

52ND ANNUAL REPORT 2014-15



Chowgule Steamships Limited

CHOWGULE STEAMSHIPS LIMITED

BOARD OF DIRECTORS

Vijay V. Chowgule	(DIN 00018903)	Chairman	- Promoter Non-Executive Director
Dhananjay N. Mungale	(DIN 00007563)		- Independent Non-Executive Director
Jaywant Y. Chowgule	(DIN 00019008)		- Promoter Non-Executive Director
Sanjiv N. Shah	(DIN 00007211)		- Independent Non-Executive Director
Nathan R. Chowgule	(DIN 00029130)		- Promoter Non-Executive Director
Prof. Rohini V. Chowgule	(DIN 00019057)		- Promoter Non-Executive Director
Ravindra Kulkarni	(DIN 00059367)		- Independent Non-Executive Director
Farokh Guzder	(DIN 00108856)		- Independent Non-Executive Director
Admiral Arun Prakash (Retd)	(DIN 06414499)		- Independent Non-Executive Director
Mangesh Sawant	(DIN 00007197)	Managing Director & CFO	- Non-Promoter Executive Director

Director Identification Number (DIN)

COMPANY SECRETARY & COMPLIANCE OFFICER

Suhas Joshi

SOLICITORS

Khaitan & Co.

REGISTERED OFFICE

Chowgule House,
Mormugao Harbour,
Goa - 403 803.

SHARE TRANSFER AGENTS

Link Intime India Private 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

Corporate Identity Number (CIN)-L63090GA1963PLC000002

AUDITORS

S. B. Billimoria & Co.

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

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CHOWGULE STEAMSHIPS LIMITED

NOTICE

NOTICE is hereby given that the Fifty Second Annual General Meeting (AGM) of the Members of CHOWGULE STEAMSHIPS LIMITED will be held on Friday, July 17, 2015 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 Financial Statements including the Audited Balance Sheet of the Company as at March 31, 2015 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Prof. Rohini Chowgule (DIN 00019057), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Jaywant Chowgule (DIN 00019008), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To confirm and ratify the appointment of auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and to pass the following resolution in this behalf.

“RESOLVED that, pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the shareholders at the Fifty First Annual General Meeting of the Members held on July 9, 2014, the appointment S.B. Billimoria & Co., Chartered Accountants (Registration No. 101496W) as Auditors of the Company to hold office from conclusion of this AGM till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined by the Audit Committee in consultation with the Auditors.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:
“RESOLVED that pursuant to the provisions of Sections 196, 197, and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the said Act, including any statutory modification and re-enactment thereof for the time being in force, and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded to the appointment of Mr. Mangesh Sawant (DIN 00007197), as the Managing Director & CFO of the Company for a period of three years w.e.f. April 1, 2015 on the terms and conditions and remuneration as set out in the explanatory statement annexed to the notice convening this AGM, with liberty to the Board of Directors (hereinafter referred to as “the Board”, which term shall deem to include any Committee of the Board constituted to exercise its powers including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment including designation and/or remuneration subject to the same being within the limits specified in the said Schedule V to the Companies Act, 2013 or any re-enactment thereof.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to carry on the terms of this resolution; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

By order of the Board of Directors
For Chowgule Steamships Limited

Place: Mumbai,
Date : May 07, 2015

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) The Register of Members and Share Transfer Books of the Company will remain closed from July 10, 2015 to July 17, 2015, both days inclusive.
- 5) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 6) 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.
- 7) Unclaimed Dividends up to the year 1994-95 have 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, 1996-97, 2004-05, 2005-06 and 2006-07 have been duly transferred to the Investor Education and Protection Fund. Members have no right or claim whatsoever against the said amount. Unclaimed dividend for the year 2007-08 is due

for transfer to Investors Education & Protection Fund in August, 2015. Members, who have so far not claimed their Dividend for 2007-08 or any of the subsequent years, are requested to immediately write to the Company's Share Transfer Agents.

