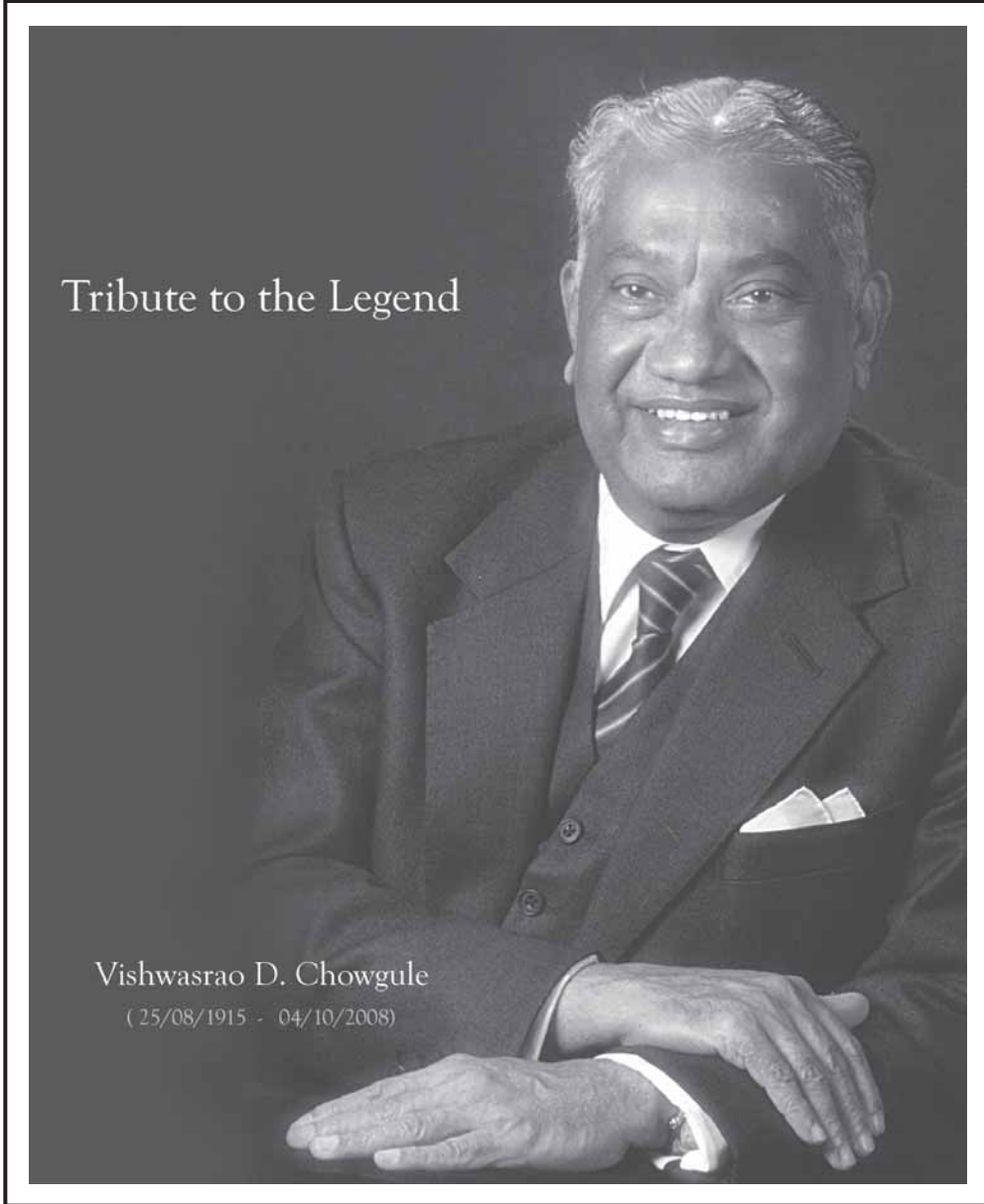


60%

Tribute to the Legend

Vishwasrao D. Chowgule

(25/08/1915 - 04/10/2008)



NOTICE

NOTICE is hereby given that the Forty Sixth Annual General Meeting of the Members of CHOWGULE STEAMSHIPS LIMITED will be held on Friday, July 17, 2009 at 11.00 A.M. at the Registered Office of the Company at Chowgule House, Mormugao Harbour, Goa 403 803 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2009 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Vijay V. Chowgule, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. Y. Rege, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. M. P. Patwardhan, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Prof. Rohini V. Chowgule, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing along with necessary amount as deposit from a member proposing the candidature of Prof. Rohini V. Chowgule for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to the appointment of Mr. M.S. Sawant, CFO and Director (Operations) as the Manager of the Company w.e.f. September 1, 2008 for a period of 3 years on the terms and conditions and remuneration as stated in the explanatory statement to this resolution.
RESOLVED FURTHER THAT Mr. M.P. Patwardhan, Director, and /or Mr. Suhas Joshi, Company Secretary be and are hereby severally authorized to sign necessary documents, forms and papers and to do all such acts, deeds, matter and things as may be deemed necessary or expedient for giving effect to this resolution."

By order of the Board of Directors
For **Chowgule Steamships Limited**

Place : Mumbai,
Date : April 28, 2009

Suhas Joshi
Company Secretary

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be valid, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 2) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- 3) A brief profile of Directors seeking appointment / re-appointment at the Annual General Meeting is given in the Corporate Governance section of the Annual Report.
- 4) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 5) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) The Register of Members and Share Transfer Books of the Company will remain closed from July 10, 2009 to July 17, 2009, both days inclusive. The Dividend as recommended by the Directors, if approved at the meeting, will be payable to those shareholders whose names shall appear on the Register of Members of the Company on July 17, 2009 and to those shareholders holding shares in dematerialized form as per the details made available to the Company as on July 9, 2009 by the Depositories.
- 7) Unclaimed Dividend up to the year 1994-95 has been transferred to the General Revenue Account of the Central Government. Those shareholders, who have so far not claimed or collected their dividend up to the above financial year, may claim their dividend from the Registrar of Companies, Goa, Daman & Diu.
- 8) Unclaimed Dividends for the years 1995-96 and 1996-97 have been duly transferred to the Investor Education and Protection Fund. Members have no right or claim whatsoever against the said amount. Members, who have so far not claimed their Dividend for the years 2004-2005, 2005-2006, 2006-2007 and 2007-08 are requested to immediately write to the Company's Share Transfer Agents.
- 9) Members holding shares in electronic form may please note that their dividend would be paid through Electronic Clearing Services (ECS) at the available RBI locations. The Dividend would be credited to their bank account as per the mandate given by the members to their Depository Participant (DP). In the absence of availability of ECS facility, the Dividend would be paid through warrants and the bank details furnished by the respective Depositories to the Company will be printed on the Dividend Warrants. Members holding shares in physical form and desirous of receiving their Dividend directly in their bank account through ECS are requested to intimate their ECS mandate to the Registrars and Transfer Agents of the Company. For this purpose, the members may fill in the necessary details as provided at the bottom portion of the Proxy Form. Members are advised, in their own interest, to have the shares dematerialized.
- 10) The shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and the listing fees in respect thereof for the year 2009-10 has been paid to BSE.
- 11) All enquiries and correspondence regarding transfer of shares, dematerialization, etc., should be made with the Share Transfer Agents of the Company, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078.

By order of the Board of Directors
For **Chowgule Steamships Limited**

Place : Mumbai,
Date : April 28, 2009

Suhas Joshi
Company Secretary

CHOWGULE STEAMSHIPS LIMITED

ANNEXURE TO THE NOTICE

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

Item No. 7:

The Board of Directors of the Company (the Board), at its meeting held on January 22, 2009 appointed Prof. Rohini Vishwasrao Chowgule as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act). Accordingly, Prof. Rohini V. Chowgule holds office up to the date of this Annual General Meeting.

In terms of the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member, along with necessary amount as deposit, signifying his intention to propose the candidature of Prof. Rohini V. Chowgule for the office of Director of the Company.

A brief resume, expertise etc. of Prof. Rohini V. Chowgule, as stipulated under Clause 49 of Listing Agreement with Bombay Stock Exchange Ltd., are provided in the Report on Corporate Governance forming part of this Annual Report.

The Board recommends the Resolution set out at Item No. 7 of the Notice for your approval. Save and except Prof. Rohini V. Chowgule and Mr. Vijay V. Chowgule, Chairman, being relative of Prof. Rohini V. Chowgule, no other director is in any way, concerned or interested in passing of the resolution.

Item No. 8:

Mr. M. P. Patwardhan was appointed as the Managing Director of the Company for a period of 2 years w.e.f. September 1, 2006. Accordingly, the term of Mr. Patwardhan as the Managing Director expired on August 31, 2008. In deference to the desire expressed by Mr. Patwardhan, his term as the Managing Director of the Company was not extended / renewed.

The Board of Directors of the Company, vide their resolution passed on September 18, 2008, have appointed Mr. M.S. Sawant, CFO & Director (Operations) as the Manager of the Company for a period of 3 (three) years commencing from September 1, 2008 on the remuneration based on the recommendations of the Remuneration Committee.

Mr. M.S. Sawant, aged 49 years, is an Associate Member of the Institute of Chartered Accountants of India and a Graduate of Institute of Cost & Works Accountants of India. Mr. Sawant has been with the Company since 1986 and has held various positions in the Company. Apart from considerable experience in the industry, being associated with the Company for several years; he is well conversant with the affairs of the Company.

The brief terms of appointment and remuneration of Mr. Sawant as the Manager are as under:

A. Period

Mr. M.S. Sawant, CFO & Director (Operations) is being appointed/nominated as Manager of the Company under the Companies Act, 1956. The term of appointment will be 3 (three) years w.e.f. September 1, 2008. Either party to terminate the appointment by giving three months notice in writing to the other and neither party will have any claim against the other party for damages or compensation by reason of such termination. The appointment/nomination of Mr. Sawant as Manager of the Company shall not be treated as new employment contract with the Company and shall be construed as continuation of his present employment.

B. Remuneration & Perquisites

- (i) Salary – In the range of Rs. 50,000 p.m. – Rs. 5,000- Rs. 100,000/- p.m. Presently, the salary is Rs. 85,000/- p.m. The annual increments will be as decided by the Board of Directors.
- (ii) House Rent Allowance up to 30% of Salary.
- (iii) Leave Travel Allowance of Rs. 20,000/- per annum.
- (iv) Medical Allowance of Rs. 20,000/- per annum.
- (v) Performance Related Incentive/ Commission – As may be determined by the Board of Directors at the end of each financial year subject to overall ceiling pursuant to Section, 198 and 309 of the Companies Act, 1956.
- (vi) Car - The Manager will be provided with the Company's car with driver and telephone at residence. In case the Manager elects to use his transportation, then the Company shall reimburse him expenses up to Rs. 15,000/- per month on this account. The use of car for personal purpose and personal long distance calls, however, shall be charged by the Company to the Manager.

C. The Manager shall be entitled to contributions to Provident Fund, Superannuation and Gratuity benefits as per the Company's Rules.

D. Subject to aforesaid, Mr. M.S. Sawant will be governed by such other existing Service Rules as are applicable to Senior Management personnel of the Company as may be in force from time to time.

E. In the absence or inadequacy of profits in any financial year, the remuneration payable to the Manager by way of salary and perquisites shall not exceed the maximum limits prescribed under Schedule XIII of the Companies Act, 1956.

F. Modification of Terms

The terms and conditions of the appointment including the designation of the appointee may, subject to the conditions laid down in Schedule XIII of the Companies Act, 1956, be altered and varied in such manner as may be agreed to between the Board and the Manager.

In terms of the provisions of Schedule XIII to the Companies Act, 1956, the appointment and remuneration of Manager made in accordance with Part I and Part II of the said Schedule is subject to approval of the shareholders in a general meeting. Accordingly, vide the Resolution at Item No. 8 it is proposed to seek approval of the members for the appointment of Mr. M.S. Sawant, as the Manager of the Company.

The Board recommends the Resolution set out at Item No. 8 of the Notice for your approval.

None of the Directors is concerned or interested in passing of the above resolution.

By order of the Board of Directors
For **Chowgule Steamships Limited**

Place : Mumbai,
Date : April 28, 2009

Suhas Joshi
Company Secretary

DIRECTORS' REPORT 2008-2009

To
The Shareholders,
Your Directors present the Forty Sixth Annual Report and the Audited Accounts for the year ended March 31, 2009.

1. FINANCIAL RESULTS & APPROPRIATIONS:

	2008-09 (Rs. in million)	2007-08 (Rs. in million)
Profit before Financial Charges, Depreciation, Exceptional Item & Tax	821.342	538.836
Financial Charges	57.351	85.408
Depreciation	182.942	181.187
Profit before Exceptional Item & Tax	581.049	272.241
Foreign Currency Translation Difference	(223.850)	94.500
Profit/(Loss) before Taxation	357.199	366.741
Provision for Taxation – Current	(179.515)	(56.365)
Provision for FBT	(0.429)	(0.390)
Income Tax of earlier years	(3.252)	–
Profit before Deferred Tax Provision	174.003	309.986
Provision for Deferred Tax (Net)	58.306	(66.624)
Profit/(Loss) after Tax	232.309	243.362
Brought forward from previous year	391.935	224.460
Available for Appropriation	624.244	467.822
Transferred to General Reserve (Statutory)	11.616	12.168
Transferred to General Reserve (Others)	250.000	–
Proposed Dividend	54.463	54.463
Tax on Proposed Dividend	9.256	9.256
Balance Transferred to Balance Sheet	298.909	391.935

DIVIDEND

In view of the satisfactory financial results, your Directors have pleasure in recommending a Dividend of Rs.1.50 (15%) per equity share on 3,63,08,425 equity shares for the financial year 2008-2009.

2. MANAGEMENT DISCUSSION AND ANALYSIS/OPERATIONS REPORT

INTERNATIONAL FLEET

The dry bulk market expanded in volume in the first half of 2008-09 on the back of very strong demand for iron ore from China and increased volume of coal import from India. But the later part of the year was a roller coaster period for Dry Bulk Shipping. From an all time high of 11793 points on May 20, 2008, BDI fell 94% to an all time low of 663 points on December 5, 2008. Demand for ships nearly dried up in the 4th quarter of 2008. The meltdown in the world financial markets aggravated following the collapse of major financial institutions, bringing Dry Bulk Super Cycle to an abrupt end.

Iron Ore and Coal account for 70% of Dry Bulk Seaborne trade. 70% of these cargoes are bound for China, Japan and South Korea, with China leading the way as the primary driver. Global financial meltdown in October 2008 led to freezing of trade finance activities and lines of credit. This meltdown badly damaged confidence and trust within the system.

Strong demand for commodities was the justification given by owners for driving the order book for dry bulk vessels to the level of 72% of the current fleet. Dry Bulk Fleet was further boosted by conversion of tankers into very large ore carriers. With the sharp and sudden reduction in the seaborne trade of dry-bulk, some of the charterers have either re-delivered the ships to the owners or sought drastic downward revision in the charter hire rates.

CHOWGULE STEAMSHIPS LIMITED

COASTAL FLEET

There was a robust growth in the Asian economies till first half of 2008. The Indian economy was growing at a rate over 8% per annum. Major ports have been working to their full capacity. The Maritime Boards of various states have taken effective steps for development of small ports along the coast. The share of non major ports in cargo handling is increasing every year. However, the full potential of small and mid-size ports is still not exploited due to infrastructure constraints like rail and road connectivity, navigational channel, etc.

Freight earnings on coastal movement of cargo are still not satisfactory as the movement of cargo is seasonal and erratic in nature. There is a sizeable increase in the cost of operations in view of increased manpower cost. The Government has recognised difficulties faced by the coastal operators in complying with stringent statutory rules which are at present applicable to international shipping. D.G. Shipping came out with notification permitting certain categories of vessels to ply on the coast which do not require to comply with stringent regulation and hence achieving reduction in the operating cost. This change will help the growth of coastal shipping.

COMPANY'S PERFORMANCE

The performance of the Company for the financial year 2008-09 is satisfactory in terms of improvement in the freight earnings as well as net profit. The Total Income increased to Rs. 119.03 crores as against Rs. 94.95 crores in the previous year showing an improvement of 25%. The improved earnings were as a result partly of the higher freight rates and partly due to depreciation of the rupee. The Profit prior to financial charges, depreciation and taxes amounted to Rs. 82.13 crores as against Rs. 53.88 crores during the previous year registering a growth of about 52.43%. However, Net Profit after Tax was at Rs.23.23 crores as against Rs. 24.34 crores in the previous year showing a decline of 4% as compared to the previous year on account of provision for foreign currency translation difference of Rs. 22.38 Crores as against gain of Rs. 9.45 crores recorded in the previous year.

