

# Garware Offshore Services Limited



**Thirty First Annual Report 2008-2009**

<b>BOARD OF DIRECTORS</b>	<b>ASHOK GARWARE</b> — M.A. (Cantab) (Executive Chairman) <b>ADITYA GARWARE</b> — M.B.A. (Vice Chairman & Managing Director) <b>MANEESHA SHAH</b> (nee <b>GARWARE</b> ) — L.L.B. <b>S.S. AGGARWAL</b> — B.Sc. (New York University) <b>DR. B.S. COOPER</b> Ph.d. (Engineering) London <b>A.K. THANAVALA</b> — B.Com. (Hons), L.L.B., A.C.S. <b>J.C. CHOPRA</b> — M.A. <b>D.J. THAKKAR</b> — C.A. <b>GEORGE DUNCAN STEELE BODGER</b> — B.A. (Hons) — Economics (Ceased w.e.f. 1/6/2009)
<b>COMPANY SECRETARY</b>	<b>A.C.CHANDARANA</b> B.Com., L.L.B., F.C.S.
<b>PRESIDENT — COMMERCIAL</b>	<b>K.S. DAVE</b> — B.Com. L.L.B.
<b>PRESIDENT — FINANCE</b>	<b>S.P. AKOLKAR</b> — <b>M.M.S.</b> (Finance)
<b>HEAD — (HSSE &amp; TRAINING)</b>	<b>Capt. VIPIN BAIJAL</b> — Extra master, M.Sc., WMU, Malmo Sweden
<b>PRESIDENT — MARKETING</b>	<b>Capt. D. L. MATHUR</b> — Master Foreign Going Shipping Mgt.
<b>PRESIDENT — OPERATIONS</b>	<b>Capt. S. SARKANGO</b> — Master Mariner
<b>GENERAL MANAGER — FINANCE &amp; ACCOUNTS</b>	<b>P.S. SHAH</b> — B.Com.
<b>GENERAL MANAGER — TECHNICAL</b>	<b>K.K. AGGARWAL</b> — Marine Engineer
<b>GENERAL MANAGER — TECHNICAL</b>	<b>Z.R. MEHTA</b> — First Class Engineer (Motor)
<b>BANKERS</b>	DVB Group Merchant Bank (Asia) Ltd. ICICI Bank (Bahrain) Ltd. State Bank of India State Bank of Travancore United Bank of India State Bank of Hyderabad
<b>AUDITORS</b>	<b>MESSRS. RAMAN S. SHAH &amp; ASSOCIATES</b> (Chartered Accountants)
<b>REGISTERED OFFICE</b>	Chander Mukhi, Nariman Point, Mumbai - 400 021
<b>BRANCHES</b>	Goa, Pondicherry, Chennai.
<b>REGISTRAR AND SHARE TRANSFER AGENT</b>	<b>BIGSHARE SERVICES PVT. LTD.</b> E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai - 400 072

## MANAGEMENT DISCUSSION & ANALYSIS ON SELECT FINANCIAL DATA

In the last year the world faced a massive financial crisis and there has been much upheaval in the market ensuing deep economic contraction; one not witnessed since the 1930s. The implications have stretched far and wide, with its ripple effects across the globe. This has ushered in some extraordinary changes in a short period of time.

In spite of the volatile financial market, during the year, the company successfully took delivery of the following vessels—

Type of vessel	Vessel name	Date of acquisition
PSV	M V Mana	Jun-08
AHTSV	M V Poorna	Jul-08
AHTSV	M V Meghna	Dec-08
PSV	M V Makalu	Mar-09
AHTSV	M V Mahananda	Mar-09

Compared to F.Y.08, on annualized basis, the –

- Income from operations was up by 81.8%;
- Total income (including exchange gain of Rs.1,605.75 lacs in FY08) was up by 60.3%;
- EBITDA was up by 39.7%;
- Profit after tax was up by 22.9%.