- 9) The shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and the listing fees in respect thereof for the year 2015-16 have been paid to BSE.
- 10) 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.
- 11) Members are requested to note that pursuant to amended Clause 5A (II) of the Listing Agreement with the Stock Exchange, the Company is required to transfer all the unclaimed shares into one folio in the name of 'Unclaimed Suspense Account' and these shares are to be dematerialized and kept with depository participants. In compliance of said clause, the Company has transferred 8737 unclaimed shares into one folio in the name "Chowgule Steamships Limited - Unclaimed Shares Suspense Account" and the said shares are being dematerialized.
- 12) The Notice of the Fifty Second Annual General Meeting and instructions for e-voting, along with the Attendance Slip/Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode. Members may also note that the Notice of the Fifty Second Annual general Meeting and the Annual Report 2015 will be available on the Company's website, www.chowgulesteamships.co.in. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at 'joshi.csl@chowgule.co.in'.
- 13) **Voting through electronic means:**
 - (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
 - (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
 - (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. July 10, 2015, may cast their vote electronically.
 - (d) The e-voting period commences at 10.00 a.m. on Monday, July 13, 2015 and ends at 5:30 p.m. on Wednesday, July 15, 2015. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (f) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on the cut-off date as mentioned above.
 - (g) The Board of Directors at its meeting held on May 7, 2015 has appointed Mr. Vinayak N. Deodhar, Practicing Company Secretary as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (h) **The instructions for shareholders voting electronically are as under:**
 - (i) The voting period begins on Monday, July 13, 2015 and ends on Wednesday, July 15, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date July 10, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

CHOWGULE STEAMSHIPS LIMITED

For Members holding shares in Demat Form and Physical Form	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for **Chowgule Steamships Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 14) Members are requested to carefully read the instructions and in case of any queries, you may refer to the QnA on e-Voting for Members and User Manual for Shareholders to cast their votes available in the Help section of www.evotingindia.com.
- 15) Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
- 16) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 17) The Results shall be declared on or after the date of Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.chowgulesteamships.co.in and on the website of CDSL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company on July 17, 2015 and communicated to BSE Limited.
- 18) All documents referred to in the Notice will be available for inspection at the Company's Registered Office during normal business hours on working days up to the date of the AGM.

By order of the Board of Directors
For Chowgule Steamships Limited

Place: Mumbai,
 Date : May 07, 2015

Suhas Joshi
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

SPECIAL BUSINESS

Item No.5

Mr. Mangesh S. Sawant was appointed as Whole-time Director (designated as Executive Director & CFO) of the Company for a period of 3 years w.e.f. April 22, 2013. Mr. Sawant has been with the Company since 1986 and has served the Company in various positions at senior management levels during his tenure. In view of this and considering vast experience and expertise of Mr. Sawant in the shipping industry, it is now proposed to appoint Mr. Sawant as the Managing Director & CFO of the Company for a period of three years w.e.f. April 1, 2015 on the following terms and conditions, as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors at its meeting held on May 7, 2015:

A. Period - The term of appointment is 3 (three) years w.e.f. April 1, 2015.

Either party may terminate the appointment by giving three months notice in writing to the other party and neither party shall have any claim against the other party for damages or compensation by reason of such termination. Appointment of Mr. Sawant as the Managing Director and CFO of the Company is subject to retirement by rotation. However, re-appointment of Mr. Sawant from time to time upon retirement by rotation as a Director shall not be treated as a break in service and shall be construed as continuation of his employment.

B. Remuneration & Perquisites

- i) Basic Salary – ₹ 4,00,000 per month in the scale of ₹ 4,00,000 – ₹ 40,000 – ₹ 5,20,000.
- ii) House Rent Allowance – 30% of Basic Salary per month.
- iii) Leave Travel reimbursement for self and family – ₹ 60,000/- per annum.
- iv) Reimbursement of medical expenses incurred for self and family – ₹ 40,000/- per annum.

C. Other Benefits - In addition, Mr. Sawant shall be eligible to the following benefits which shall not be included in computation of ceiling on Remuneration to the extent the same are not taxable under the Income Tax Act, 1961:

- (i) Contributions to Provident Fund and Superannuation Fund as per the Rules of the Company.
- (ii) Gratuity not exceeding one month's salary for each completed year of service.
- (iii) Provision of car with driver for use on the Company's business and telephone at residence. The use of car for personal purpose and personal long distance calls shall be billed by the Company to the Managing Director & CFO.

D. Subject to the aforesaid, Mr. 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. Where in any financial year during the currency of the tenure of the Mr. Sawant as Managing Director & CFO, if the Company has no profits or inadequacy of profits, the remuneration payable to him by way of salary and perquisites shall be subject to maximum amount permissible pursuant to limits prescribed under Table A of Section II of Part II of Schedule V to the Companies Act, 2013 or any such modification or re-enactment thereof or any similar provision introduced substituting the prevalent provision pursuant to any amendment or re-enactment of the said Act.