The Company followed the policy of a blend of short period and long period time charters, which presented opportunities for the Company to take advantage of strong freight rates prevailing during the year. During the year, one of the international vessels completed dry-docking.

On the coastal front, freight rates have continued to remain strong. All efforts are being made to improve the performance of the vessels and keep them operational for maximum number of days.

INDUSTRY REVIEW & FUTURE OUTLOOK

The multitude of 'wild cards' contributed to the downward sliding dry freight market in 4th quarter 2008. The rate at which demand disappeared changed the sentiment from being super bullish to bearish.

The year 2009 will be challenging for shipping with increasing number of lay-ups, new building cancellations and charter party defaults. On a positive note, more than 70% of the order book is yet to commence construction and in the present scenario, part of the order may not get materialized. The last two quarters of 2008-09 have registered negative growth for the global economy on account of contraction of economies of the United States of America, Europe, United Kingdom and Japan. Alarmed by this development, Governments around the world responded by adjusting monetary policy and promising large fiscal outlays to jump start their respective economies. There will be time lag for economic recovery impacting the shipping markets. From all indications, it appears that the market will continue to be under pressure during the year 2009-10 with some volatility in the freight rates.

The challenge to ship owners will be to survive the down cycle which most likely will be a 'U-shaped recovery' unless we see a significant decrease in vessel supply, scrapping increases and demand for cargo covers back to the fore. However, as we are in the process of finalising this report, there are indications of some recovery on the economic front and a general perception is that the worst is over. The picture is unfolding and it is still too early to make prediction in the matter.

As regards coastal shipping, the freight rates are expected to remain at a reasonable level due to the large size of domestic economy. Additionally, the steps which are being taken by State Governments will go a long way in boosting coastal shipping in India.

As a reflection of lower interest rate regime in the United States and the liquidity position in international markets, the LIBOR has remained subdued for some time. In view of booking of LIBOR, based on its prevailing lower rates and also due to the policy of accelerated loan repayments from its earnings followed by the Company, the interest costs for the Company are expected to be lower in the year 2009-10.

JAIGAD PORT PROJECT

Chowgule Ports & Infrastructure Private Limited (CPIPL), a company co-promoted by Chowgule Steamships Limited and Chowgule & Company Private Limited (CCPL) will be implementing the Jaigad Port Project. Apart from the development of a port, a ship repair infrastructure is also being developed as part of the said project. Both these activities would be undertaken by subsidiaries of CPIPL. The total outlay of the said projects is estimated at approximately Rs.600 Crores and the same will be funded by way of loan and equity capital. The Company, CCPL and its associate companies would be investing in the capital of CPIPL. With a view to facilitate

such investment, the Company had obtained approval of the members pursuant to Section 372A read with Section 192A through postal ballot, the results of which were declared at the Annual General Meeting held on July 25, 2008.

CPIPL will shortly be filing the Detailed Project Report with Maharashtra Maritime Board as per schedule of implementation of the said projects. CPIPL is also exploring a possibility to forge an alliance with foreign entities having experience and expertise in port development and ship repair activities, which have shown keen interest. The alliance in any form with such entities will help CPIPL in acquiring domain knowledge in processes.

INTERNAL CONTROL SYSTEM

The Company has effective systems of internal controls, which are periodically reviewed by the Audit Committee of the Board of Directors.

GOVERNMENT POLICIES

The global economic meltdown has affected the Indian economy in all its spheres. As part of overall strategy to give boost to the economy, the Government would continue giving priority for development of overall infrastructure. This bodes well for coastal vessels trade.

INDUSTRIAL RELATIONS

The industrial relations during the year were very cordial and there were no industrial disputes.

THREATS, RISKS & CONCERNS

Freight Risks: The Hire income is subject to freight rate risks and therefore the Company follows the policy of mixture of short period and long period time charter contracts with first class charters to mitigate volatility in freight rates.

Interest Rate Risk: With a view to avoid uncertainty in the interest rate, the necessary forward cover is taken at regular intervals.

Forex Risk: As major portion of the Company's revenues is generated from international business in the US Dollar terms, the same creates a natural hedge against foreign exchange exposures.

The Company reviews Rupee - US Dollar parity on regular basis to protect itself from currency fluctuation risks.

Counter Party Risks: The Company engages into charter contracts only with the reputed charters to avoid the risks to the freight earnings.

Government Policies: The Company regularly reviews the changes in the applicable government policies affecting operations of the Company.

Human Resources: There is a scarcity of floating staff. In view of outsourcing of crew management, the Company gets the benefit of having efficient and cost effective floating staff from the Ship Manager's pool.

CAUTIONARY STATEMENT

The statements, expressions, information given in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be deemed as 'forward looking statements'. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include demand-supply conditions, changes in Government, global economic scenario, etc.

3. LOAN REPAYMENT

During the year, the Company has repaid loan of Rs. 2005.50 lakhs (US\$ 5 million). The total outstanding loan at year end is US \$ 20 million.

4. DEFERRED TAX LIABILITY

In terms of the Accounting Standard AS-22 issued by The Institute of Chartered Accountants of India, the Company has recognized Deferred Tax Asset of Rs. 583.06 lakhs for the Financial Year 2008-2009, which is reflected in the Profit & Loss Account.

The net Deferred Tax Liability of Rs. 2019.33 lakhs as at March 31, 2009 is reflected in the Balance Sheet.

5. SUBSIDIARIES

The total investment of the Company in the Share Capital of Chowgule Steamships Overseas Ltd. (CSOL), a wholly owned subsidiary, stands at US\$ 9.2 million (same as previous year). During the year, CSOL, in terms of its expansion plan, signed contracts for acquisition of 5 handy size vessels in addition to the 2 vessels contracted for in the earlier years. Subsequently, in view of decline in the international freight market, CSOL has negotiated for reduction in purchase prices of these vessels.

CHOWGULE STEAMSHIPS LIMITED

The financial highlights of CSOL's operations are as under:

	2008-09 (In US \$ million)	2007-08 (In US \$ million)
Income	27.246	25.113
Gross Profit before Depreciation	22.864	18.139
Depreciation	1.072	2.708
Net Profit before Sale of a Ship	21.792	15.431
Profit on Sale of a Ship	–	19.354
Net Profit	21.792	34.785

6. SUBSIDIARIES – EXEMPTION

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit and Loss Account, and Report of the Board of Directors and the Report of the Auditors of the Subsidiary Companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents / details upon request by any member of the Company. However, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of its subsidiaries.

7. INSURANCE

The fleet of the Company has been adequately insured against Marine and War Risks.

8. DIRECTORS

During the year, Shri. Vishwasrao D. Chowgule the Founder and the Former Chairman of the Company passed away on October 4, 2008 at Goa.

Shri. Vishwasrao Chowgule was a visionary industrialist and had many firsts to his credit as a business leader. Though he was passionate about his business goals, he had compassion in his dealings with his staff, colleagues and business associates. He was a true business pioneer in every sense. Shri. Vishwasrao Chowgule was an institution in himself and the most striking thing that one would perceive was his keen vision and alertness. Shri. Vishwasrao Chowgule was a humble & noble hearted person and still a competitive entrepreneur. The Company and the management shall ever remain grateful to this stalwart.

During the year, the term of Mr. M.P. Patwardhan as the Managing Director of the Company expired on August 31, 2008. In deference to his desire, his term as the Managing Director was not extended / renewed. The Company was immensely benefitted from the services of Mr. Patwardhan as the Managing Director of the Company. Mr. Patwardhan, however, continues to provide benefit of his experience to the company in the capacity as a non-executive director.

Mr. Vijay V. Chowgule, Mr. S. Y. Rege and Mr. M. P. Patwardhan, Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Prof. Rohini V. Chowgule was appointed as an Additional Director of the Company at the Board Meeting held on January 22, 2009 and accordingly she holds office up to the date of Annual General Meeting. The Company has received a notice from a shareholder signifying his intention to propose candidature of Prof. Rohini V. Chowgule for the office of a Director. Your Directors recommend the appointment of Prof. Rohini V. Chowgule as a Director of the Company at the ensuing Annual General Meeting.

The background of the Directors proposed to be appointed / re-appointed at the Annual General Meeting pursuant to Clause 49 of the Listing Agreement is given in the Corporate Governance Report.

9. CORPORATE GOVERNANCE

In terms of the listing agreement with the Bombay Stock Exchange Ltd., the Corporate Governance Report is annexed hereto and forms a part of this Report.

10. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. The said Code has been hosted on the website of the Company. All the Board Members and Senior Management have affirmed compliance to the Code.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors state as under:

“That

- a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period.
- c) The Directors have taken proper and sufficient care 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.
- d) The Directors have prepared the annual accounts on a going concern basis.”

12. AUDITORS

The shareholders are requested to appoint auditors for the ensuing year and to fix their remuneration. M/s. S.B. Billimoria & Company, Chartered Accountants, the retiring Auditors, being eligible, have given their consent for re-appointment.

13. THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AS AMENDED

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Rules framed there under forms part of this report. In terms of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to the Shareholders of the Company excluding the aforesaid information. Any Shareholder interested in obtaining a copy of the said information may write to the Company Secretary.

14. THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

In accordance with the requirements of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the statement annexed hereto gives the particulars as required under the said rules and forms part of this report (Annexure I).

15. GENERAL

The Board of Directors expresses its appreciation for the help and co-operation extended by the Ministry of Surface Transport, Maharashtra Maritime Board, Ministry of Finance, the Directorate General of Shipping, Reserve Bank of India and the Company's Bankers and Agents. The Board of Directors also appreciates the loyal services rendered and co-operation extended by the Company's officers and staff, both ashore and afloat.

For **Chowgule Steamships Limited**

Place : Mumbai,

Date : April 28, 2009

VIJAY V. CHOWGULE

Chairman

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

Declaration by the Manager under Clause 49 of the Listing Agreement

I, M.S. Sawant, Manager pursuant to Section 269 of the Companies Act, 1956 designated as CFO & Director (Operations) of Chowgule Steamships Limited, confirm that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2009.

Place : Mumbai,

Dated : April 28, 2009

M.S. Sawant

CFO & Director (Operations)

CHOWGULE STEAMSHIPS LIMITED

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

Chowgule Steamships Limited (CSL) believes that good corporate governance is essential to achieve long term corporate goals and to enhance shareholder value. Your Company believes in functioning in a transparent manner and believes in proper accountability, auditing, disclosure and reporting. CSL's operations and accounts are audited at two levels – Internal Audit and External Audit. CSL continues to follow procedures and practices in conformity with the Principles of Corporate Governance as enunciated in the listing agreement. The Board has also laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company.

2. BOARD OF DIRECTORS

(a) Composition / Category of Directors

(A) **Promoter Directors**

- Executive –
- Non Executive 4

Total 4

(B) **Non-promoter Directors**

- Non-Independent Non-Executive 1
- Independent Non Executive 5

Total 6

GRAND TOTAL : 10

(b) Attendance of each Director at the Board meetings:

In all, four Board Meetings were held during the financial year 2008-2009 on 29.04.2008, 25.07.2008, 24.10.2008 and 22.01.2009.

The attendance of the Directors is as under:

NAME	No. of Board Meeting attended	Attendance at the previous AGM	No. of other Public Ltd. Companies in which Director / Membership in other committees		
Mr. Vijay V. Chowgule	4	P	2 - BM	0 - CM	0 - CC
Mr. S. Y. Rege	4	P	2 - BM	0 - CM	0 - CC
Mr. M.R.B. Punja	4	P	6 - BM	4 - CM	3 - CC
Mr. Dhananjay N. Mungale	4	P	8 - BM	8 - CM	3 - CC
Mr. Jaywant Y. Chowgule	3	P	0 - BM	0 - CM	0 - CC
Admiral Madhvendra Singh (Retd.)	4	P	0 - BM	0 - CM	0 - CC
Mr. Sanjiv N. Shah	4	P	2 - BM	0 - CM	0 - CC
Mr. Nathan R. Chowgule	4	P	0 - BM	0 - CM	0 - CC
Mr. M. P. Patwardhan	4	P	0 - BM	0 - CM	0 - CC
Prof. Rohini V. Chowgule	1	*NA	0 - BM	0 - CM	0 - CC

* Appointed as an Additional Director on January 22, 2009.

P : Present NA : Not Applicable

BM – Board Member CM – Committee Member CC – Chairman of the Committee

3. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Dhananjay N. Mungale, Mr. S. Y. Rege, Mr. Vijay V. Chowgule and Mr. Sanjiv N. Shah.

Mr. Dhananjay N. Mungale is the Chairman of the Audit Committee. Mr. Dhananjay N. Mungale and Mr. Sanjiv N. Shah have the requisite financial and accounting background. The Audit Committee met on four occasions during the financial year and all the audit committee members were presents for each such meeting.

Mr. M. P. Patwardhan, Director, and Mr. M. S. Sawant, CFO & Director (Operations) attended all the meetings of the Audit Committee as invitees. The representatives of External Auditors attended all the four meetings, whereas the representative of Internal Auditor attended one meeting. The Company Secretary of the Company assumes the role of Secretary to the Audit Committee.

The Company, though has not formally adopted, encourages the Whistle Blower Policy as enshrined in the Code of Conduct under the Listing Agreement. No Company personnel has been denied access to the Audit Committee.

Terms of Reference of the Audit Committee

The brief terms of reference of Audit Committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the amount of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy, reporting structure, coverage and frequency of internal audit.
8. Discussion with internal auditors on any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses.

The Board also noted that the Audit Committee *inter alia* had the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. REMUNERATION OF DIRECTORS

- a) Mr. M. P. Patwardhan was appointed as the Managing Director of the Company for a period of two years effective from September 1, 2006. Accordingly, his term as Managing Director expired on August 31, 2008. In deference to the desire expressed by Mr. Patwardhan, his term as Managing Director was not renewed. The remuneration paid to Mr. Patwardhan for the period from April 1, 2008 till August 31, 2008 was as under:

Name	:	Mr. M. P. Patwardhan
Designation	:	Managing Director
All elements of remuneration package Inclusive of Salary benefits, Provident Fund, Gratuity, Bonus, Pension, etc.	:	Rs. 30.06 Lacs
Service Contract, Notice Period, etc.	:	The Contract was for a period of 2 years commencing from September 1, 2006 with a notice period of three months on either side.
Stock Option	:	NIL
No. of Shares held in the Company	:	NIL

CHOWGULE STEAMSHIPS LIMITED

Consequent upon the expiry of term of Mr. Patwardhan as the Managing Director though he ceases to be the Managing Director, he continues to be a Non-Executive Director of the Company.

- b) Disclosure pertaining to Sitting Fees and Shareholding in the Company.

Non-Executive Directors	Sitting Fees paid during the financial year	No. of Shares held in the Company as on March 31, 2009
Mr. Vijay V. Chowgule	Rs. 160,000	755965
Mr. S. Y. Rege	Rs. 160,000	2421
Mr. M. R. B. Punja	Rs. 70,000	–
Mr. Dhananjay N. Mungale	Rs. 125,000	–
Mr. Jaywant Y. Chowgule	Rs. 50,000	29750
Admiral Madhavendra Singh (Retd)	Rs. 95,000	–
Mr. Sanjiv N. Shah	Rs. 100,000	–
Mr. Nathan R. Chowgule	Rs. 70,000	–
Mr. M. P. Patwardhan	Rs. 70,000	–
Prof. Rohini V. Chowgule	Rs. 30,000	207585

5. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

The Company's Shareholders' and Investors' Grievances Committee functions under the Chairmanship of Mr. S. Y. Rege and other members are Mr. Vijay V. Chowgule, Mr. M. P. Patwardhan and Prof. Rohini V. Chowgule. Mr. Suhas Joshi, Company Secretary, is the Compliance Officer. The Committee meets periodically to deal with share-related matters like transfers, etc., and monitor redressal of complaints from the shareholders.

However, the functions of transfer of shares were delegated to the Committee of Officers with effect from November 2001, which meets fortnightly for considering applications for share-related matters. This Committee reports to the Shareholders' and Investors' Grievances Committee. The Shareholders' and Investors' Grievances Committee met on four occasions during the year under review. At its meetings, the Committee goes into the details of the grievances, if any and, verifies that they have been attended to. Between April 2008 and March 2009, the Company received 117 complaints / queries from shareholders. As at March 31, 2009, all the complaints / queries were resolved. There were no shares pending for transfer from the shareholders as at March 31, 2009.