The above growth was possible due to increase in fleet size and prudent deployment of vessels. The earnings from vessels added in Mar-09 are obviously not reflected in FY09.

The company sold one of its older AHTSV during FY09.

Some analysts do predict a recovery from the global recession. However, it may be some time before the effects are seen.

For developing countries, the consumption of oil is increasing due to efforts to achieve targetted growth rates. These countries are also making aggressive efforts to be self sufficient in terms of their requirement for oil and gas. As a result, they have given a special “thrust” to oil and gas exploration and production activities, which in turn has seen the increase in demand for offshore support vessels.

In India, particularly the government has also announced NELP-VIII, which will see 52 Offshore Blocks being offered to E & P companies.

Whilst, your Company is confident in its ability to deploy its ships in the E & P sector, the recent events over the past year when oil has come crashing down to approx. \$33.00 per barrel has led to reduced spending by E & P players in certain markets. This has also led to a correction in the day rates for vessels, especially, those working on spot contracts.

However, in view of the fact that oil has once again arisen to \$70 per barrel level, we believe that E & P spending will once again pick up in these markets.

Your company is always exploring for acquisition of new assets and accordingly has placed an order for a “state of the art” large PSV, scheduled to be delivered in the third quarter of FY 2011.

Over the past year, the world has faced a complete “shake down” of a magnitude that has not been experienced for more than 70 years. The company is confident of “facing” this down turn.

## NOTICE

Notice is hereby given that the Thirty first Annual General Meeting of the Members of Garware Offshore Services Ltd. will be held at "Amar Gian Auditorium", Lala Lajpatrai College, Lala Lajpatrai Marg, Haji Ali, Mumbai – 400 034, on Tuesday, 29<sup>th</sup> September, 2009 at 9.30 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit and Loss Account for the year ended as on that date together with Directors' and Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr.S.S.Aggarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr.J.C.Chopra who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

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

"RESOLVED THAT Pursuant to Schedule XIII and Sections 198,269,310 and any other applicable provisions of the Companies Act, 1956, the remuneration payable to Mr. Ashok B. Garware, Executive Chairman be increased as set out in the Explanatory Statement w.e.f. 1<sup>st</sup> January, 2009, the other terms and conditions remain unchanged."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution".

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

"RESOLVED THAT pursuant to Sections 198, 269, 310 and any other applicable provisions of the Companies Act, 1956, Mr. Aditya A. Garware be is hereby re-appointed as Vice Chairman & Managing Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> February, 2009 on remuneration and upon terms and conditions set out in the Explanatory Statement relating to this resolution but within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereof."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution".

By Order of the Board

**A.C.Chandarana**  
Company Secretary

### Registered Office

Chander Mukhi,  
Nariman Point, Mumbai – 400 021.  
Date: 18<sup>th</sup> August, 2009.

### 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 INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement for item Nos. 6 & 7 of accompanying notice pursuant to Section 173 of the Companies Act, 1956, is enclosed.
3. The Register of Members and Share Transfer books of the Company will remain closed from 24.09.2009 to 29.09.2009 (both days inclusive).
4. For the convenience of members, an attendance slip is annexed to the Proxy form. Members are requested to fill in and append their signatures at the space provided thereof and hand over the attendance slip at the entrance of the place of the meeting. Proxy / representative of a member should mark on the attendance slip as 'Proxy' or 'Representative' as the case may be. Members are also requested not to bring with them any person, who is not a Member / Proxy.