F. The Managing Director & CFO shall be entitled to reimbursement of travelling and entertainment expenses actually incurred for the purpose of business of the Company.

G. 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 V to the Companies Act, 2013, be altered and varied in such manner as may be agreed to between the Board and the Managing Director & CFO.

The Company has incurred loss as per the audited balance sheet as at March 31, 2015. As such, the remuneration payable to Mr. Sawant as the Managing Director & CFO would be governed by Section II, Part II of Schedule V to the Companies Act, 2013. Based on the limits prescribed under Table (A) of Section II, Part II of Schedule V to the Companies Act, 2013, the Company can pay remuneration to Mr. Sawant up to ₹ 60 Lacs per annum. However, as per the proviso to the said provision, the said limit stands doubled in case if the resolution passed by the shareholders is a special resolution. In view of the above, it is proposed to obtain approval of the shareholders by way of special resolution as the proposed remuneration payable to Mr. Sawant exceeds ₹ 60 Lacs per annum.

Mr. Sawant is a director in Jaigad Logistics Private Limited.

No director, key managerial personnel or their relatives, except Mr. Mangesh Sawant, to whom the resolution relates, is interested or concerned in passing of the resolution. The Board recommends the resolution set forth in Item No. 5 for approval of the members. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Information as required under Schedule V to the Companies Act, 2013 and clause 49 of the Listing Agreement is given below:

I. GENERAL INFORMATION

- 1) **Nature of Industry:** Shipping
- 2) **Date or expected date of commencement of commercial production:** Not applicable (Company is an existing company)
- 3) **In case of new companies. Expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable

CHOWGULE STEAMSHIPS LIMITED

4) Financial performance based on given indicators:

(₹ in Crores)

Particulars	Year 2015	Year 2014	Year 2013
Total Revenue	11.47	18.59	21.33
Total Expenses	31.90	55.07	32.01
Profit/Loss after Tax	(20.43)	(36.48)	(10.68)
Dividend Rate	NIL	NIL	NIL

5) Export performance and net foreign exchange collaboration:

Foreign exchange earnings on FOB basis amounted to ₹ 7.42 Crores for the year ended March 31, 2015 as against foreign exchange outgo of ₹ 13.33 Crores for the financial year ended March 31, 2015.

6) Foreign investment collaborators, if any: NIL

The Company is listed on BSE and as on March 31, 2015, the foreign holdings in the Company were about 11.12%. There are no foreign collaborators.

II. INFORMATION ABOUT THE APPOINTEE:

1) Background details:

Mr. Mangesh Sawant is a Commerce and Law Graduate and also is a Member of the Institute of Chartered Accountants of India and the Institute of Cost and Management Accountants of India. Mr. Sawant joined the Company in 1986 as an Accounts Officer. The Board appointed him as Manager, pursuant to Section 269 of the Companies Act, 1956, in October 2009, which position he held till April 2010 when he was appointed as an Executive Director & CFO for the first term. Mr. Sawant was thereafter re-appointed as the Executive Director & CFO for another term of 3 years, which was approved by the shareholders at the Fiftieth Annual General Meeting held on July 12, 2013. The Board of Directors at its meeting held on May 7, 2015 has appointed Mr. Sawant as the Managing Director & CFO for a term of three years w.e.f. April 1, 2015. Mr. Sawant has been involved in the business of the Company for more than two decades at senior management positions and thus has gained experience and expertise in various aspects of shipping business.

Before joining the Company, Mr. Sawant was employed with M/s A.F. Ferguson & Co., Chartered Accountants, Mumbai, as Assistant Audit Manager since 1985. Mr. Sawant is not on the Board of any public limited company. Mr. Sawant is a joint holder of 133 equity shares in the Company.

2) Past Remuneration, recognition or awards, job profile and his suitability:

In terms of the approval granted by the shareholders at the Fiftieth Annual General Meeting held on July 12, 2013, Mr. Sawant was drawing remuneration as under:

- Basic Salary – ₹ 2,50,000/- per month
- House Rent Allowance - 30% of Basic Salary
- Leave Travel Reimbursement for self and family subject to maximum up to ₹ 60,000/-
- Reimbursement of medical expenses incurred for self and family subject to maximum up to ₹ 40,000/- per annum.