6. DIRECTORS

Mr. Vijay V. Chowgule, Mr. S. Y. Rege and Mr. M. P. Patwardhan, Directors, retire by rotation and being eligible, have offered themselves for re-appointment.

The Board of Directors of the Company (the Board), has appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act), Prof. Rohini V. Chowgule as an Additional Director of the Company with effect from January 22, 2009 and accordingly holds office upto the date of ensuing Annual General Meeting. Approval of shareholders, pursuant to Section 257 of the Companies Act, 1956, is being obtained for appointment of Prof. Rohini V. Chowgule as a Director of the Company.

Particulars of Directors are as under:

- A) Mr. Vijay V. Chowgule is the Chairman of the Company and head of the Chowgule Group. Mr. Vijay V. Chowgule has extensive management experience in production and service industries. He provides the vision to the Company, which helps it in charting its progress efficiently. He is B.S. in Textile Chemist and Industrial Management. Mr. Vijay V. Chowgule holds 755,965 shares in the Company. Mr. Vijay V. Chowgule is relative of Prof. Rohini V. Chowgule, Director.

Mr. Vijay V. Chowgule is a Director on the Board of the following Indian companies:

Chowgule & Company Private Limited, Cartybon Private Limited, Kolhapur Oxygen & Acetylen Private Limited, KELTECH Energies Limited, Chowgule and Company (Salt) Private Limited, Chowgule Koster (India) Construction Chemicals Private Limited, Dolphin Extrusion Private Limited, Dolphin Ore Extraction Private Limited, Dolphin Mining Services Private Limited, Spandan Eco Foundation, Chowgule Shipbuilding Private Limited, Santech Company Limited.

Mr. Vijay V. Chowgule is a Member of Share Transfer Committee of KELTECH Energies Limited.

- B) Mr. S. Y. Rege is a Solicitor. He was a senior partner in the firm of Crawford Bayley & Co. (Solicitors & Advocates), an Indian legal firm of repute. His area of specialization had been banking, commercial documentation, litigation, arbitration and miscellaneous legal work. He was a legal counsel to numerous companies. Mr. S. Y. Rege holds 2421 equity shares in the Company.

Mr. S. Y. Rege is a Director on the Boards of the following Indian companies:

Chemtex Global Engineers Private Limited, Chemtex Engineering of India Limited, Peoples Financial Services Limited

Mr. Rege is not a member in any of the committies in the above companies.

- C) Mr. M. P. Patwardhan is M. Com., C.A. I.I.B. (Certified Associate, Indian Institute of Bankers), F.I.C.W.A., M.B.I.M. Mr. M. P. Patwardhan started his professional career as a Senior Financial Professional with an MNC. Over the years, Mr. Patwardhan worked in various reputed MNCs / Indian companies at a senior management level. He was appointed as the Managing Director of the Company for a period of two years from September 1, 2006. After expiry of his term as a Managing Director, Mr. Patwardhan continues to be associated with the Company in the capacity as a Non-Executive Director.

Mr. M. P. Patwardhan is a Director in Chowgule Ports & Infrastructures Private Limited.

- D) Prof. Rohini V. Chowgule, is sister of Mr. Vijay V. Chowgule, Chairman of the Company. Prof. Rohini V. Chowgule is a renowned Pulmonary Physician based in Mumbai. She has done her MBBS and MD at Grant Medical College in Mumbai and thereafter was a Fellow at the Loyolo University Medical School attached to Vines Veteran Medical Facility in Chicago. Presently she is associated with Bombay Hospital and is a Professor of Internal Medicine at Mumbai University. Prof. Chowgule is a Rotarian and does yeoman service at the Talvada Village on Mumbai-Nasik Road. Prof. Rohini V. Chowgule is also Founder of Environmental Medicine Institute (NGO) in Mumbai. Prof. Rohini V. Chowgule holds 207585 shares in the Company.

Prof. Rohini V. Chowgule is a Director on the Board of the following Indian companies:

Koyal Investments & Trading Private Limited, Ludher Investments & Trading Private Limited, Moonreach Investments & Trading Private Limited, Petal Investments & Trading Private Limited, Tullamulla Investments & Trading Private Limited, Magnet Investments & Trading Private Limited, Nile Investments & Trading Private Limited, OAT Investments & Trading Private Limited, Rock Weed Investments & Trading Private Limited, Seashine Investments & Trading Private Limited, Chowgule Mediconsult Private Limited.

7. GENERAL BODY MEETING

The previous three Annual General Meetings were held at the Registered Office of the Company at Chowgule House, Mormugao Harbour, Goa, as under.

<u>Day</u>	<u>Date</u>	<u>Time</u>
Friday	July 25, 2008 (*)	11.00 a.m.
Friday	July 20, 2007	11.00 a.m.
Tuesday	July 25, 2006	11.00 a.m.

(*) One Resolution pertaining to the Inter corporate loan, investment and guarantee pursuant to Section 372A of the Companies Act, 1956, was put through the Postal Ballot and was passed with requisite majority. The Postal Ballots were scrutinized by M/s V N Deodhar & Co., Practicing Company Secretaries.

8. DISCLOSURES

There were no materially significant related party transactions save as disclosed in notes to account. There was no non-compliance by the Company of any of the regulations pertaining to the capital market during the previous three years.

9. MEANS OF COMMUNICATION

The quarterly / annual financial results are published in the Free Press Journal, Navshakti & Gomantak & Gomantak Times. The results are also hosted on the Company's Web Site: www.chowgulesteamships.co.in

The Management Discussion and Analysis is a part of this Annual Report.

10. COMPLIANCE

The Company has complied with the mandatory requirements in terms of the Corporate Governance guidelines. However, the Company has not yet adopted the non-mandatory requirements.

11. GENERAL SHAREHOLDER INFORMATION

46th Annual General Meeting	: July 17, 2009
Venue	: Chowgule House, Mormugao Harbour, Goa
Financial Year	: 2008-2009
Book Closure Date	: July 10, 2009 – July 17, 2009 (both days inclusive)
Dividend Payment Date	: July 27, 2009

Listed at the Bombay Stock Exchange Ltd. (Stock Code 501833), Rotunda Building, Dalal Street, Mumbai 400 001 (Tel. 2272 1233).

CHOWGULE STEAMSHIPS LIMITED

MARKET PRICE DATA DURING APRIL 2008 – MARCH 2009 (BSE):

Month	High (Rs.)	Low (Rs.)
April	57.40	38.60
May	70.05	54.00
June	62.70	46.85
July	56.80	42.70
August	56.45	43.60
September	49.40	32.50
October	36.40	17.20
November	25.40	19.55
December	26.70	19.25
January	28.15	20.15
February	27.25	21.85
March	23.25	19.70

PERFORMANCE IN COMPARISON WITH SENSEX:

Date	Closing Sensex	% Movement of Sensex Month to Month	CSL Closing Share Price (Rs.)	% Movement of Share Prices Month to Month
30.04.2008	17,287.31	+ 10.50	57.40	+ 79.09
31.05.2008	16,415.57	- 5.04	59.50	+ 3.66
30.06.2008	13,461.60	- 17.99	46.95	- 21.09
31.07.2008	14,355.75	+ 6.64	51.20	+ 9.05
31.08.2008	14,564.53	+ 1.45	45.20	- 11.72
30.09.2008	12,860.43	- 11.70	35.70	- 21.01
31.10.2008	9,788.06	- 23.89	20.55	- 42.44
30.11.2008	9,092.72	- 7.10	20.20	- 1.70
31.12.2008	9,647.31	+ 6.09	22.85	+ 13.12
31.01.2009	9,424.24	- 2.31	24.80	+ 8.53
28.02.2009	8,891.61	- 5.65	22.00	- 11.29
31.03.2009	9,708.50	+ 9.19	21.80	- 0.91

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2009:

Shareholding of Nominal Value of Rs.	Shareholders		Share Amount	
	Number	% to Total	In Rupees	% to Total
Up to 5000	25215	89.5860	31742290	8.7420
5001 - 10000	1544	5.4860	12628790	3.4780
10001 - 20000	651	2.3130	10039220	2.7650
20001 - 30000	226	0.8030	5875270	1.6180
30001 - 40000	88	0.3130	3166420	0.8720
40001 - 50000	116	0.4120	5614350	1.5460
50001 - 100000	136	0.4830	10147680	2.7950
100001 - And above	170	0.6040	283870230	78.1830
Total	28146	100.0000	363084250	100.0000

Annual Report 2008-2009

CATEGORYWISE SHAREHOLDING PATTERN AS ON MARCH 31, 2009:

Category	No. of Shares	% Shareholding
Promoters/Person acting in concert	24,603,430	67.76
Banks, Financial Institutions, Insurance Cos., etc	11,050	0.03
Private Corporate Bodies	1,351,807	3.72
NRIs / OCBs	164,134	0.45
Mutual Funds & UTI	10,423	0.03
Indian Public	10,167,581	28.01
Total	36,308,425	100

About 35.29% (13842 shareholders) of the equity shares have been dematerialized as at March 31, 2009. Balance 64.71% (14304 shareholders) are in physical form.

Share Transfer Process

The Company's shares are under compulsory dematerialized list, hence the shares traded on the stock exchange are transferable through depository system.

Shares in physical form are processed for transfer by the share transfer agent, viz., Link Intime India Pvt Ltd (Earlier known as Intime Spectrum Registry Limited) and are approved by the share transfer committee. The share transfers are processed within a period of 15 days from the date of its receipt.

Address for Correspondence:

Chowgule Steamships Limited
Bakhtawar, 4th Floor,
Nariman Point,
Mumbai 400 021.
Email : joshi.csl@chowgule.co.in

Link Intime India Private Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078.
Email : rnt.helpdesk@linkintime.co.in

For and on behalf of the Board

Place : Mumbai,
Date : April 28, 2009

VIJAY V. CHOWGULE
Chairman

CHOWGULE STEAMSHIPS LIMITED

ANNEXURE - I

Statement regarding Conservation of Energy, Technology, Absorption & Foreign Exchange Earnings and outgo as required under Clause (e) of Sub-Sec. (1) of Section 217 of the Companies Act, 1956 which forms part of the Directors' Report for the year ended March 31, 2009.

Item	Particulars	Comments
A.	Conservation of Energy	
(a)	Measures	The Company has a fairly young fleet of modern vessels and is well maintained operationally. There is hardly any scope for conservation measures.
(b)	Addl. Investment and proposals, if any, being implemented for reduction of energy consumption	Nil
(c)	Impact of the measures (a) and (a) above and consequent impact on cost of production	Nil
(d)	Total energy consumption and consumption per unit of production in Form 'A'	Not applicable to a Shipping Company
B.	Technology Absorption	
(e)	Efforts made in Technology absorption	Not applicable to a Shipping Company
i)	Research and Development	Nil
ii)	Technology absorption, adoption and innovation	Nil
C.	Foreign Exchange Earnings & Outgo	
(f)	Activities relating to exports, initiative taken to increase exports, development of new export plans	Not applicable
(g)	Total Foreign Exchange	
i)	Used (including loan repayments, interest, etc.)	Rs. 14,096.97 lakhs
ii)	Earned	Rs. 14,653.26 lakhs

CERTIFICATE

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

We have examined the compliance of conditions of Corporate Governance by **CHOWGULE STEAMSHIPS LIMITED**, for the year, ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 **S. B. Billimoria & Co.**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Place : Mumbai,
Dated : April 28, 2009

AUDITORS' REPORT

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

1. We have audited the attached Balance Sheet of **CHOWGULE STEAMSHIPS LIMITED** as at March 31, 2009, the Profit and Loss Account of the Company and the Cash Flow Statement of the Company for the year ended as on that date, both 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 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 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 presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the Order), 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 to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) 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;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) 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:
 - (i) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (ii) in case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2009, taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **S. B. Billimoria & Co.**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Place : Mumbai,
Date : April 28, 2009

CHOWGULE STEAMSHIPS LIMITED

Annexure to the Auditor's Report

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

- (i) According to the information and explanations given to us in respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a program of verification, which in our opinion, provide for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no discrepancies were noticed on such verification.
 - (c) In our opinion, the fixed assets disposed off during the year did not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories :
 - (a) As explained to us, the inventories were physically verified during the year by independent ship managers, who manage the Company's fleet at reasonable intervals. In our opinion and having regard to the nature of the Company's business the interval of physical verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedure of verification of inventories followed by the independent ship managers, who manage the Company's fleet were reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) According to the information and explanations given to us, the Company's inventories comprise stores, spare parts, fuel oil and lube oil on board of the ship. Having regard to the nature of the Company's business and scale of operations, quantities are determined by physical count and it is not considered necessary to maintain records of movements of inventories of such items by the vessel in which they are carried. As quantities are determined by physical count and records of movement are not maintained on board the ship, the question of discrepancies on physical verification thereof does not arise.
- (iii) According to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) According to information and explanations given to us, the function of purchase of inventories for the Company's fleet is outsourced to independent ship managers and the ship managers raise monthly debit notes for the costs incurred by them once a month which are reimbursed to them by the Company. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for verification of debit notes raised by the ship managers in respect of the purchase of inventories for the Company's fleet, the purchase of fixed assets and the sale of services. The nature of the Company's business is such that it does not involve sale of goods. During the course of our audit, we have neither observed nor have been informed about any major weaknesses in such internal control systems.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register, maintained under the said section has been so entered.
 - (b) Where transactions made in pursuance of such contracts or arrangements are in excess of Rs. 5 lacs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time where such prices are available.
- (vi) According to the information and explanations given to us:
 - (a) during the year the Company has not accepted any new deposits from the public within the purview of Sections 58A and 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.
 - (b) no Order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any court or any other Tribunal in this respect.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management has been commensurate with the size of the Company and the nature of its business.

Annual Report 2008-2009

- (viii) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for the nature of services proposed to be rendered by the Company. Accordingly, the provisions of paragraph 4(viii) of the Order are not applicable to the Company.
- (ix) According to the information and explanations given to us, in respect of statutory and other dues:
- (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Customs Duty, Sales Tax, Cess and any other material statutory dues with the appropriate authorities during the year except for Service Tax where delays were observed in depositing the dues with the appropriate authority. There were no arrears of undisputed statutory dues as at 31st March, 2009 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there were no disputed amounts payable in respect of Income Tax, Wealth Tax, Customs Duty, Service Tax and Cess as at March 31, 2009, except that the Company has disputed Sales Tax claims aggregating Rs. 23,700 thousand pertaining to the Assessment Year 1995-96 and the matter is pending in an appeal before the Honourable High Court of Judicature at Madras. The Company has already deposited Rs. 4,740 thousand (including refunds withheld by the authorities) and executed a bond of Rs. 21,804 thousand in respect of the said claim.
- (x) The Company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued debentures that were outstanding during the year.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Accordingly, the provisions of paragraph 4(xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or other investments. Accordingly, the provisions of paragraph 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, no new term loans were taken during the year. In respect of the term loans outstanding, these were, *prima facie*, applied by the Company for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us, and on overall examination of the balance sheet of the Company, funds raised on short-term basis have, *prima facie*, not been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) According to the information and explanations given to us, there are no debentures issued by the Company that were outstanding as at the year end.
- (xx) According to the information and explanations given to us, the Company has not raised any money by way of public issue, during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **S. B. Billimoria & Co.**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Place : Mumbai,
Date : April 28, 2009

CHOWGULE STEAMSHIPS LIMITED

BALANCE SHEET AS AT MARCH 31, 2009

	Schedule No.	As at 31-Mar-2009 (Rs. in '000)	As at 31-Mar-2008 (Rs. in '000)
I SOURCES OF FUNDS:			
1 Shareholders' Funds:			
i. Capital	A	363,084	363,084
ii. Reserves & Surplus	B	1,137,895	977,267
		1,500,979	1,340,351
2 Loan Funds:			
Secured Loans	C	1,030,560	1,003,186
3 Deferred Tax Liability (Net)			
		201,933	260,239
	TOTAL	2,733,472	2,603,776
II APPLICATION OF FUNDS:			
1 Fixed Assets:			
Gross Block	D	3,123,228	3,123,319
Less: Depreciation		1,279,430	1,089,319
Net Block		1,843,798	2,034,000
Add: Capital Work-in-Progress and advances for Capital Goods		41,969	35,640
		1,885,767	2,069,640
2 Investments			
	E	862,163	600,693
3 Current Assets, Loans & Advances			
i. Inventories	F	10,378	5,615
ii. Sundry Debtors	G	7,762	119
iii. Cash and Bank Balances	H	142,849	95,871
iv. Other Current Assets	I	4,089	585
v. Loans and Advances	J	31,884	32,034
		196,962	134,224
4 Less: Current Liabilities & Provisions			
i. Current Liabilities	K	144,879	132,818
ii. Provisions		66,541	67,963
		211,420	200,781
Net Current Assets / (Liability)		(14,458)	(66,557)
	TOTAL	2,733,472	2,603,776
Notes to the accounts	O		

Schedules referred to above form an integral part of this Balance Sheet and should be read in conjunction therewith.