5. Members are requested to notify the change in Bank details, address, if any, immediately, quoting their Client ID No./ Folio No., Number of Shares held, etc. to the Company's Share Transfer Agents, 'M/s Bigshare Services Pvt. Ltd.'
6. Members holding shares in identical order of names in more than one Folio, are requested to write to the Company's Registered office and / or Share Transfer Agent, and send their Share Certificates to enable consolidation of their holding into one Folio.
7. All enquiries and correspondence regarding Transfer of Shares, Dematerialisation, etc. should be addressed to Registrars and Share Transfer Agents of the Company, M/s Bigshare Services Pvt. Ltd., E-2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.
8. **Details of Directors seeking appointment and re-appointment at the ensuing annual General Meeting (in pursuance of Clause 49 of the Listing Agreement.)**

Name of Director	A.B. Garware	A.A. Garware	S.S. Aggarwal	J.C. Chopra
Date of Birth	15.10.1938	11.02.1971	30.06.1937	04.03.1931
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	25.01.1977	31.05.1993	19.02.1994	20.11.2006
Qualifications	M.A. (Cantab)	M.B.A.	B.Sc (New York)	M.A.
Expertise in Functional Area	Industrialist	Industrialist	Businessman	Professional
No. of Shares held in the Company (as on 18.08.2009)	2,15,177	6,81,787	—	—
List of Directorships held in other Companies	<ul style="list-style-type: none"> <li>• Adsu Trading &amp; Investment Co, Pvt. Ltd.</li> <li>• Asuad Trading &amp; Investment Co, Pvt. Ltd.</li> <li>• Aybeegee Investment Co. Pvt. Ltd.</li> <li>• Garware Marine Industries Ltd.</li> <li>• Garware Offshore International Services Pte. Ltd. Singapore</li> <li>• Masu Trading &amp; Investment Co. Pvt. Ltd.</li> <li>• Mauve Trading &amp; Investment Co. Pvt. Ltd.</li> <li>• Universal Investment Services Pvt. Ltd.</li> <li>• Veebeegee Investment Co. Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Adsu Trading &amp; Investment Co, Pvt. Ltd.</li> <li>• Asuad Trading &amp; Investment Co, Pvt. Ltd.</li> <li>• Aybeegee Investment Co. Pvt. Ltd.</li> <li>• Garware Goa Nets Ltd.</li> <li>• Garware Marine Industries Ltd.</li> <li>• Garware Offshore International Services Pte. Ltd. Singapore</li> <li>• Masu Trading &amp; Investment Co. Pvt. Ltd.</li> <li>• Mauve Trading &amp; Investment Co. Pvt. Ltd.</li> <li>• Shesu Trading &amp; Investment Co. Pvt. Ltd.</li> <li>• Universal Investment Services Pvt. Ltd.</li> <li>• Veebeegee Investment Co. Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Coopers Rolers Pvt. Ltd.</li> <li>• DBS Capital Market Pvt. Ltd.</li> <li>• DBS Corporate Services Pvt. Ltd.</li> <li>• DBS Financial Services Pvt. Ltd.</li> <li>• DBS Internet Services Pvt. Ltd.</li> <li>• DBS Securities Pvt. Ltd.</li> <li>• DBS World Travel Pvt. Ltd.</li> <li>• Vanvik Leasing Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Aditya Birla Chemicals Ltd.</li> <li>• Eureka Forbes Ltd.</li> <li>• Infogain India Pvt. Ltd.</li> </ul>
Chairman/Member Committee of the Boards of other Companies in which he is a Director	NIL	ONE	NIL	NIL

## REQUEST TO THE MEMBERS

- Members desiring any information on the Accounts at the Annual General Meeting are requested to write to the Company at least ten working days in advance of the Annual General Meeting so as to enable the Company to keep the information ready. Only the information which could be furnished will be furnished to the members.
- Members are requested to bring their copy of the Annual Report to the Meeting.

By Order of the Board

**A.C.Chandarana**  
Company Secretary

### Registered Office

Chander Mukhi,  
Nariman Point, Mumbai – 400 021.  
Date: 18<sup>th</sup> August, 2009.