In addition to the above, Mr. Sawant was also entitled to the following benefits which were not included in the computation of ceiling on remuneration to the extent the same were not taxable under the Income Tax Act, 1961:

- Contributions to Provident Fund and Superannuation Fund as per the Rules of the Company.
- Gratuity not exceeding one month's salary for each completed year of service.
- Provision of car with driver for use on the Company's business and telephone at residence. The use of car for personal purpose and personal long distance calls to be billed by the Company to the Whole-time Director.

3) Job Profile of Managing Director & CFO and Suitability

The responsibilities of Managerial Personnel have increased substantially with the growth of the Company. Mr. Sawant has an outstanding career with the Company with rich and varied experience in all aspects of shipping industry. Mr. Sawant is designated as Managing Director and CFO and handles operations of the Company and also looks after day to day affairs. Mr. Sawant is vested with powers of management subject to the direction, supervision and control of the Board of Directors of the Company. Considering vast experience of Mr. Sawant in operations and shipping business, the Company would be immensely benefitted by appointment of Mr. Sawant as the Managing Director & CFO.

4) Remuneration proposed: As stipulated in the resolution and explanatory statement

5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The Remuneration Committee while approving remuneration of the Managing Director & CFO has examined the remuneration of managerial personnel in the shipping companies of comparable size, financial position of the Company, the trends in industry, qualification, experience, responsibilities and past performance, etc. of the aforesaid appointee.

The annual remuneration packages of managing directors in other companies range between Rs. 60 Lacs to Rs. 100 Lacs. Therefore considering the general industry trend and specific company profile, the proposed remuneration is in line with the prevalent industry levels and trends.

6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Mr. Mangesh Sawant holds 133 equity shares in the Company and except drawing of remuneration as the Managing Director & CFO. Mr. Sawant does not have any pecuniary relationship with the Company or any managerial personnel.

III. OTHER INFORMATION

Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

Shipping is a cyclical industry and is considerably influenced by prevalent economic scenario in world economy. The Company is engaged in providing vessels on time charter basis in international waters. The sluggish economic growth together with excess tonnage in the market during the year under review has impacted the revenues of the Company and resulted in loss during the year.

The Company is hopeful that the freight market will improve in future. The Company is taking all steps to improve margins wherever possible.

IV. DISCLOSURES

The Corporate Governance Report which forms part of the Director's Report contains details of remuneration paid to all Directors including remuneration of Managing Director & CFO, notice period, service contract of the Managing Director & CFO etc.

A copy of the contract for appointment of Mr. Mangesh Sawant entered into by the Company with Mr. Sawant is available at the registered office of the Company for inspection by any member of the Company during business hours.

By order of the Board of Directors
For Chowgule Steamships Limited

Suhas Joshi
Company Secretary

Place: Mumbai,
Date : May 07, 2015

CHOWGULE STEAMSHIPS LIMITED

BOARD'S REPORT 2014-2015

To
The Shareholders,

Your Directors present the Fifty Second Annual Report and the Audited Accounts for the year ended March 31, 2015.

1. FINANCIAL RESULTS & APPROPRIATIONS:

(₹ in Lakhs)

	2014-15	2013-14
Loss before Financial Charges, Depreciation, Exceptional Item & Tax	(1,559.71)	(1.90)
Financial Charges	(52.29)	(95.06)
Depreciation	(811.40)	(679.61)
Loss before Exceptional Item & Tax	(2,423.40)	(776.57)
Profit on Sale of Land	552.76	–
Impairment	(530.85)	–
Profit/(Loss) on Foreign Currency Translation difference	(48.83)	439.02
Loss before Deferred Tax Provision	(2,450.32)	(337.55)
Reversal of Provision for Deferred Tax (Net)	406.34	301.07
Loss after Tax	(2,043.98)	(36.48)
Brought forward from previous year	2,949.68	2,986.16
Adjustment as per new Companies Act, 2013	(16.96)	–
Balance Transferred to Balance Sheet	888.74	2,949.68

In view of the loss, the Board of Directors has not recommended any dividend for the year under review. Further, no amount is transferred to Reserves & Surplus.

2. MANAGEMENT DISCUSSION AND ANALYSIS/OPERATIONS REPORT COMPANY'S PERFORMANCE

During the year under review the freight earnings and charter hire receipts amounted to ₹ 731.54 Lakhs as against ₹ 1,554.88 Lakhs during the previous year showing decrease of ₹ 823.34 Lakhs. The BDI which started the year at 1316 in April 2014 scaled down to 602 by March 2015. The dry bulk freight markets have remained depressed for most of the year.