In terms of our report of even date.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

Place : Mumbai,
Date : April 28, 2009

SUHAS JOSHI
Company Secretary

M. S. SAWANT
CFO & Director (Operations)

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

M. P. PATWARDHAN
Director

Annual Report 2008-2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule No.	For the year ended 31-Mar-2009 (Rs. in '000)	For the year ended 31-Mar-2008 (Rs. in '000)
INCOME:			
Operating Earnings	L	1,190,322	949,511
Other Income	L	86,674	53,507
		1,276,996	1,003,018
EXPENDITURE:			
Operating and Other Expenses	M	455,654	464,182
Interest and Other Financial Charges	N	57,351	85,408
Depreciation (net of draw down from Revaluation Reserve)	D	182,942	181,187
		695,947	730,777
Profit before Taxation and Exceptional Items		581,049	272,241
Foreign Currency Translation Difference on Borrowings		(223,850)	94,500
Profit before Taxation		357,199	366,741
Provision for Taxation - current		(179,515)	(56,365)
Deferred Tax (Liability) Charged / Asset Reversed		58,306	(66,624)
Provision for Fringe Benefits Tax		(429)	(390)
Income Tax of earlier years		(3,252)	-
Net Profit after Taxation		232,309	243,362
PROFIT & LOSS APPROPRIATION ACCOUNT			
Balance brought forward from previous year		391,935	224,460
Profit Available for Appropriation		624,244	467,822
Transferred to General Reserve (Statutory)		11,616	12,168
Transferred to General Reserve (Others)		250,000	-
Proposed Final Dividend		54,463	54,463
Tax on Proposed Final Dividend		9,256	9,256
Balance Transferred to Balance Sheet		298,909	391,935
Earning Per Share (See note no.13 in Schedule 'O') [Face Value Rs. 10 per share]		6.40	6.70
Notes to the accounts	O		

Schedules referred to above form an integral part of this Profit and Loss Account and should be read in conjunction therewith.
In terms of our report of even date.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

Place : Mumbai,
Date : April 28, 2009

SUHAS JOSHI
Company Secretary

M. S. SAWANT
CFO & Director (Operations)

For and on behalf of the Board of Directors
VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

M. R. PATWARDHAN
Director

CHOWGULE STEAMSHIPS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Year ended 31-Mar-2009 (Rs. in '000)	Year ended 31-Mar-2008 (Rs. in '000)
A. Cash flow from operating activity		
Net Profit/(Loss) before tax and extraordinary items	357,199	366,741
Adjusted for:		
Depreciation	182,942	181,187
Provision for Employee Benefits	(1,416)	632
Reversal of provision for doubtful debts	-	(1,301)
Sundry Balance Written off / (Back)	374	(2,803)
Foreign exchange translation differences	212,535	(88,626)
Bank interest and dividend	(13,748)	(10,053)
Loss/(Profit) on sale of current investments	(1,341)	(10)
Loss/(Profit) on sale of fixed assets	312	97
Interest & other finance charges paid (including miscellaneous expenditure written off)	57,351	85,408
Operating profit before working capital change	794,208	531,272
Adjusted for:		
(Increase) / decrease in trade & other receivables	(7,241)	10,742
(Increase) / decrease in inventories	(4,763)	(1,498)
Increase / (decrease) in trade payables	8,369	17,271
Operating profit before tax payments	790,573	557,787
Net Tax payment / (Recoveries)	(182,808)	(57,070)
Net cash from operating activities	607,765	500,717
B. Cash flow from investing activities		
Purchase of fixed assets	(7,653)	(4,646)
Sale of Fixed Assets	309	-
Sale of investments	792,438	128,239
Purchase of investments	(1,095,718)	(341,587)
Interest received	3,784	8,542
Dividend received	6,460	1,042
Net cash from investing activities	(300,380)	(208,410)
C. Cash flow from financing activities		
Net increase in overdraft balance	1,124	259
Repayment of borrowings	(200,550)	(218,850)
Reduction in liability consequent to exchange fluctuation element in instalment paid	2,950	3,000
Interest paid	(57,271)	(83,918)
Dividend & tax thereon paid	(63,718)	(43,791)
Net cash used in financing activities	(317,465)	(343,300)
Net increase / (decrease) in cash and cash equivalents	(10,080)	(50,993)
Opening cash and cash equivalents as at 1st April	58,921	115,216
Closing cash and cash equivalents as at 31st March	48,841	64,223
	Year ended 31-Mar-2009 (Rs. in '000)	Year ended 31-Mar-2008 (Rs. in '000)
Effect of exchange rate changes on cash and cash equivalents		
Cash on hand and balances with banks	48,841	64,223
Effect of exchange rate change favourable / (adverse)	12,999	(5,302)
Cash & Cash Equivalents as restated	61,840	58,921
Foot Note:		
Cash & Cash Equivalents as above	61,840	58,921
Add: Restricted Bank Balances	2,859	1,950
Add: FDs pledged with banks	12,550	35,000
Add: FDs with maturity greater than 3 months	65,600	-
Cash and Bank balance as per Balance Sheet	142,849	95,871

In terms of our report of even date.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

Place : Mumbai,
Date : April 28, 2009

SUHAS JOSHI
Company Secretary

M. S. SAWANT
CFO & Director (Operations)

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

M. P. PATWARDHAN
Director

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As at 31-Mar-2009 (Rs. in '000)	As at 31-Mar-2008 (Rs. in '000)
Schedule 'A'		
CAPITAL:		
Authorised:		
5,00,00,000 (2008 - 5,00,00,000) Equity Shares of Rs. 10/- each	500,000	500,000
25,00,00,000 (2008 - 25,00,00,000) Redeemable Preference Shares of Rs. 100/- each	250,000	250,000
	750,000	750,000
Issued, Subscribed and Called up:		
3,63,08,425 (2008 - 3,63,08,425) Equity Shares of Rs. 10/- each	363,084	363,084
Paid-up:		
3,63,08,425 (2008 - 3,63,08,425) Equity Shares of Rs. 10/- each	363,084	363,084
TOTAL	363,084	363,084

Note: Of the above, 34,65,000 (2008 - 34,65,000) shares of Rs. 10/- each have been allotted as fully paid up by way of bonus shares by capitalisation of Development Rebate Reserve.

Schedule 'B'

RESERVES & SURPLUS:

Capital Reserve:

Balance	1,196	1,196
---------	-------	-------

Revaluation Reserve:

Opening Balance	159,246	167,627
Less: Adjusted against corresponding depreciation charge (See note no. 10 in Schedule 'O')	(7,962)	(8,381)
	151,284	159,246

Capital Redemption Reserve:

Balance	3,000	3,000
---------	-------	-------

Share Premium:

Balance	292,201	292,201
---------	---------	---------

General Reserve (Statutory):

Opening Balance	112,489	100,321
Add: Transferred from Profit & Loss Account	11,616	12,168
	124,105	112,489

General Reserve (Other):

Opening Balance	17,200	16,388
Add/(Less): Employee Benefits	-	812
Total	17,200	17,200
Add: Transferred from Profit & Loss account	250,000	-
	267,200	17,200

Profit and Loss Account

Balance as per Profit and Loss account attached to the Balance Sheet	298,909	391,935
--	---------	---------

TOTAL

1,137,895

977,267

CHOWGULE STEAMSHIPS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As at 31-Mar-2009 (Rs. in '000)	As at 31-Mar-2008 (Rs. in '000)
Schedule 'C'		
SECURED LOANS: (See note 4 in Schedule 'O')		
From Bank:		
Cash Credit:		
From State Bank of India:		
Secured against hypothecation of book debts and stocks / stores aboard the vessels and first equitable mortgage on the Company's office premises	1,560	436
Term Loan:		
From DVB Bank, Singapore:		
Secured by mortgage of vessels (forming part of fleet)	1,029,000	1,002,750
TOTAL	1,030,560	1,003,186

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

Schedule 'D'

(Rs. in '000)

FIXED ASSETS	COST			DEPRECIATION			WRITTEN DOWN VALUE				
	Opening as at 01-Apr-08	Additions during the year	Deductions during the year	Closing as at 31-Mar-2009	Up to 31-Mar-2008	For the year on original cost	Adjusted against corresponding draw down from revaluation reserve	Deductions during the year	Up to 31-Mar-2009	As at 31-Mar-2009	As at 31-Mar-2008
Land	4,263	-	-	4,263	-	-	-	-	-	4,263	4,263
Fleet	2,867,593	-	-	2,867,593	1,016,128	179,113	-	-	1,195,241	1,672,352	1,851,465
Building (See note no.9 in schedule 'O')											
On Leasehold Land -											
Office Premises \$	208,686	-	-	208,686	56,521	28	7,580	-	64,129	144,557	152,165
On Freehold Land -											
Staff Quarters \$\$	11,043	-	-	11,043	3,201	10	382	-	3,593	7,450	7,842
Furniture and Fixtures	11,173	497	365	11,305	5,035	1,150	-	63	6,122	5,183	6,138
Office Equipments	16,024	825	1,048	15,801	5,932	2,114	-	730	7,316	8,485	10,092
Motor Cars	4,537	-	-	4,537	2,502	527	-	-	3,029	1,508	2,035
TOTAL	3,123,319	1,322	1,413	3,123,228	1,089,319	182,942	7,962	793	1,279,430	1,843,798	2,034,000
Previous Year	1,756,204	1,367,870	755	3,123,319	900,409	181,187	8,381	658	1,089,319		

\$ Includes cost of five shares (2008 - five shares) of Rs. 50/- each fully paid in Bakhawar Commercial Premises Co-operative Society Limited

\$\$ Includes cost of five shares (2008 - five shares) of Rs. 50/- each fully paid in Dadar Paschim Apartments Co-operative Housing Society Limited and cost of five shares (2008 - five shares) of Rs. 50/- each fully paid in Olympus Co-operative Housing Society Limited

CHOWGULE STEAMSHIPS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	Face Value	Nos.	As at 31-Mar-2009 (Rs. in '000)	Nos.	As at 31-Mar-2008 (Rs. in '000)
Schedule 'E'					
INVESTMENTS: (Refer note 1.ii in Schedule 'O')					
LONG TERM:					
<i>Investment in Subsidiary:</i>					
Unquoted Equity Shares:					
Chowgule Steamships Overseas Limited	USD 1	9,200,000	419,179	9,200,000	419,179
Trade Investments:					
Quoted Equity Shares:					
Garware Offshore Services Limited	INR 10	50	1	50	1
Essar Shipping Limited	INR 10	700	3	700	3
Great Offshore Ltd.	INR 10	30	-	30	-
The Great Eastern Shipping Company Limited	INR 10	121	2	121	2
Varun Shipping Company Limited	INR 10	150	2	150	2
Shreyas Shipping Limited	INR 10	100	1	100	1
The Shipping Corporation of India Limited	INR 10	75	1	50	1
Non-Trade Investments:					
Unquoted Equity Shares:					
Chowgule Ports & Infrastructure Private Limited	INR 10	5,000	50	5,000	50
CMA Constructions & Properties Pvt.Ltd.	INR 10	5,000	50	-	-
Quoted Equity Shares:					
Mahindra Lifespace Developers Ltd	INR 10	16	-	16	-
ICICI Bank Limited	INR 10	150	5	150	5
CURRENT:					
Unquoted:					
In Mutual Fund Units					
Birla Sunlife Fixed Term Plan - Institutional - Series AO - Growth	INR 10	10,000,000	100,000	10,000,000	100,000
Birla Sun Life Savings Fund - Institutional Weekly Dividend Reinvestment	INR 10	5,007,715	50,077	-	-
BSL Short Term Fund - Retail - Fortnightly Dividend	INR 10	1,293,924	13,152	-	-
DSP Black Rock Money Manager Fund - Regular - Daily Dividend	INR 10	-	-	67,465	67,500
Fidelity Fixed Maturity Plan Series 1 Plan A Institutional Growth	INR 10	2,200,000	22,000	-	-
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	INR 10	-	-	1,319,234	13,949
28 Q ICICI Prudential Flexible Income Plan Premium - Weekly Dividend	INR 10	809,600	8,560	-	-
GFRW IDFC Money Manager Fund - Treasury Plan - Weekly Dividend	INR 10	7,007,773	15,630	-	-
G73 IDFC - SSIF - Short Term - Plan B - Fortnightly Dividend	INR 10	16,108,884	164,900	-	-
J P Morgan India Active Bond Fund - Retail - Growth Fund	INR 10	3,691,247	37,000	-	-
S432 SBNPP Fixed Term Plan - F - Retail Growth	INR 10	2,350,000	23,500	-	-
Others					
DSP Merrill Lynch Capital Limited - Debentures	INR 100,000	81	8,050	-	-
TOTAL			862,163		600,693
Aggregate amount of quoted investments			15		15
Aggregate amount of unquoted investments			862,148		600,678
Aggregate market value of quoted investments			120		327
Aggregate Net Asset Value of units in Mutual Funds			445,933		181,454

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As at 31-Mar-2009 (Rs. in '000)		As at 31-Mar-2008 (Rs. in '000)
Schedule 'F'			
INVENTORIES:			
(Refer note 1.iii in Schedule 'O')			
Stores and Spare Parts	1,067		715
Fuel Oil and Lube Oil on Vessels	9,311		4,900
TOTAL	10,378		5,615
Schedule 'G'			
SUNDRY DEBTORS (UNSECURED):			
Considered Good			
Over Six Months	-		-
Others	7,762	7,762	119
Considered Doubtful			
Over Six Months	32,718		32,718
Others	-		-
	32,718		32,718
Less: Provision for Doubtful Debts	32,718	-	-
TOTAL	7,762		119
Schedule 'H'			
CASH AND BANK BALANCES:			
Balances with Scheduled Banks on-			
Current Account #	64,433		18,181
Call Account	266		206
Fixed Deposit Accounts	65,600		42,484
Fixed deposit as Margin Money against Bank Guarantees	12,550	142,849	35,000
TOTAL	142,849		95,871
# Includes Rs. 2,859 thousand (2008 - Rs.1,950 thousand) on dividend distribution account, i.e. restricted			
Schedule 'I'			
OTHER CURRENT ASSETS:			
Accrued Interest on Fixed Deposits with Banks	4,089		585
TOTAL	4,089		585
Schedule 'J'			
LOANS & ADVANCES: (UNSECURED)			
Advances recoverable in cash or in kind or for value to be received			
Considered Good			
Advance Income Tax (Net of provision for tax)	14,131		14,526
Fringe Benefit Tax (Net of provision for tax)	54		54
Prepaid Expenses	4,997		5,183
Others	12,702	31,884	12,271
Considered Doubtful			
Other than Taxes and Prepaid Expenses	2,750		2,750
Less: Provision for Doubtful Advances	2,750	-	-
TOTAL	31,884		32,034

CHOWGULE STEAMSHIPS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As at 31-Mar-2009 (Rs. in '000)	As at 31-Mar-2008 (Rs. in '000)
Schedule 'K'		
CURRENT LIABILITIES & PROVISIONS:		
A. CURRENT LIABILITIES:		
Sundry Creditors		
Dues to Micro and Small Enterprises (Refer note 15 in Schedule 'O')	-	-
Others	44,998	61,518
Security Deposits	60,720	15,235
Charter Hire (received in advance)	9,543	26,697
Investor Education and Protection Fund shall be credited by the following amount:		
Unclaimed Dividend	2,859	1,949
Other Liabilities	26,679	27,419
Interest accrued but not due on loans	80	-
	144,879	132,818
B. PROVISIONS:		
For Proposed Dividend	54,463	54,463
For Tax on Proposed Dividend	9,256	9,256
For Gratuity	1,570	1,808
For Compensated Absences	1,184	2,361
For Fringe Benefit Tax (Net of advance tax)	68	75
	66,541	67,963
TOTAL	211,420	200,781

SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the year ended 31-Mar-2009 (Rs. in '000)	For the year ended 31-Mar-2008 (Rs. in '000)
Schedule 'L'		
INCOME:		
Operating Earnings:		
Freight earnings and charter hire receipts etc. (Including of chartered vessels)	1,190,322	949,511
Other Income:		
Interest on Bank Deposits [Tax deducted at source Rs. 347 thousand (2008 - Rs. 2,029 thousand)]	7,288	9,012
Rent	69,080	25,705
Dividend Income (Gross) [Tax deducted at source Rs. Nil (2008 - Rs. Nil)]	6,460	1,042
Profit on sale of Current Investment including unrealised gain/(loss) - net	1,341	10
Miscellaneous income	2,505	17,738
	86,674	53,507
TOTAL	1,276,996	1,003,018

SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the year ended 31-Mar-2009 (Rs. in '000)		For the year ended 31-Mar-2008 (Rs. in '000)
Schedule 'M'			
OPERATING AND OTHER EXPENSES:			
(Including on Chartered Vessels)			
Salaries, Wages, etc.:			
Salaries, Wages, Bonus, Gratuity, Victualling, etc.	6,992		14,433
Contribution to Employees' Providend Fund	662		819
Contribution to Superannuation Fund	85		610
Staff Welfare Expenses	460		461
Manning Cost	131,814		102,833
	140,013	102,833	119,156
Fuel, Oil and Water	24,203		25,846
Stores and Spare Parts consumed	22,436		28,358
Port Disbursement, Stevedorage, Light Dues, etc.	1,849		1,351
Repairs and Survey Charges	24,377		30,546
[(Including repairs to building Rs. 775 thousand (2008-Rs. 12,970 thousand)]			
Dry Docking Charges	66,952		108,653
Insurance & Protection Club Dues	26,225		24,044
Commission, Brokerage and Agency Fees	70,120		55,994
Postage, Telephone etc.	2,850		4,590
Rent	556		5,095
Rates and Taxes	312		452
Provision for Wealth Tax	27		27
Auditors' Remuneration			
For Statutory Audit	300		300
For Tax Audit	80		80
For Other Services	142		120
Service Tax on above	55		62
	577	62	562
Directors' Fees	930		525
Claims Paid	973		123
Ship Management Fees Paid	21,016		19,791
Crew Expenses	15,627		11,037
Foreign Currency Translation Differences	12,772		-
Miscellaneous Expenses	23,839		28,032
TOTAL	455,654	464,182	464,182
Schedule 'N'			
INTEREST AND OTHER FINANCE CHARGES:			
Interest on:			
Loans for Fixed Period	54,992		84,815
Others	363		144
	55,355	144	84,959
Other Financial Charges	1,996		449
TOTAL	57,351	85,408	85,408

CHOWGULE STEAMSHIPS LIMITED

SCHEDULE 'O'

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared and presented under the historical cost convention on an accrual basis of accounting in accordance with generally accepted accounting principles in India and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. The significant accounting policies adopted in the presentation of the Accounts are as under:

i. Fixed Assets and Depreciation

Fixed assets (other than buildings) are stated at purchase price and exchange differences arising on the conversion of foreign currency borrowings for the acquisition of ships from outside India at the year end date and exchange differences on the payment of those borrowings during the year are credited / debited to profit and loss account.

Buildings have been revalued on 31st March, 2002.

The Company depreciates its fleet of ships on a straight line basis at the rates specified in Schedule XIV to the Companies Act, 1956. The cost of second hand ships and other capital additions thereto are depreciated with reference to their residual lives if such lives are lower than lives determined with reference to rates prescribed in Schedule XIV to the Companies Act, 1956. Otherwise, rates prescribed in the said Schedule XIV are used. Other assets are depreciated on written down value basis at the rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation on buildings has been provided on revalued amount. The additional depreciation on revaluation is recouped from the revaluation reserve.

ii. Investments

Investments are either classified as current or long-term investments. Current investments are carried at lower of cost or market value. Long-term investments are carried at cost of acquisition, net of diminution in value, if any, which is other than temporary.

iii. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is ascertained on a first-in-first-out basis.

iv. Unfinished Voyage

Unfinished voyages represent voyage charter earnings received, reduced by direct operating expenses, related to incomplete voyages as at the balance sheet date.

v. Revenue Recognition

Freight and demurrage earnings are recognised on a completed voyage basis. Time charter earnings are recognised in the year of accrual.

vi. Insurance Claims

Insurance claims for damages to ship's hull, machinery, etc., are being accrued in the year of acceptance of the claim and are based on technical considerations.

vii. Employee Benefits

i) Short Term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

ii) Long Term

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined-contribution plans by the Company along with its employees.

a. Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

b. Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

iii) Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

viii. Transactions in Foreign Currency

- a. Foreign currency transactions are recorded on initial recognition by applying the exchange rate prevailing on the date of the transaction at the commencement of the month in which the transaction takes place, if it approximates the actual rate on the date of the transaction. Otherwise, the rates prevailing at the date of the transaction are used.
- b. As at balance sheet date:
 - i) foreign currency monetary items are reported using the closing rate;
 - ii) non-monetary items that are carried at historical cost and denominated in foreign currency are reported using the exchange rate at the date of the transaction; and
 - iii) non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- c. Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

ix. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

x. Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Reversal of impairment loss is recognised immediately as income in the profit and loss account.

xi. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

xii. Taxes on Income

The Company's income taxes include taxes on the Company's taxable profits, fringe benefits tax, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been substantially enacted.

CHOWGULE STEAMSHIPS LIMITED

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

2. Staff costs for the year ended March 31, 2009, include provision for employee benefits as given below consequent to the adoption of the revised Accounting Standards (AS) 15 on Employee Benefits: -

The amounts recognised in the balance sheet are as follows:

	2008-09 (Rs. in '000)	2007-08 (Rs. in '000)
Employee Benefits Obligations		
i) Present value of funded obligations	2,739	4,116
ii) Fair value of plan assets	1,169	2,308
iii) Net liability	(1,570)	(1,808)
The amounts recognised in the statement of profit and loss are as follows:		
i) Current service cost	259	326
ii) Interest on obligation	241	230
iii) Expected return on plan assets	(139)	(203)
iv) Net actuarial losses/(gains) recognised in year	472	1,116
v) Adjustment on account of opening balance	(3)	(34)
vi) Expenses recognised in the statement of profit and loss	830	1,435
Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:		
i) Opening defined benefit obligation	4,116	3,108
ii) Service cost	259	326
iii) Interest cost	241	230
iv) Actuarial losses/(gains)	333	915
v) Benefits paid	(935)	(463)
vi) Closing defined benefit obligation	2,739	4,116
Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:		
i) Opening fair value of plan assets	2,308	2,371
ii) Adjustment to opening balance	3	34
iii) Expected return	139	203
iv) Actuarial losses / (gains)	(139)	(201)
v) Contribution by employer	133	364
vi) Benefits paid	(1,275)	(463)
vii) Closing fair value of plan assets	1,169	2,308

The Company has the Gratuity Fund administered and managed by the Life Insurance Corporation of India (LIC). The fair value of the plan assets are based on the LIC Fund balance position as at the balance sheet date. The composition and the categories of plan assets are unavailable with the Company.

Annual Report 2008-2009

The principal actuarial assumptions at the balance sheet date are as follows:

	2008-09	2007-08
i) Discount rate at 31 st March	6.50%	8.00%
ii) Expected return on plan assets at 31 st March	8.00%	8.00%
iii) Rate of increase in compensation	5.00%	5.00%
iv) Withdrawal rate	0.50%	0.50%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The contribution expected to be made by the Company during the financial year 2009-10 has not been ascertained.

Sr. No.	Particular	2008-09 (Rs. in '000)	2007-08 (Rs. in '000)	2006-07 (Rs. in '000)
1.	Present value of the obligation	2,739	4,116	3,108
2.	Fair value of the plan assets	1,169	2,308	2,371
3.	Surplus or deficit in the plan	(1,570)	(1,808)	(737)
4.	Experience adjustments arising:			
	a. on plan liabilities	21	915	340
	b. on plan assets	139	201	16

As this is the third year in which the revised AS - 15 has been applied, the amounts of the present value of the obligation, the fair value of the plan assets, surplus or deficit in the plan and experience adjustments arising on plan liabilities and plan assets for the previous two annual periods have not been furnished.

	2008-09 (Rs. in '000)	2007-08 (Rs. in '000)
3. Estimated amount of contracts remaining to be executed on capital account not provided for [Against which advance paid aggregate Rs. 626 thousand (2008 – Rs. 20 thousand)]	2,892	201
4. Secured loans include amounts due within one year	154,350	120,330
5. Amount remitted during the year in Foreign Currency on account of dividends		
i) Number of Shareholders	11	11
ii) Number of Shares held	3,698,568	3,635,068
iii) Amount remitted (in Rs.'000)	5,548	3,635
iv) Year to which dividend relates	2007-08	2006-07
6. Managerial Remuneration		
Remuneration of Managing Director / Manager		
i) Salary	3,618	3,208
ii) Company's contribution to Provident Fund	173	240
iii) Company's contribution to Superannuation Fund	218	291
iv) Value of perquisites	98	88
v) Commission		2,000
TOTAL	4,107	5,827

Note: The above does not include contribution to Gratuity Fund in respect of the Managing Director / Manager as the amounts are actuarially determined for the Company as a whole.

COMPUTATION OF PROFITS UNDER SECTION 349 OF THE COMPANIES ACT, 1956

Profit before tax		357,199	366,741
Less: Profit on sale of investments		1,341	10
	Sub-total	355,858	366,731
Add: Remuneration to Managing Director / Manager		4,107	5,827
Director's Sitting Fees		930	525
Total qualifying profit under section 349		360,895	373,083
Commission to Managing Director		-	2,000

Note: (Includes Rs. 1,102 thousand paid to Mr. M. S. Sawant – Manager, pursuant to Section 269 of the Companies Act, 1956, w.e.f. September 1, 2008)

CHOWGULE STEAMSHIPS LIMITED

7. Contingent Liabilities (not provided for):

In respect of a Sales Tax demand, the Company has contested claims amounting to Rs.23,700 thousand (2008 – Rs.23,700 thousand) against the Order of the Appellate Assistant Commissioner, Chennai, confirming the Order of the Commercial Tax Officer for the Assessment Year 1995-96 in respect of charter hire of the vessel, 'm.v. Maratha Prudence'. The Company has already deposited Rs. 4,740 thousand (including refunds withheld by the authorities) and executed a bond of Rs.21,804 thousand in respect of the said claim. The Company does not expect any liability to devolve on it in respect of the above and therefore no provision is held.

Guarantees given by Bank and counter guaranteed by the Company is Rs. 50,050 thousand (2008 – Rs. 50,000 thousand) for due performance of the Company's obligations towards development of the port project.

8. Profit and Loss account includes exchange loss (net) Rs. 12,772 thousand (2008 – exchange gain (net) of Rs.9,408 thousand).
9. The Company had revalued its block of assets under 'Buildings' as on 31.03.2002. The revaluation had been carried out based on a report by an independent professional valuer. The revalued amounts are as under:

Buildings	Historical cost as on 31.03.2002 (Rs. in '000)	Written down value as on 31.03.2002 (Rs. in '000)	Revalued amount (Substituted for original cost) as on 31.03.2002 (Rs. in '000)	Difference in W.D.V. and revalued amount (Rs. in '000)
Leasehold land – Office Premises	2,445	759	207,000	206,241
Freehold land – Staff Quarters	649	276	10,668	10,392
TOTAL	3,094	1,035	217,668	216,633

The revaluation was based on comparable sale approach, taking into consideration situation of buildings, size, specification of construction, existing amenities and demand for such type of buildings in same locality and prevailing market for such type of buildings. Revaluation reserve was appropriately created for the same.

10. Depreciation provided on the revalued portion of the buildings amounting to Rs.7,962 thousand (2008 – Rs. 8,381 thousand) has been directly adjusted from the revaluation reserve.

11. Segment Reporting

The Company treats 'Shipping' as single business segment and therefore details of segments are not separately shown. Given the nature of the business there are no Geographic Segments either.

12. Related Party Transactions

As per Accounting Standards (AS) 18, the transactions with Company's related parties are disclosed below:

Name of the related parties where control exists

- Chowgule Steamships Overseas Ltd. (CSOL) - Wholly owned subsidiary
- Sunshine LLC – Wholly owned subsidiary of CSOL
- Fairweather LLC – Wholly owned subsidiary of CSOL
- Blue Ocean LLC – Wholly owned subsidiary of CSOL
- Sea Bird LLC - Wholly owned subsidiary of CSOL
- Sea Lord LLC - Wholly owned subsidiary of CSOL
- Sea Green LLC – Wholly owned subsidiary of CSOL

Name of related party	Nature of transactions
Key Management Personnel	Remuneration
M. P Patwardhan – Managing Director	Rs. 3,006 thousand (Retired on 31.08.2008)
M. S. Sawant – Manager pursuant to section 269 of the Companies Act, 1956	Rs. 1,034 thousand

- 13.** As per Accounting Standards (AS) 20 on 'Earnings Per Share' (Basic and Diluted), the Earning Per Share of the Company is as under:

	2008-09	2007-08
Net Profit available to Equity Shareholders (Rs. in thousand)	232,309	243,362
Number of Equity Shares	36,308,425	36,308,425
Face Value per Equity Share (Rs.)	10	10
Basic & Diluted Earnings Per Share (Rs.)	6.40	6.70

- 14.** The net deferred tax liability comprises the following components:

Components of deferred tax (liability) / assets	For the year 31-Mar-2009 (Rs in '000)	For the year 31-Mar-2008 (Rs. in '000)
i) Assets on account of timing differences		
a) Provision for doubtful debts and advances	12,055	12,055
b) Related to employees' benefits	936	1,418
Deferred Tax Asset (A)	12,991	13,473
ii) Liabilities on account of timing differences		
a) Depreciation	(214,924)	(273,712)
Deferred Tax Liability (B)	(214,924)	(273,712)
Net Deferred Tax Liability as at the year end (A) - (B)	(201,933)	(260,239)

The Company has recognised in the Profit and Loss Account the net reversal of deferred tax liability of Rs. 58,306 thousand (2008-net addition to deferred tax liability of Rs 66,624 thousand).

- 15.** According to the information available with the Company there are no dues payable to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2009.
- 16.** (a) The Department of Company Affairs, Government of India vide its order no. 46/217/2008-CL-III dated March 22, 2009 issued under Section 211 (4) of the Companies Act, 1956, has exempted the Company from disclosure of details in the Profit & Loss Account under paragraphs 4-D(a), (b), (c) and (e) of Part II to Schedule VI of the Companies Act, 1956.
- (b) The Department of Company Affairs, Government of India vide its order no. 47/81/2009-CL-III dated March 23, 2009 issued under section 212 (8) of the Companies Act, 1956 has exempted the Company from attaching the Balance Sheet and Profit and Loss Account of subsidiaries under Section 212 (1) of the Companies Act, 1956. As per the Order, key details of each subsidiary are attached along with the statement under Section 212 of the Companies Act, 1956.