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

#### ITEM NO.6

In view of the substantial increase in work and responsibilities relating to the expansion / diversification and management of overall business of the Company, it was felt appropriate to increase the remuneration of Mr.Ashok B. Garware, Executive Chairman. Accordingly, upon recommendations of the Compensation Committee, the Board of Directors at its meeting held on 31.01.2009, subject to approval of Shareholders has approved the following increase in the remuneration to be paid to him:

Consolidated Salary of Rs.12,00,000/- (Rupees Twelve lacs only) per month be paid from 1<sup>st</sup> January, 2009 to 30<sup>th</sup> June, 2009 and thereafter w.e.f. 1<sup>st</sup> July, 2009 an annual increase of 20% per annum is proposed to be paid till the expiry of his term of contract.

In the event, the Company incurs loss or has inadequate profits, the above remuneration shall be treated as minimum remuneration payable to Mr.Ashok B. Garware, Executive Chairman.

The other terms and conditions of the appointment of Mr.Ashok B.Garware, Executive Chairman remain unchanged.

Approval for increase in payment of remuneration is sought from the Members at Item No.6 of this Notice.

Except Mr.Ashok B. Garware, Mr.Aditya A. Garware and Mrs.Maneesha S Shah, no other Director is interested or concerned in this resolution.

Copy of the Draft Supplementary Agreement proposed to be entered between the Company and Mr.Ashok B. Garware, Chairman & Whole-time director is available for inspection to the Members at the Registered Office of the Company on any working day between 11.00 A.M. to 1.00 P.M. till the conclusion of Annual General Meeting.

#### ITEM NO. 7

Upon recommendation of the Compensation Committee, the Board of Directors of the Company at its Meeting held on 31.01.2009 reappointed Mr. Aditya A. Garware as Vice Chairman & Managing Director w.e.f. 1<sup>st</sup> February, 2009 for a period of 5 years on the terms and conditions enumerated below :

The Vice Chairman & Managing Director shall be entitled to the following remuneration, perquisites and allowances from the company.

(a)	SALARY	Rs.10.00 Lakhs per month with an annual increment of 20%.
(b)	COMMISSION	As may be decided by the Board of Directors, subject to the limits prescribed under Section 309 and other applicable provisions of the Companies Act, 1956.
(c)	PERQUISITES	Mr. Aditya Garware will, in addition to salary be entitled to benefits like Bonus/Ex-Gratia, housing accommodation or house rent allowance and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, provision of a car with driver, mobile telephone, telephone at residence and other allowances as per the rules of the Company. Perquisites shall be evaluated as per Income-Tax Rules, wherever applicable.

	<p>Mr.Aditya Garware shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:</p> <ul style="list-style-type: none"> <li>(i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</li> <li>(ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.</li> <li>(iii) Mr. Aditya Garware will be entitled to leave on full remuneration, as per the rules of the Company but not exceeding one month's leave for every 11 months of service. He shall be entitled to encashment of unavailed leave at the end of each year.</li> <li>(iv) Mr. Aditya Garware will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.</li> <li>(v) Mr. Aditya Garware will also be entitled to receive from the Company travelling, hotel and other expenses incurred while performing duties on behalf of the Company.</li> <li>(vi) Club fees, subject to a maximum of two Clubs.</li> </ul>
--	--

In the event, the Company incurs loss or has inadequate profits, the above remuneration shall be treated as minimum remuneration payable to Mr.Aditya A. Garware, Vice Chairman & Managing Director.

Approval for re-appointment and payment of remuneration is sought from the Members at Item No.7 of this Notice.

Except Mr.Ashok B. Garware, Mr.Aditya A. Garware and Mrs.Maneesha S Shah, no other Director is interested or concerned in this resolution.

Copy of the draft agreement proposed to be entered between the Company and Mr.Aditya A. Garware, Vice Chairman & Managing Director is available for inspection to the Members at the Registered office on any working day between 11.00 A.M. to 1.00 P.M. till the conclusion of Annual General Meeting.

By Order of the Board

**A.C.Chandarana**  
Company Secretary

**Registered Office**

Chander Mukhi,  
Nariman Point, Mumbai – 400 021.  
Date: 18<sup>th</sup> August, 2009.