INDUSTRY REVIEW & FUTURE OUTLOOK

During 2014-2015 average earning in all bulk carrier sectors remained weak as a result of continued oversupply and sluggish demand.

In 2014, Dry bulk trade continued to grow at 5% Y-o-Y and the fleet growth slowed to 4.4% after 6% growth in 2013 and 11% growth in 2012. The bulker order book stands at 21% of the existing fleet, of which 8% are scheduled to be delivered in 2015, whereas seaborne dry bulk trade is projected to rise by 4%.

The Company primarily operates in the Handysize sector where demand is largely driven by minor bulk trade. In 2014, seaborne minor bulk trade increased by 2% Y-o-Y as compared to 4% in the previous year. In 2015, new building handysize vessels scheduled for delivery represent 8% of the existing fleet, whereas total minor bulk trade is expected to grow only 3%.

Thus, we continue to face a structural over capacity in the market. A recovery in the market is highly dependent on improvement in seaborne trade, contracting and scrapping activity.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has effective systems and procedures of internal financial control for ensuring orderly and efficient conduct of its business, safeguarding its assets, prevention & detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. These systems are periodically reviewed by the Audit Committee of the Board of Directors. The Audit Committee and the Board have ensured that the said system is adequate considering the nature of business and size of transactions.

GOVERNMENT POLICIES

The Indian economy and many developed countries continue to make effort for speedy economic recovery. As part of overall strategy however, the Governments in various countries continue to give priority for development of overall infrastructure. This bodes well for overall 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 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 ₹ 495.56 lakhs (US\$ 0.800 million). The total outstanding loan at year end is ₹ 1,198.14 lakhs (US \$ 1.900 million).

4. DEFERRED TAX LIABILITY

In terms of the Accounting Standard AS-22 of the Companies (Accounting Standards) Rules 2006, there is a reversal of Deferred Tax liabilities amounting to ₹ 406.34 lakhs for the Financial Year 2014-2015, which is reflected in the Statement of Profit & Loss. The net Deferred Tax Liability of ₹ 635.88 Lakhs as at March 31, 2015 is reflected in the Balance Sheet.

5. SUBSIDIARIES

The Company has six overseas subsidiaries including one wholly owned subsidiary and five step-down subsidiaries. During the year Sunshine LLC ceased to be a subsidiary of the Company. The Board of Directors of the Company reviewed the affairs of subsidiaries of the Company. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of the subsidiaries in the prescribed format AOC-1 is appended as Annexure 2. The Company will make available these documents / details upon request by any member of the Company. However, pursuant to Accounting Standard AS-21 of the Companies (Accounting Standards) Rules 2006, Consolidated Financial Statements presented by the Company include the financial information of its subsidiaries. The Company does not have any other joint venture / associate company in which it has significant influence. The financial highlights of its wholly owned subsidiary viz. Chowgule Steamships Overseas Limited (CSOL) are as under:

	(US \$ in million)	
	2014-15	2013-14
Income	12.518	12.844
Profit on sale of vessel	-	4.669
Gross Profit before depreciation and Impairment	2.926	0.247
Depreciation	(5.834)	(6.762)
Impairment	(10.807)	-
Net Loss	(13.715)	(1.846)

6. INSURANCE

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

7. DIRECTORS

The Board of Directors of the Company met four times during the year, details of which are provided in Corporate Governance Section annexed to this Report.

Prof. Rohini V. Chowgule and Mr. Jaywant Y. Chowgule, Directors, retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of Section 149 of the Companies Act, 2013 the Independent Directors are not liable to retire by rotation. Prof. Rohini V. Chowgule is sister of Mr. Vijay Chowgule, the Chairman of the Company.

The Board of Directors of the Company at its meeting held on May 7, 2015 has appointed Mr. Mangesh Sawant as the Managing Director &

CHOWGULE STEAMSHIPS LIMITED

CFO for a period of three years w.e.f. April 1, 2015. Approval of the shareholders pursuant to the provisions of Sections 196 and 197 of the Companies Act, 2013 read with Schedule V thereto is being obtained to the appointment of Mr. Sawant as the Managing Director & CFO of the Company.

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

8. INDEPENDENT DIRECTORS

Pursuant to the requirements of Section 149 of the Companies act, 2013, the Board appointed all Independent Directors as Independent Directors for a period of five years and approval of the shareholders was obtained for the said appointment at the 51st Annual general Meeting held on July 9, 2014.