17. Foreign Currency Exposures:

The year end foreign currency exposures that were not hedged by a derivative instrument or otherwise are given below:

Particulars	2008-09		2007-08	
	(Rs in '000)	USD million	(Rs in '000)	USD million
Loans	1,029,000	20.00	1,002,750	25.00
Sundry Debtors & Other Assets	175	0.003	16,287	0.412
Sundry Creditors & Other Liabilities	10,708	0.212	15,733	0.398
Loans & Advances	2,818	0.056	5,633	0.143
Cash & Bank Balances	59,658	1.181	57,416	1.453

Note: USD = US Dollar

CHOWGULE STEAMSHIPS LIMITED

18. Statement of purchase and sales of units of mutual funds:

Particulars of Investment	2008-09		2007-08	
	No. of Units	Cost (Rs. in '000)	No. of Units	Cost (Rs. in '000)
(a) Acquired and sold during the year				
Birla Sun Life Saving Fund – Institutional – Weekly Dividend Reinvestment	4,996,772.062	50,072	-	-
DSP Merrill Lynch Floating Rate Fund	-	-	1,048.870	10
DSP BlackRock Money Manager Fund – Regular – Daily Dividend	371.380	372	101,944.269	101,996
DSP BlackRock Money Manager Fund – Regular Plan – Weekly Dividend	2,507.486	2,512	-	-
Templeton India Short Term Income Retail Plan – Weekly Dividend	27,864.643	30,119	-	-
HDFC Cash Management Fund – Treasury Advance Plan – Retail – Weekly Dividend	251,405.414	2,518	-	-
HSBC Gilt Fund – Weekly Dividend	1,285,620.473	12,860	-	-
HSBC Ultra Short Term Bond Fund – Regular – Weekly Dividend	250,767.537	2,517	-	-
ICICI Prudential Flexible Income Plan Premium – Daily Dividend	7,858.156	83	1,962,847.454	23,081
ICICI Prudential Flexible Income Plan Premium – Weekly Dividend	7,070,796.294	74,584	-	-
28 ICICI Prudential Flexible Income Plan Premium – Weekly Dividend	5,764,394.904	60,805	-	-
G73 IDFC – SSIF – Short Term – Plan B – Fortnightly Dividend	2,993,366.642	30,157	-	-
G49 IDFC Money Manager Fund – Investment Plan – Institutional Plan B – Weekly Dividend	3,317,118.854	33,209	-	-
G71 IDFC Liquid Fund – Weekly Dividend	61,935.519	61,981	-	-
G70 IDFC Liquid Fund – Daily Dividend	15,277.360	15,281	-	-
GFRW IDFC Money Manager Fund – Treasury Plan – Weekly Dividend	8,139,513.031	82,013	-	-
GGSM IDFC GSF – Short Term – Plan A – Monthly Dividend	19,286,951.340	191,939	-	-
Reliance Liquid Fund – Treasury Plan – Retail Option – Weekly Dividend Option	995,049.103	10,299	-	-
S133 SBNPP Money Fund Institutional Weekly Dividend Reinvestment	974,853.533	10,242	-	-
S33 SBNPP Money Fund – Weekly Dividend Reinvest	238,822.181	2,515	-	-
(b) Acquired during the year and retained as at the year end				
DSP Merrill Lynch Liquid Plus	-	-	67,464.923	67,500
ICICI Prudential Flexible Income Plan Premium – Daily Dividend	-	-	1,319,233.970	13,949
Birla Sun Life Saving Fund – Institutional Weekly Dividend Reinvestment	5,007,714.993	50,077	-	-
BSL Short Term Fund – Retail – Fortnightly Dividend	1,293,924.325	13,152	-	-
DSP Merrill Lynch Capital Ltd. – Debenture	805,000.000	8,050	-	-
Fidelity FMP Series 1 Plan A Institutional – Growth	2,200,000.000	22,000	-	-
28Q ICICI Prudential Flexible Income Plan Premium – Weekly Dividend	809,599.705	8,560	-	-

Annual Report 2008-2009

Particulars of Investment	2008-09		2007-08	
	No. of Units	Cost (Rs. in '000)	No. of Units	Cost (Rs. in '000)
GFRW IDFC Money Manager Fund – Treasury Plan – Weekly Dividend	1,551,423.314	15,630	–	–
G73 IDFC – SSIF – Short Term – Plan B – Fortnightly Dividend	16,108,884.244	164,900	–	–
J P Morgan India Active Bond Fund – Retail – Growth Fund	3,691,246.979	37,000	–	–
S432 SBNPP Fixed Term Plan F Retail – Growth	2,350,000.000	23,500	–	–
(c) Sold out of acquisition of an earlier year				
DSP Merrill Lynch Floating Rate Fund	–	–	313,566.74	3,142
DSP BlackRock Money Manager Fund – Regular – Daily Dividend	67,464.920	67,500	–	–
ICICI Prudential Flexible Income Plan Premium – Daily Dividend	13,19,233.970	13,949	–	–
(d) Acquired during the previous year and retained as at the year end				
Birla Sunlife Fixed Term Plan – Institutional – Series AO – Growth	10,000,000	100,000	10,000,000	100,000

19. Previous year's figures have been regrouped wherever necessary to conform to current year's presentation.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

SUHAS JOSHI
Company Secretary

D. N. MUNGALE
Director

Place: Mumbai,
Date: April 28, 2009

M. S. SAWANT
CFO & Director (Operations)

M. P. PATWARDHAN
Director

CHOWGULE STEAMSHIPS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

Names of the Subsidiary Companies	Chowgule Steamships Overseas Ltd. (See Foot Note 1)	Fairweather LLC (See Foot Note 2)	Sunshine LLC (See Foot Note 2)	Blue Ocean LLC (See Foot Note 2)	Sea Bird LLC (See Foot Note 2)	Sea Lord LLC (See Foot Note 2)	Sea Green LLC (See Foot Note 2)
1. The relevant financial year of the subsidiary ended	31.3.2009	31.3.2009	31.3.2009	31.3.2009	31.3.2009	31.3.2009	31.3.2009
2. No. of shares in the subsidiary Company held by Holding Company as on March 31, 2009	9,200,000 Shares each of US \$ 1	1,000 Shares each of US \$ 1	1,000 Shares each of US \$ 1	1,000 Shares each of US \$ 1	1,000 Shares each of US \$ 1	1,000 Shares each of US \$ 1	1,000 Shares each of US \$ 1
3. Extent of holding by Holding Company as on March 31, 2009	100%	100%	100%	100%	100%	100%	100%
4. The net aggregate of the Subsidiary Companies' profits/ (losses) so far as they concern the members of the Holding Company							
(a) Not dealt within the Holding Company's accounts :							
i) for the year ended 31.03.2009	US \$ 165,419 Rs. 8,358,622	US \$ 239,380 Rs. 12,095,871	US \$ 21,296,765 Rs. 1,076,125,535	US \$ 90,772 Rs. 4,586,709	NIL NIL	NIL NIL	NIL NIL
ii) for the previous financial years of the Subsidiary Companies since they became the Holding Company's Subsidiaries	US \$ (40,131) Rs. (1,585,977)	US \$ 455,177 Rs. 17,988,595	US \$ 11,441,276 Rs. 452,159,228	US \$ 22,928,478 Rs. 906,133,451	NIL NIL	NIL NIL	NIL NIL
(b) Dealt within the Holding Company's accounts :							
i) for the year ended 31.03.2009	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) for the previous financial years of the Subsidiary Companies since they became the Holding Company's Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Foot Note :

- 100% subsidiary of Chowgule Steamships Ltd.
- 100% subsidiary of Chowgule Steamships Overseas Ltd.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

SUHAS JOSHI
Company Secretary

D. N. MUNGALE
Director

Place : Mumbai,
Date : April 28, 2009

M. S. SAWANT
CFO & Director (Operations)

M. P. PATWARDHAN
Director

DETAILS OF SUBSIDIARY COMPANIES

(In '000)

Sr. No.	Name of the Subsidiary Company	Chowgule Steamships Overseas Limited		Fairweather LLC		Sunshine LLC		Blue Ocean LLC		Sea Bird LLC		Sea Lord LLC		Sea Green LLC	
		INR	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD
1	Capital	464,876	9,200	51	1	51	1	51	1	51	1	51	1	51	1
2	Reserves	3,421,841	67,719	320,815	6,349	1,865,972	36,928	1,193,822	23,626	-	-	-	-	-	-
3	Total Assets	3,935,125	77,877	320,967	6,352	2,073,751	41,040	1,194,024	23,630	123,041	2,435	143,909	2,848	189,942	3,759
4	Total Liabilities	3,935,125	77,877	320,967	6,352	2,073,751	41,040	1,194,024	23,630	123,041	2,435	143,909	2,848	189,942	3,759
5	Details of Investments	303	6	-	-	-	-	-	-	-	-	-	-	-	-
6	Total Income	1,376,740	27,246	12,633	250	1,344,401	26,606	5,356	106	-	-	-	-	-	-
7	Profit before taxation	1,101,150	21,792	12,077	239	1,076,137	21,297	4,598	91	-	-	-	-	-	-
8	Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Profit after taxation	1,101,150	21,792	12,077	239	1,076,137	21,297	4,598	91	-	-	-	-	-	-
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Exchange rate as on 31.03.2009

USD 1 = INR 50.53

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

M. P. PATWARDHAN
Director

SUHAS JOSHI
Company Secretary

M. S. SAWANT
CFO & Director (Operations)

Place : Mumbai,
Date : April 28, 2009

CHOWGULE STEAMSHIPS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(In terms of amendment to Schedule VI part IV)

I. Registration Details

Registration No.	24-00002	State Code	24
Balance Sheet	31 03 2009		
	Date Month Year		

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Sources of Funds	Total Liabilities	Total Assets
	2733472	2733472
	Paid-up Capital	Reserves & Surplus
	363084	1137895
	Secured Loans	Unsecured Loans
	1030560	NIL
	Deferred Tax Liability	
Application of Funds	201933	

Net Fixed Assets	1885767	Investments	862163
Net Current Assets	(14458)	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of the Company (Amount in Rs. Thousand)

Turnover & Other income	1276996	Total Expenditure	919797
Profit/(loss) before Tax	357199	Profit/(loss) After Tax	232309
Earning per share in Rs.	6.40	Dividend Rate %	15%

V. Generic Name of Principal Product/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Not Applicable
Product Description	Ship Owners and Charterers

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

SUHAS JOSHI
Company Secretary

M. S. SAWANT
CFO & Director (Operations)

M. P. PATWARDHAN
Director

Place : Mumbai,
Date : April 28, 2009

AUTIORS' REPORT

TO THE BOARD OF DIRECTORS OF CHOWGULE STEAMSHIPS LIMITED

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHOWGULE STEAMSHIPS LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached Consolidated Balance Sheet of **CHOWGULE STEAMSHIPS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at March 31, 2009, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statements for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. 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. We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs.39,29,894 thousand as at 31st March, 2009 and total revenues of Rs.11,86,135 thousand and net cash outflow amounting Rs. 3,05,342 thousand for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to amounts included in respect of these subsidiaries, is based solely on the report of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" referred to in Section 211(3C) of the Companies Act, 1956.
5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
 - ii. in case of the Consolidated Profit and Loss Account, of the profit of the Group for the year then ended; and
 - iii. in case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year then ended.

For **S. B. Billimoria & Co.**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Place : Mumbai,
Date : April 28, 2009

CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	Schedule No.	As at 31-Mar-2009 (Rs. in '000)	As at 31-Mar-2008 (Rs. in '000)
I SOURCES OF FUNDS:			
1 Shareholders' Funds:			
i. Capital	A	363,084	363,084
ii. Reserves & Surplus	B	4,600,171	2,721,782
		4,963,255	3,084,866
2 Loan Funds:			
Secured Loans	C	1,030,560	1,156,326
3 Deferred Tax Liability (Net)		201,933	260,239
	TOTAL	6,195,748	4,501,431
II APPLICATION OF FUNDS:			
1 Fixed Assets:			
Gross Block	D	3,795,274	3,648,932
Less: Depreciation		1,536,696	1,248,174
Net Block		2,258,578	2,400,758
Add: Capital work-in-progress and advances for capital goods		1,286,705	244,354
		3,545,283	2,645,112
2 Investments	E	771,682	181,514
3 Current Assets, Loans & Advances			
i. Inventories	F	12,313	7,861
ii. Sundry Debtors	G	10,998	652
iii. Cash and Bank Balances	H	2,005,687	1,820,793
iv. Other Current Assets	I	7,391	4,434
v. Loans and Advances	J	100,942	60,865
		2,137,331	1,894,605
4 Less: Current Liabilities & Provisions	K		
i. Current Liabilities		192,006	151,837
ii. Provisions		66,542	67,963
		258,548	219,800
Net Current Assets / (Liability)		1,878,783	1,674,805
	TOTAL	6,195,748	4,501,431
Notes to the accounts	O		

Schedules referred to above form an integral part of this Balance Sheet and should be read in conjunction therewith.

In terms of our report of even date.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

Place : Mumbai,
Date : April 28, 2009

For and on behalf of the Board of Directors
VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

M. P. PATWARDHAN
Director

SUHAS JOSHI
Company Secretary

M. S. SAWANT
CFO & Director (Operations)

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule No.	For the year ended 31-Mar-2009 (Rs. in '000)	For the year ended 31-Mar-2008 (Rs. in '000)
INCOME:			
Operating Earnings	L	2,376,325	1,927,882
Other Income	L	129,395	109,578
		2,505,720	2,037,460
EXPENDITURE:			
Operating and Other Expenses	M	638,543	699,553
Interest and Other Financial Charges	N	61,409	123,232
Depreciation (net of draw down from Revaluation Reserve)	D	281,353	287,968
		981,305	1,110,753
Profit before taxation and exceptional items		1,524,415	926,707
Profit on Sale of Ship		-	762,149
Foreign Currency Translation Difference on Borrowings		(223,850)	94,500
Profit before taxation		1,300,565	1,783,356
Provision for Taxation - Current		(179,515)	(56,365)
Deferred Tax (Liability) charged / Asset Reversed		58,306	(66,624)
Provision for Fringe Benefits Tax		(429)	(390)
Income Tax of earlier years		(3,252)	-
Net Profit after taxation		1,175,675	1,659,977
PROFIT & LOSS APPROPRIATION ACCOUNT			
Balance brought forward from previous year		2,236,442	652,352
Profit available for appropriation		3,412,117	2,312,329
Transferred to General Reserve (Statutory)		11,616	12,168
Transferred to General Reserve (Other)		250,000	-
Proposed Final Dividend		54,463	54,463
Tax on Proposed Final Dividend		9,256	9,256
Balance transferred to Balance Sheet		3,086,782	2,236,442
Earning Per Share (See note no.12 in schedule 'O') [Face Value Rs. 10 per share]		32.38	45.72
Notes to the accounts	O		

Schedules referred to above form an integral part of this Profit and Loss Account and should be read in conjunction therewith.

In terms of our report of even date.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

Place : Mumbai,
Date : April 28, 2009

SUHAS JOSHI
Company Secretary

M. S. SAWANT
CFO & Director (Operations)

For and on behalf of the Board of Directors
VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

M. P. PATWARDHAN
Director

CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Year ended 31-Mar-2009 (Rs. in '000)	Year ended 31-Mar-2008 (Rs. in '000)
A. Cash flow from operating activity		
Net Profit / (Loss) before tax and extraordinary items	1,300,565	1,783,356
Adjusted for:		
Depreciation	281,353	287,968
Provision for Employee Benefits	(1,416)	632
Reversal of provision for doubtful debts	-	(1,301)
Sundry Balance Written Back	(2,306)	(2,803)
Foreign exchange translation differences	212,535	(88,626)
Exchange difference arising on consolidation	406,196	(31,059)
Bank interest and dividend	(42,886)	(42,359)
Profit on sale of Ship	-	(762,149)
Loss / (Profit) on sale of current investments	(1,341)	(10)
Assets scrapped / discarded	312	97
Interest & other finance charges paid (including miscellaneous expenditure written off)	61,409	123,232
Operating profit before working capital change	2,214,421	1,266,978
Adjusted for:		
(Increase) / decrease in trade & other receivables	(50,171)	(8,361)
(Increase) / decrease in inventories	(4,452)	749
Increase / (decrease) in trade payables	39,156	(18,799)
Operating profit before tax payments	2,198,954	1,240,567
Net Tax payment / (Recoveries)	(182,808)	(57,070)
Net cash from operating activities	2,016,146	1,183,497
B. Cash flow from investing activities		
Purchase of fixed assets	(828,513)	(161,424)
Sale of fixed assets	309	1,441,404
Sale of investments	792,438	128,239
Purchase of investments	(1,417,810)	(341,587)
Interest received	33,469	37,450
Dividend received	6,460	1,042
Net cash from investing activities	(1,413,647)	1,105,124
C. Cash flow from financing activities		
Net increase in overdraft balance	1,124	259
Repayment of borrowings	(353,689)	(876,103)
Reduction in liability consequent to exchange fluctuation element in instalment paid	2,950	3,000
Interest paid	(61,329)	(123,078)
Dividend & tax thereon paid	(63,718)	(43,791)
Net cash used in financing activities	(474,662)	(1,039,713)
Net increase / (decrease) in cash and cash equivalents	127,837	1,248,908
Opening Cash and cash equivalents as at 1st April	1,783,843	540,237
Closing Cash and cash equivalents as at 31st March	1,911,680	1,789,145
	Year ended 31-Mar-2009 (Rs. in '000)	Year ended 31-Mar-2008 (Rs. in '000)
Effect of exchange rate changes on cash and cash equivalents		
Cash on hand and balances with banks	1,911,680	1,789,145
Effect of exchange rate change favourable / (adverse)	12,998	(5,302)
Cash & Cash Equivalents as restated	1,924,678	1,783,843
Foot Note:		
Cash & Cash Equivalents as above	1,924,678	1,783,843
Add: Restricted Bank Balances	2,859	1,950
Add: FDs pledged with banks	12,550	35,000
Add: FDs with maturity greater than 3 months	65,600	-
Cash and Bank balance as per Balance Sheet	2,005,687	1,820,793

In terms of our report of even date.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

Place: Mumbai,
Date: April 28, 2009

SUHAS JOSHI
Company Secretary
M. S. SAWANT
CFO & Director (Operations)

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

M. P. PATWARDHAN
Director

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	As at 31-Mar-2009 (Rs. in '000)	As at 31-Mar-2008 (Rs. in '000)
Schedule 'A'		
CAPITAL:		
Authorised:		
5,00,00,000 (2008 - 5,00,00,000) Equity Shares of Rs. 10/- each	500,000	500,000
25,00,00,000 (2008 - 25,00,00,000) Redeemable Preference Shares of Rs. 100/- each	250,000	250,000
	750,000	750,000
Issued, Subscribed and called up:		
3,63,08,425 (2008 - 3,63,08,425) Equity Shares of Rs. 10/- each	363,084	363,084
Paid-up:		
3,63,08,425 (2008 - 3,63,08,425) Equity Shares of Rs. 10/- each	363,084	363,084
TOTAL	363,084	363,084

Note: Of the above, 34,65,000 (2008 - 34,65,000) shares of Rs. 10/- each have been allotted as fully paid up by way of bonus shares by capitalisation of Development Rebate Reserve.