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

**TO,  
THE MEMBERS,**

Your Directors are pleased to present their report as under :

#### FINANCIAL RESULTS :

	Rs. in Crores
	15 months ended March 31, 2008
Year ended March 31, 2009	
Income from operations	111.55
Other Income (including Profit on sale of vessel)	1.45
Exchange Gain/(Loss) Net	16.05
Gross Income	129.05
Expenses	49.26
Operating Profit for the period	79.79
Interest & Finance charges	21.89
Profit Before Depreciation	57.90
Depreciation	16.03
Profit Before Tax	41.87
<u>Provision for Taxation</u>	
Current Tax	0.57
Fringe Benefit Tax	0.30
<b>Net Profit After Tax</b>	<b>41.00</b>

#### FINANCIAL HIGHLIGHTS :

Income from operations for the year ended March 31, 2009 stood at Rs.162.24 crores as against Rs.111.55 crores for the 15 months period ended 31.03.2008, **an increase of 81.1%** (on an annualized basis).

The net profit for the year ended 31.03.2009 (including a net realized exchange loss of Rs.7.84 crores) stood at Rs.40.81 crores as against Rs.40.84 crores (including exchange gain of Rs.16.06 crores) for 15 months period ended March 31, 2008.

Excluding the above exchange gain / loss, the **increase in net profit is 100%** (on an annualized basis).

The Company has been following the Accounting Standard 11 "(AS-11) "Accounting for the Effects of Changes in Foreign Exchange Rates" for the loans taken in foreign currency. Accordingly, the Company used to revalue the foreign currency loans based on the closing rates of corresponding quarter.

The Company has now adopted new Accounting Standard 30 "AS-30 "Financial Instruments : Recognition and Measurement" and changed its accounting policy with retrospective effect from April 1, 2008 by recognizing the Hedge Accounting Principles. The Company has designated the foreign currency loans as "Hedge Instruments" to hedge against foreign currency receivables on account of highly probable forecasted transactions of revenue (Hedge Items). The firm commitments and highly probable forecasted transactions have been considered based on fair and conservative estimates.

#### OPERATIONS:

During the year under review, five vessels were added to the fleet. These are 'M.V. Mana', 'M.V. Poorna', 'M.V. Meghna', 'M.V. Makalu' and 'M.V. Mahananda'.

Presently, seven of your Company's vessels are on long term contracts in India and the Far East. Two are on medium term contract; and two vessels are on the spot market in Scotland.

The Company has widened its operational capability by entering the Offshore Construction Market through a Bareboat Charter of an Accommodation Work Barge into its Singapore Subsidiary. The Company will also Bareboat Charter, an Anchor Handling Tug cum Supply Vessel into its Singapore subsidiary shortly.

#### **DIVIDEND :**

During the year under review, the Company has declared and paid three Interim Dividends at the rate of 6%, 7% and 4% respectively aggregating to 17%.

Your Directors subject to the Shareholders approval, are pleased to recommend a final dividend of 4 % , for the year under review. Thus, the total Dividend for the year under review is 21%, as against 18 % for the previous period (approx. 15% annualized). The final dividend will be paid to the Shareholders, whose names appear on the Register of Members as on 29.09.2009.

The total cash outflow on account of Dividend and Tax thereon (including Interim Dividends) amounts to Rs. 5.85 crores (previous period Rs. 5.01 crores).

#### **EXPANSION / DIVERSIFICATION :**

The Company has placed an order with Havyard Leirvik AS, for a state of the art, Large Platform Supply Vessel having a dead weight of 4500 tons at an approximate cost of USD 55 million. The said vessel is scheduled for delivery at the end of 2010. The vessel will have Diesel Electrical Propulsion, which significantly saves fuel consumption.

#### **FUTURE OUTLOOK :**

The market has seen some volatile fluctuations due to the sudden changes in the price of oil. However, with greater stability and a gradual rise in the price of oil, the Company believes that there is a potential to acquire / operate additional assets in the offshore industry. The Company is always looking for opportunities to augment / modernize its fleet of vessels and is also looking at new fields in the offshore sector as it has done in the past.