Schedule 'B'

RESERVES & SURPLUS:

Capital Reserve:

Balance	1,196	1,196
---------	-------	-------

Revaluation Reserve:

Opening Balance	159,246	167,627
Less: Adjusted against corresponding depreciation charge (See note no. 9 in Schedule 'O')	(7,962)	(8,381)
	151,284	159,246

Capital Redemption Reserve:

Balance	3,000	3,000
---------	-------	-------

Share Premium:

Balance	292,201	292,201
---------	---------	---------

General Reserve (Statutory):

Opening Balance	112,489	100,321
Add: Transferred from Profit & Loss Account	11,616	12,168
	124,105	112,489

General Reserve (Other):

Opening Balance	17,200	16,388
Add/(Less): Employee Benefits	-	812
Total	17,200	17,200
Add: Transferred from Profit & Loss Account	250,000	-
	267,200	17,200

Profit and Loss Account:

Balance as per Profit and Loss Account attached to the Balance Sheet	3,086,782	2,236,442
--	-----------	-----------

Foreign Currency Translation Reserve:

Opening Balance	(99,992)	(1,639)
Additions / (Deductions) during the year	774,395	(98,353)
	674,403	(99,992)

TOTAL

4,600,171

2,721,782

CHOWGULE STEAMSHIPS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	As at 31-Mar-2009 (Rs. in '000)	As at 31.03.2008 (Rs. in '000)
Schedule 'C'		
SECURED LOANS: (See note 5 in Schedule 'O')		
From Bank:		
<i>Cash Credit:</i>		
From State Bank of India:		
Secured against hypothecation of book debts and stocks / stores aboard the vessels and first equitable mortgage on the Company's office premises	1,560	436
<i>Term Loan:</i>		
From DVB Bank, Singapore:		
Secured by mortgage of vessels (forming part of fleet)	1,029,000	1,155,890
TOTAL	1,030,560	1,156,326

**SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2009**

Schedule 'D'

(Rs. in '000)

FIXED ASSETS	COST			DEPRECIATION			WRITTEN DOWN VALUE			
	Opening as at 01-Apr-08	Additions during the year	Deductions during the year	Closing as at 31-Mar-2009	Up to 31-Mar-2008 original cost	Adjusted against corresponding draw down from revaluation reserve	Deductions during the year	Up to 31-Mar-2009	As at 31-Mar-2009	As at 31-Mar-2008
Land	4,263	-	-	4,263	-	-	-	-	4,263	4,263
Fleet #	3,393,206	146,433	-	3,539,639	1,174,983	277,524	-	1,452,507	2,087,132	2,218,223
Building (See note no.8 in Schedule 'O') On Leasehold Land - Office Premises \$	208,686	-	-	208,686	56,521	28	7,580	64,129	144,557	152,165
On Freehold Land - Staff Quarters \$\$	11,043	-	-	11,043	3,201	10	382	3,593	7,450	7,842
Furniture and Fixtures	11,173	497	365	11,305	5,035	1,150	-	63	5,183	6,138
Office Equipments	16,024	825	1,048	15,801	5,932	2,114	-	730	8,485	10,092
Motor Cars	4,537	-	-	4,537	2,502	527	-	3,029	1,508	2,035
TOTAL	3,648,932	147,755	1,413	3,795,274	1,248,174	281,353	7,962	793	2,258,578	2,400,758
Previous Year	3,150,592	1,367,870	869,530	3,648,932	1,142,003	287,968	8,381	190,178	1,248,174	

Addition during the year

- Rs. 146,433 (2008-Rs. 120,555 thousand decrease) on account of restatement of opening gross block relating to non-integral foreign operations consequent to change in the exchange rate.

- Depreciation for the year includes Rs. 50,156 thousand (2008-Rs. Nil) on account of restatement of the opening accumulated depreciation relating to non-integrated foreign operations consequent to change in the exchange rate.

\$ Includes cost of five shares (2008 - five shares) of Rs 50/- each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited

\$\$ Includes cost of five shares (2008 - five shares) of Rs 50/- each fully paid in Dadar Paschim Apartments Co-operative Housing Society Limited and cost of five shares (2008 - five shares) of Rs 50/- each fully paid in Olympus Co-operative Housing Society Limited

CHOWGULE STEAMSHIPS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	Face Value	Nos.	As at 31-Mar-2009 (Rs. in '000)	Nos.	As at 31-Mar-2008 (Rs. in '000)
Schedule 'E'					
INVESTMENTS: (Refer note 2.ii in Schedule 'O')					
LONG TERM:					
Trade Investments:					
Quoted Equity Shares:					
Garware Offshore Services Limited	INR 10	50	1	50	1
Essar Shipping Limited	INR 10	700	3	700	3
Great Offshore Ltd.	INR 10	30	-	30	-
The Great Eastern Shipping Company Limited	INR 10	121	2	121	2
Varun Shipping Company Limited	INR 10	150	2	150	2
Shreyas Shipping Limited	INR 10	100	1	100	1
The Shipping Corporation of India Limited	INR 10	75	1	50	1
Non-Trade Investments:					
Unquoted Equity Shares:					
Chowgule Ports & Infrastructure Private Limited	INR 10	5,000	50	5,000	50
CMA Constructions & Properties Pvt.Ltd.	INR 10	5,000	50	-	-
Unquoted Bonds:					
State Bank of India - Floating Rate Note (Non US)	USD 100	20,000	101,060	-	-
Unquoted Others:					
Northern Shipping Fund - NFC	-	-	30,318	-	-
Quoted Equity Shares:					
Mahindra Lifespace Developers Ltd	INR 10	16	-	16	-
ICICI Bank Limited	INR 10	150	5	150	5
CURRENT:					
Unquoted:					
In Mutual Fund Units					
Birla Sunlife Fixed Term Plan - Institutional - Series AO - Growth	INR 10	10,000,000	100,000	10,000,000	100,000
Birla Sun Life Savings Fund - Institutional - Weekly Dividend Reinvestment	INR 10	5,007,715	50,077	-	-
BSL Short Term Fund - Retail - Fortnightly Dividend	INR 10	1,293,924	13,152	-	-
DSP Black Rock Money Manager Fund - Regular - Daily Dividend	INR 10	-	-	67,465	67,500
Fidelity Fixed Maturity Plan Series 1 Plan A Institutional Growth	INR 10	2,200,000	22,000	-	-
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	INR 10	-	-	1,319,234	13,949
28 Q ICICI Prudential Flexible Income Plan Premium - Weekly Dividend	INR 10	809,600	8,560	-	-
GFRW IDFC Money Manager Fund - Treasury Plan - Weekly Dividend	INR 10	7,007,773	15,630	-	-
G73 IDFC - SSIF - Short Term - Plan B - Fortnightly Dividend	INR 10	16,108,884	164,900	-	-
J P Morgan India Active Bond Fund - Retail - Growth Fund	INR 10	3,691,247	37,000	-	-
S432 SBNPP Fixed Term Plan - F - Retail Growth	INR 10	2,350,000	23,500	-	-
Bonds					
ICICI Bank Ltd	USD 100	10,000	50,530	-	-
Industrial Development Bank Ltd	USD 100	10,000	50,530	-	-
State Bank of India	USD 100	19,050	96,260	-	-
Others					
DSP Merrill Lynch Capital Limited - Debentures	INR 100,000	81	8,050	-	-
TOTAL			771,682		181,514
Aggregate amount of quoted investments			15		15
Aggregate amount of unquoted investments			771,667		600,678
Aggregate market value of quoted investments			120		327
Aggregate Net Asset Value of units in Mutual Funds			445,933		181,454

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	As at 31-Mar-2009 (Rs. in '000)		As at 31-Mar-2008 (Rs. in '000)
Schedule 'F'			
INVENTORIES:			
(Refer note 2.iii in Schedule 'O')			
Stores and Spare Parts	1,067		715
Fuel Oil and Lube Oil on vessels	11,246		7,146
TOTAL	12,313		7,861
Schedule 'G'			
SUNDRY DEBTORS (UNSECURED):			
Considered Good			
Over Six Months	3,236		-
Others	7,762	10,998	652
Considered Doubtful			
Over Six Months	32,718		32,718
Others	-		-
	32,718		32,718
Less: Provision for Doubtful Debts	32,718	-	-
TOTAL	10,998		652
Schedule 'H'			
CASH AND BANK BALANCES:			
Cash on hand		152	79
Balances with Scheduled Banks on-			
Current Account #	547,364		25,169
Call Account	266		206
Fixed Deposit Account	1,445,355		1,760,339
Fixed Deposit as Margin Money against Bank Guarantees	12,550	2,005,535	35,000
TOTAL	2,005,687		1,820,793
# Includes Rs. 2,859 thousand (2008 - Rs.1,950 thousand) on dividend distribution account, i.e. restricted			
Schedule 'I'			
OTHER CURRENT ASSETS:			
Accrued Interest on Fixed Deposits with Banks		7,391	4,434
TOTAL		7,391	4,434
Schedule 'J'			
LOANS & ADVANCES (UNSECURED):			
Advances recoverable in cash or in kind or for value to be received			
Considered Good			
Advance Income Tax (Net of provision for tax)	14,131		14,526
Fringe Benefit Tax (Net of provision for tax)	54		54
Prepaid Expenses	8,343		7,904
Others	78,414	100,942	38,381
Considered Doubtful			
Other than taxes and prepaid expenses	2,750		2,750
Less: Provision for Doubtful Advances	2,750	-	-
TOTAL	100,942		60,865

CHOWGULE STEAMSHIPS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	As at 31-Mar-2009 (Rs. in '000)	As at 31-Mar-2008 (Rs. in '000)
Schedule 'K'		
CURRENT LIABILITIES & PROVISIONS:		
A. CURRENT LIABILITIES:		
Sundry Creditors		
Dues to Micro and Small Enterprises	-	-
Others	57,751	74,974
Security Deposits	62,237	15,235
Charter Hire (received in advance)	42,400	32,260
Investor Education and Protection Fund shall be credited by the following amount:		
Unclaimed Dividend	2,859	1,949
Other Liabilities	26,679	27,419
Interest accrued but not due on loans	80	-
	192,006	151,837
B. PROVISIONS:		
For Proposed Dividend	54,463	54,463
For Tax on Proposed Dividend	9,256	9,256
For Gratuity	1,570	1,808
For Compensated Absences	1,184	2,361
For Fringe Benefit Tax (Net of advance tax)	69	75
	66,542	67,963
TOTAL	258,548	219,800

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the year ended 31-Mar-2009 (Rs. in '000)	For the year ended 31-Mar-2008 (Rs. in '000)
Schedule 'I'		
INCOME:		
Operating Earnings:		
Freight earnings and charter hire receipts, etc. (Including of chartered vessels)	2,376,325	1,927,882
Other Income:		
Interest on Bank deposits [Tax deducted at source Rs. 347 thousand (2008 - Rs. 2,029 thousand)]	36,426	41,317
Rent	69,080	25,705
Dividend Income (Gross) [Tax deducted at source Rs. Nil (2008 - Rs. Nil)]	6,460	1,042
Profit on sale of Current Investment including unrealised gain/(loss) - net	1,341	10
Miscellaneous income	16,088	41,504
	129,395	109,578
TOTAL	2,505,720	2,037,460

Annual Report 2008-2009

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the year ended 31-Mar-2009 (Rs. in '000)	For the year ended 31-Mar-2008 (Rs. in '000)
Schedule 'M'		
OPERATING AND OTHER EXPENSES:		
(Including on Chartered Vessels)		
Salaries, Wages etc.:		
Salaries, Wages, Bonus, Gratuity, Victualling, etc.	6,991	14,433
Contribution to Employees' Providend Fund	662	819
Contribution to Superannuation Fund	85	610
Staff Welfare Expenses	460	461
Manning Cost	167,400	152,576
	175,598	168,899
Fuel, Oil and Water	24,744	45,021
Stores and Spare Parts consumed	39,903	45,608
Port Disbursement, Stevedorage, Light dues, etc.	5,488	2,038
Repairs and Survey Charges	34,599	56,471
[Including repairs to building Rs. 775 thousand (2008-Rs. 12,970 thousand)]		
Dry Docking Charges	66,952	108,653
Insurance & Protection Club Dues	41,614	46,770
Commission, Brokerage and Agency Fees	144,057	116,896
Postage, Telephone etc.	4,007	7,382
Rent	556	5,095
Rates and Taxes	393	452
Provision for Wealth Tax	27	27
Auditors' Remuneration		
For Statutory Audit	1,076	1,162
For Tax Audit	80	80
For Other Services	142	120
Service Tax on above	55	62
	1,353	1,424
Directors' Fees	930	525
Claims Paid	1,002	123
Ship Management Fees Paid	26,721	30,011
Crew Expenses	22,384	22,202
Foreign Currency Translation Differences	9,688	-
Miscellaneous Expenses	38,527	41,956
TOTAL	638,543	699,553
Schedule 'N'		
INTEREST AND OTHER FINANCE CHARGES:		
Interest on:		
Loans for fixed period	59,050	122,639
Others	364	144
	59,414	122,783
Other financial charges	1,995	449
TOTAL	61,409	123,232

CHOWGULE STEAMSHIPS LIMITED

SCHEDULE 'O'

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

1. CONSOLIDATION OF ACCOUNTS

Basis of Preparation

The consolidated financial statements relate to Chowgule Steamships Limited (CSL / the Company) and its subsidiaries. The Company and its subsidiaries comprise the Group. The Consolidated Financial Statements have been prepared on the following basis.

- The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits and losses.
- As the subsidiaries are foreign, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains / (losses) arising on conversion are recognised under Foreign Currency Translation Reserve.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. 31st March, 2009.
- As the subsidiaries are wholly owned, no goodwill or capital reserve or minority interest arises.
- Intra-group balances, intra-group transactions and the resulting unrealised profits, if any, have been eliminated.

The list of subsidiary Company included in the Consolidation and the Company's holdings therein are as under:

Name of the Company	Country of Incorporation	Ownership Direct or through subsidiaries	
		2008-09	2007-08
Chowgule Steamships Overseas Ltd. (CSOL)	Guernsey	100%	100%
Sunshine LLC	The Marshall Islands	100%	100%
Fairweather LLC	The Marshall Islands	100%	100%
Blue Ocean LLC	The Marshall Islands	100%	100%
Sea Bird LLC	The Marshall Islands	100%	100%
Sea Lord LLC	The Marshall Islands	100%	100%
Sea Green LLC	The Marshall Islands	100%	Not Applicable

Note: Sea Green LLC is incorporated during 2008-09.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared and presented under the historical cost convention on an accrual basis of accounting in accordance with generally accepted accounting principles in India and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. The significant accounting policies adopted in the presentation of the accounts are as under:

i. Fixed Assets and Depreciation

Fixed assets (other than buildings) are stated at purchase price and exchange differences arising on the conversion of foreign currency borrowings for the acquisition of ships from outside India at the year end date and exchange differences on the payment of those borrowings during the year are credited / debited to profit and loss account.

Buildings have been revalued on 31st March 2002.

The Company depreciates its fleet of ships on a straight line basis at the rates specified in Schedule XIV to the Companies Act, 1956. The cost of second-hand ships and other capital additions thereto are depreciated with reference to their residual lives if such lives are lower than lives determined with reference to rates prescribed in Schedule XIV to the Companies Act, 1956. Otherwise, rates prescribed in the said Schedule XIV are used. Other assets are depreciated on written down value basis at the rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation on buildings has been provided on revalued amount. The additional depreciation on revaluation is recouped from the revaluation reserve.