#### **WHOLLY OWNED SUBSIDIARY (WOS) AT SINGAPORE**

The Directors' Report, Auditors' Report and Audited Accounts of WOS of Company viz., Garware Offshore International Services Pte. Ltd., for the year ended 31.03.2009 are enclosed pursuant to provisions of Section 212 of the Companies Act, 1956.

As stated earlier, the Wholly Owned Subsidiary (W.O.S.) of the Company has chartered an Accommodation Work Barge viz., "Beau Geste", which has been delivered, and an Anchor Handling Tug cum Supply Vessel viz., "M.V.Shergar", the delivery of which is expected very shortly.

#### **LISTING FEES TO STOCK EXCHANGES**

The Company has paid the Listing Fees for the year 2009-10 to Bombay Stock Exchange Ltd. and National Stock Exchange Ltd.

#### **RESPONSIBILITY STATEMENT :**

The Directors confirm :

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures (save and except as stated in the Directors' Report) have been made from the same.
- That they 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 year and the Profit of the Company for the year ended as on 31.03.2009.
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provision of The Companies Act, 1956, for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That they have prepared the Annual Accounts on a going concern basis.

#### **INSURANCE :**

All the Vessels owned by the Company have been insured for Hull & Machinery, War Risks and Protection & Indemnity (P & I) claims. The vessels that transit through the Gulf of Suez are also insured for piracy, kidnapping and ransom.

#### **FIXED DEPOSITS :**

During the year under review the Company has not accepted any deposits from the Public and Shareholders.

**DIRECTORATE :**

Mr. George Duncan Steele Bodger resigned w.e.f. 1<sup>st</sup> June, 2009.

The remuneration payable to Mr. Ashok B. Garware, Chairman & Whole-time Director was revised subject to shareholders approval.

Members are requested to approve revision of remuneration of Mr. Ashok B. Garware, Chairman & Whole-time Director.

Mr. Aditya A. Garware was re-appointed as Vice Chairman & Managing Director by the Board of Directors subject to Shareholders approval w.e.f. 1<sup>st</sup> February, 2009 for a period of 5 years.

Members are requested to approve the re-appointment and remuneration payable to Mr. Aditya A. Garware Vice Chairman & Managing Director of the Company.

Mr. S.S. Aggarwal and Mr. J.C. Chopra, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment. Members are also requested to re-elect them.

**AUDITORS :**

You are requested to re-appoint Statutory Auditors, Messrs. Raman S. Shah & Associates, Chartered Accountants for the current year and to fix their remuneration.

The Company has obtained a Certificate from Auditors certifying that their re-appointment, if made at the ensuing Annual General Meeting shall be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

**PERSONNEL :**

The relations with all Employees of the Company, both Shore and Floating Staff have been extremely cordial. Your Directors wish to express their appreciation of the services, rendered by the devoted Employees.

**PARTICULARS OF EMPLOYEES :**

Statement of Particulars of Employees as required by the Provisions of Section 217(2A) of The Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors' Report is annexed here to as Annexure 'I'.

**DEMATERIALISATION OF SHARES :**

The Company's shares continue to be traded in Electronic Form.

**CORPORATE GOVERNANCE :**

A separate report on Corporate Governance along with the Auditors Certificate on its compliance is given in a separate Annexure.

**ACKNOWLEDGEMENT**

The Board wishes to thank the Office of Directorate General of Shipping, Indian Register of Shipping, Mercantile Marine Department, Shipping Master, DNV, ABS as also DVB Group Merchant Bank (Asia) Ltd., ICICI Bank (Bahrain), State Bank of India, State Bank of Travancore, United Bank of India and State Bank of Hyderabad for their continued support and co-operation during the year.

On Behalf of the Board

Place : Mumbai  
Dated : 18.08.2009

**ASHOK GARWARE**  
CHAIRMAN