In the case of subsidiary companies, the depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Global Triumph Over 12.41 years straight line

ii. Investments

Investments are either classified as current or long-term investments. Current investments are carried at lower of cost or market value. Long-term investments are carried at cost of acquisition, net of diminution in value, if any, which is other than temporary.

iii. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is ascertained on a first-in-first-out basis.

iv. Unfinished Voyage

Unfinished voyages represent voyage charter earnings received, reduced by direct operating expenses, related to incomplete voyages as at the balance sheet date.

v. Revenue Recognition

Freight and demurrage earnings are recognised on a completed voyage basis. Time charter earnings are recognised in the year of accrual.

vi. Bareboat Charges

Bareboat charges payable under bareboat charter agreements are charged against income on a straight line basis over the charter term.

vii. Insurance Claims

Insurance claims for damages to ship's hull, machinery, etc., are being accrued in the year of acceptance of the claim and are based on technical considerations.

viii. Employee Benefits

i) Short Term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

ii) Long Term

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

a) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

b) Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

iii) Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

ix. Transactions in Foreign Currency

- a. Foreign currency transactions are recorded on initial recognition by applying the exchange rate prevailing on the date of the transaction at the commencement of the month in which the transaction takes place, if it approximates the actual rate on the date of the transaction. Otherwise, the rates prevailing at the date of the transaction are used.

CHOWGULE STEAMSHIPS LIMITED

- b. As at balance sheet date:
- i) foreign currency monetary items are reported using the closing rate;
 - ii) non-monetary items that are carried at historical cost and denominated in foreign currency are reported using the exchange rate at the date of the transaction; and
 - iii) non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- c. Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

x) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

xi) Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Reversal of impairment loss is recognised immediately as income in the profit and loss account.

xii) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

xiii) Taxes on Income

The Company's income taxes include taxes on the Company's taxable profits, fringe benefits tax, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

3. Staff costs for the year ended March 31, 2009 include provision for employee benefits as given below consequent to the adoption of the revised Accounting Standard (AS) 15 on Employee Benefits: -

The amounts recognised in the balance sheet are as follows:

	2008-09 (Rs. in '000)	2007-08 (Rs. in '000)
Employee Benefits Obligations		
i) Present value of funded obligations	2,739	4,116
ii) Fair value of plan assets	1,169	2,308
iii) Net liability	(1,570)	(1,808)

Annual Report 2008-2009

	2008-09 (Rs. in '000)	2007-08 (Rs. in '000)
The amounts recognised in the statement of profit and loss are as follows:		
i) Current service cost	259	326
ii) Interest on obligation	241	230
iii) Expected return on plan assets	(139)	(203)
iv) Net actuarial losses/(gains) recognised in year	472	1,116
v) Adjustment on account of opening balance	(3)	(34)
vi) Expenses recognized in the statement of profit and loss	830	1,435

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

i) Opening defined benefit obligation	4,116	3,108
ii) Service cost	259	326
iii) Interest cost	241	230
iv) Actuarial losses/(gains)	333	915
v) Benefits paid	(935)	(463)
vi) Closing defined benefit obligation	2,739	4,116

Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

i) Opening fair value of plan assets	2,308	2,371
ii) Adjustment to opening balance	3	34
iii) Expected return	139	203
iv) Actuarial losses/(gains)	(139)	(201)
v) Contribution by employer	133	364
vi) Benefits paid	(1,275)	(463)
vii) Closing fair value of plan assets	1,169	2,308

The Company has the Gratuity Fund administered and managed by the Life Insurance Corporation of India (LIC). The fair value of the plan assets are based on the LIC Fund balance position as at the balance sheet date. The composition and the categories of plan assets are unavailable with the Group.

The principal actuarial assumptions at the balance sheet date are as follows:

	2008-09	2007-08
i) Discount rate at 31 st March	6.50%	8.00%
ii) Expected return on plan assets at 31 st March	8.00%	8.00%
iii) Rate of increase in compensation	5.00%	5.00%
iv) Withdrawal rate	0.50%	0.50%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The contribution expected to be made by the Group during the financial year 2008-09 has not been ascertained.

Sr. No	Particular	2008-09 (Rs. in '000)	2007-08 (Rs. in '000)	2006-07 (Rs. in '000)
1.	Present value of the obligation	2,739	4,116	3,108
2.	Fair value of the plan assets	1,169	2,308	2,371
3.	Surplus or deficit in the plan	(1,570)	(1,808)	(737)
4.	Experience adjustments arising:			
	a. on plan liabilities	21	915	340
	b. on plan assets	139	201	16

CHOWGULE STEAMSHIPS LIMITED

As this is the third year in which the revised AS-15 has been applied the amounts of the present value of the obligations, the fair value of the plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets for the previous two annual periods have not been furnished.

	2008-09 (Rs. in '000)	2007-08 (Rs. in '000)
4. Estimated amount of contracts remaining to be executed on capital account not provided for [Against which advance paid aggregating to Rs. 1,383,837 thousand (2008 – Rs. 244,976 thousand)]	12,661,532	2,449,766
5. Secured loans include amounts due within one year	154,350	179,610

6. Contingent Liabilities (not provided for):

In respect of a Sales Tax demand, the Group has contested claims amounting to Rs.23,700 thousand (2008–Rs.23,700 thousand) against the Order of the Appellate Assistant Commissioner, Chennai, confirming the Order of the Commercial Tax Officer for the Assessment Year 1995-96 in respect of charter hire of the vessel, 'm.v. Maratha Prudence'. The Group has already deposited Rs. 4,740 thousand (including refunds withheld by the authorities) and executed a bond of Rs.21,804 thousand in respect of the said claim. The Group does not expect any liability to devolve on it in respect of the above and therefore no provision is held.

Guarantees given by Bank and counter guaranteed by the Company is Rs. 50,050 thousand (2008 – Rs. 50,000 thousand) for due performance of the Group's obligations towards development of the port project.

7. Profit and Loss account includes exchange loss (net) Rs. 9,688 thousand (2008 – exchange gain (net) of Rs.6,475 thousand).
8. The Group had revalued its block of assets under 'Buildings' as on 31.03.2002. The revaluation had been carried out based on a report by an independent professional valuer. The revalued amounts are as under:

Buildings	Historical cost as on 31.03.2002 (Rs. in '000)	Written down value as on 31.03.2002 (Rs. in '000)	Revalued amount (Substituted for original cost) as on 31.03.2002 (Rs. in '000)	Difference in W.D.V. and revalued amount (Rs. in '000)
Leasehold land – Office Premises	2,445	759	207,000	206,241
Freehold land – Staff Quarters	649	276	10,668	10,392
TOTAL	3,094	1,035	217,668	216,633

The revaluation was based on comparable sale approach, taking into consideration situation of buildings, size, specification of construction, existing amenities and demand for such type of buildings in same locality and prevailing market for such type of buildings. Revaluation reserve was appropriately created for the same.

9. Depreciation provided on the revalued portion of the buildings amounting to Rs. 7,962 thousand (2008– Rs. 8,381 thousand) has been directly adjusted from the revaluation reserve.

10. Segment Reporting

The Group treats 'Shipping' as single business segment and therefore details of segments are not separately shown. Given the nature of the business there are no Geographic Segments either.

11. Related Party Transactions

As per Accounting Standards (AS) 18, the transactions with Company's related parties are disclosed below:

Name of related party	Nature of transactions
Key Management Personnel	Remuneration
M. P. Patwardhan – Managing Director	Rs. 3,006 thousand (Retired on 31.08.2008)
M. S. Sawant – Manager pursuant to Section 269 of the Companies Act, 1956.	Rs. 1,034 thousand

Annual Report 2008-2009

12. As per Accounting Standards (AS) 20 on 'Earnings Per Share' (Basic and Diluted), the earning per share of the Company is as under:

Particulars	2008-09	2007-08
Net Profit available to Equity Shareholders (Rs. in thousand)	1,175,675	1,659,977
Number of Equity Shares	36,308,425	36,308,425
Face Value per Equity Share (Rs.)	10	10
Basic & Diluted Earnings Per Share (Rs.)	32.38	45.72

13. The net deferred tax liability comprises the following components:

Computation of deferred tax (liability) / asset:	For the year 31-Mar-2009 (Rs in '000)	For the year 31-Mar-2008 (Rs. in '000)
i) Assets on account of timing differences		
a) Provision for doubtful debts and advances	12,055	12,055
b) Related to employees' benefits	936	1,418
Deferred Tax Asset (A)	12,991	13,473
ii) Liabilities on account of timing differences		
a) Depreciation	(214,097)	(273,712)
Deferred Tax Liability (B)	(214,924)	(273,712)
Net Deferred Tax Liability as at the year end (A) - (B)	(201,933)	(260,239)

The Group has recognised in the Profit and Loss Account the net reversal of deferred tax liability of Rs. 58,306 thousand (2008- net addition to deferred tax liability of Rs 66,624 thousand).

14. Foreign Currency Exposures:

The year end foreign currency exposures that were not hedged by a derivative instrument or otherwise are given below.

Particulars	2008-09		2007-08	
	(Rs. in '000)	USD million	(Rs. in '000)	USD million
Loans	1,029,000	20.00	1,002,750	25.00
Sundry Debtors	175	0.003	16,287	0.412
Sundry Creditors & Other Liabilities	10,708	0.212	15,733	0.398
Loans & Advances	2,818	0.056	5,633	0.143
Cash & Bank Balances	59,658	1.181	57,416	1.453

Note: USD = US Dollar

15. Statement of purchase and sales of units of mutual funds:

(Rs. in '000)

Particulars of Investment	2008-09		2007-08	
	No. of Units	Cost (Rs. in '000)	No. of Units	Cost (Rs. in '000)
(a) Acquired and sold during the year				
Birla Sun Life Saving Fund – Institutional – Weekly Dividend Reinvestment	4,996,772.062	50,072	–	–
DSP Merrill Lynch Floating Rate Fund	–	–	1,048.870	10
DSP BlackRock Money Manager Fund – Regular – Daily Dividend	371.380	372	101,944.269	101,996
DSP BlackRock Money Manager Fund – Regular Plan – Weekly Dividend	2,507.486	2,512	–	–
Templeton India Short Term Income Retail Plan – Weekly Dividend	27,864.643	30,119	–	–
HDFC Cash Management Fund – Treasury Advance Plan – Retail – Weekly Dividend	251,405.414	2,518	–	–
HSBC Gilt Fund – Weekly Dividend	1,285,620.473	12,860	–	–
HSBC Ultra Short Term Bond Fund – Regular – Weekly Dividend	250,767.537	2,517	–	–

CHOWGULE STEAMSHIPS LIMITED

Particulars of Investment	2008-09		2007-08	
	No. of Units	Cost (Rs. in '000)	No. of Units	Cost (Rs. in '000)
ICICI Prudential Flexible Income Plan Premium – Daily Dividend	7,858.156	83	1,962,847.454	23,081
ICICI Prudential Flexible Income Plan Premium – Weekly Dividend	7,070,796.294	74,584	-	-
28 ICICI Prudential Flexible Income Plan Premium – Weekly Dividend	5,764,394.904	60,805	-	-
G73 IDFC – SSIF – Short Term – Plan B – Fortnightly Dividend	2,993,366.642	30,157	-	-
G49 IDFC Money Manager Fund – Investment Plan – Institutional Plan B – Weekly Dividend	3,317,118.854	33,209	-	-
G71 IDFC Liquid Fund – Weekly Dividend	61,935.519	61,981	-	-
G70 IDFC Liquid Fund – Daily Dividend	15,277.360	15,281	-	-
GFRW IDFC Money Manager Fund – Treasury Plan – Weekly Dividend	8,139,513.031	82,013	-	-
GGSM IDFC GSF – Short Term – Plan A – Monthly Dividend	19,286,951.340	191,939	-	-
Reliance Liquid Fund – Treasury Plan – Retail Option – Weekly Dividend Option	995,049.103	10,299	-	-
S133 SBNPP Money Fund Institutional – Weekly Dividend Reinvest	974,853.533	10,242	-	-
S33 SBNPP Money Fund – Weekly Dividend Reinvest	238,822.181	2,515	-	-
(b) Acquired during the year and retained as at the year end				
DSP Merrill Lynch Liquid Plus	-	-	67,464.923	67,500
ICICI Prudential Flexible Income Plan – Premium – Daily Dividend	-	-	1,319,233.970	13,949
Birla Sun Life Saving Fund – Institutional – Weekly Dividend reinvestment	5,007,714.993	50,077	-	-
BSL Short Term Fund – Retail – Fortnightly Dividend	1,293,924.325	13,152	-	-
DSP Merrill Lynch Capital Ltd. – Debenture	805,000.000	8,050	-	-
Fidelity FMP Series 1 Plan A Institutional – Growth	2,200,000.000	22,000	-	-
28Q ICICI Prudential Flexible Income Plan Premium – Weekly Dividend	809,599.705	8,560	-	-
GFRW IDFC Money Manager Fund – Treasury Plan – Weekly Dividend	1,551,423.314	15,630	-	-
G73 IDFC – SSIF – Short Term – Plan B – Fortnightly Dividend	16,108,884.244	164,900	-	-
J P Morgan India Active Bond Fund – Retail – Growth Fund	3,691,246.979	37,000	-	-
S432 SBNPP Fixed Term Plan F Retail – Growth	2,350,000.000	23,500	-	-
(c) Sold out of acquisition of an earlier year				
DSP Merrill Lynch Floating Rate Fund	-	-	313,566.74	3,142
DSP BlackRock Money Manager Fund – Regular – Daily Dividend	67,464.920	67,500	-	-
ICICI Prudential Flexible Income Plan Premium – Daily Dividend	13,19,233.970	13,949	-	-
(d) Acquired during the previous year and retained as at the year end				
Birla Sunlife Fixed Term Plan – Institutional – Series AO – Growth	10,000,000	100,000	10,000,000	100,000

16. Previous year's figures have been regrouped wherever necessary to conform to current year's presentation.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

SUHAS JOSHI
Company Secretary

D.N. MUNGALE
Director

Place : Mumbai,
Date : April 28, 2009

M.S. SAWANT
CFO & Director (Operations)

M.P. PATWARDHAN
Director

PROXY FORM

CHOWGULE STEAMSHIPS LIMITED

Registered Office : Chowgule House, Mormugao Harbour, GOA - 403 803

Folio No. / DP ID _____

No. of Shares held _____

I/We _____ of _____ in the district of _____ being member/s of Chowgule Steamships Limited hereby appoint _____

_____ of _____ in the district of _____ or failing him / her _____ of _____ in the district of _____ as my / our proxy to attend and vote for me / us on my / our behalf at the Forty Sixth Annual General Meeting of Chowgule Steamships Limited to be held on July 17, 2009, at 11.00 AM (I.S.T.) and at any adjournment thereof.

Signed this..... day of.....2009

Signature

Affix 1 Rupee Revenue Stamp

Note: This form duly completed should be deposited at Registered Office of the Company not less than 48 hours before the time of holding the meeting.

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078.

Dear Sirs,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

Please fill in the information in CAPITAL LETTERS in ENGLISH only. Please TICK [x] wherever applicable. For shares held in physical form

Master Folio No. []

FOR OFFICE USE ONLY ECS Ref. No. []

Name of First Holder _____

Bank Name _____

Branch Name _____

Branch Code []

(9 Digits Code Number appearing on the MICR Band of the cheque by the Bank). Please attach a photo copy of a cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch name and code number.

Account Type Savings [] Current [] Cash Credit []

A/c. No. (as appearing in the cheque book) [] Effective date of this mandate []

I, hereby, declare that the particulars given are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness, Link Intime India Pvt. Ltd. / Chowgule Steamships Ltd. will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by Chowgule Steamships Ltd.

I further undertake to inform the Company any change in my Bank / branch and account number.

Date : _____ (Signature of First Holder)

Note : * On dematerialisation of your shares, the details registered with your Depository Participant will be considered for payment through ECS.

* This form duly filled in may be returned to Link Intime India Private Limited.

CHOWGULE STEAMSHIPS LIMITED

This page is intentionally kept blank

Fleet Profile

CHOWGULE STEAMSHIPS LIMITED

	Name	Year Built	DWT (M.T.)
1.	M. V. Maratha Messenger	1995	71252
2.	M. V. Maratha Providence	1995	47574
3.	M. V. Maratha Courage	1994	2053
4.	M. V. Maratha Crystal	1997	3500
5.	M. V. Maratha Coral	2000	3427

CHOWGULE STEAMSHIPS OVERSEAS LIMITED

	Name	Year Built	DWT (M.T.)
1.	M. V. Global Triumph (Owned by Sunshine LLC)	1996	72870

BOOK-POST

If undelivered, please return to:

Link Intime India Private Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078.
Email : rnt.helpdesk@linkintime.co.in