The Independent Directors have submitted declaration pursuant to Section 149 (7) stating that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

9. INDUCTION AND TRAINING OF THE BOARD MEMBERS

Directors are issued a detailed appointment letter which inter alia sets out terms of appointment, duties, responsibilities etc. of such director. Each independent director of the Company on appointment is given such letter of appointment and also briefed by the Managing Director/ Executive Director about the nature of business of the Company, its finances, operations etc. The Company Secretary also assists the Independent Director in understanding their statutory duties, obligations and responsibilities as a Director/ Independent Director of the Company. The appointment letter of independent directors are available on the Company's website www.chowgulesteamships.co.in

10. EVALUATION OF PERFORMANCE OF THE BOARD, COMMITTEES AND DIRECTORS

In compliance of the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the evaluation of the performance of the Board for the year under review was carried out. A formal mechanism for evaluation of the performance of the Board, its Chairman, Committees and Directors was adopted. The process was carried out through structured evaluation process covering various important attributes such as composition of Board and Committees, attendance of directors at meetings, contribution at the meetings, qualifications, experience and competencies, performance of specific duties etc.

The evaluation of Independent Directors for the year under review was carried out by the entire Board and that of the Chairman and Non Independent Directors was carried out by Independent Directors.

11. 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.

12. 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.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors state: "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 judgments 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 loss 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, 2013, 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".
- e) The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively."

14. AUDITORS

Statutory Auditors

The shareholders at their Fifty First Annual General Meeting held on July 9, 2014 approved appointment of S. B. Billimoria & Co., as the Auditors of the Company, for a term of consecutive three years, subject to ratification by the shareholders every year, as per the provisions of Section 139 of the Companies Act 2013 read with Rules made there under. Accordingly, ratification of the members for the appointment of

S. B. Billimoria & Co., Chartered Accountants, as Auditors of the Company from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting is being obtained at the ensuing Annual General Meeting. The Auditors, being eligible, have given their consent for re-appointment.

Secretarial Auditors

V. N. Deodhar & Co., Practicing Company Secretaries, were appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2014-15 forms part of the Annual Report as Annexure 5 to the Board's Report.

15. THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

There are no employees covered under the above Rules in respect of whom particulars are required to be furnished.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

In accordance with the requirements of Rule 8 of the Companies (Accounts) Rules 2014, a statement annexed hereto gives the particulars as required under the said rules and forms part of this Report (Annexure 1).

17. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION

There have been no material changes and commitments which have occurred between the end of financial year and the date of this report which can have impact on financial position of the Company.

18. The policy on appointment and remuneration of directors is discussed in Corporate Governance Section annexed to this Report.

19. There have been no significant material orders passed by courts, tribunals or regulatory authorities which can have impact on going concern status of the Company and its operations.

20. Loans, Investment and Guarantees etc – During the year the Company has advanced a loan aggregating ₹ 8.30 Crores at an interest rate of 10.50% per annum, to a group company to meet its fund requirements for completion of project. The said loan is repayable on demand and for a term not exceeding ten years. There has been no other loans/guarantees/investments during the year.

21. The Company has not accepted/renewed any Fixed Deposits during the year ended March 31, 2015.

22. Disclosure pursuant to The Companies (appointment and Remuneration of Managerial Personnel) Rules 2014

Sr.	Requirements	Disclosure												
1	Ratio of remuneration of Director to median remuneration of employees for the financial year	WTD & CFO - 4X												
2	Percentage increase in remuneration of Executive Director & CFO and Company Secretary	ED & CFO – No increase was given in 2014-15. Company Secretary – 13%												
3	Percentage increase in median remuneration of employees in the financial year	18.54%												
4	Number of permanent employees	8 employees												
5	Explanation on average increase in remuneration and company performance	The Company has incurred loss for the year ended March 31, 2015. However, there has been increased in overall remuneration of employees of the Company at an average rate of 22.59% excluding the Executive Director & CFO. The increase in remuneration is on account of elevation in the grade and / or normal annual increments as per the grade. Such increase was granted after considering the increased cost of living, industry standard, performance of particular employees and the same is in line with the Company's policy on remuneration.												
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Not Applicable as the Company incurred loss for the year ended March 31, 2015. Please also referred to explanation at Point No. 5 above.												
7	Variation in the market capitalization, PE ratio as at the closing date of current financial year and previous financial year and percentage increase over /decrease in the market quotations of the shares in comparison	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%; text-align: right;">31.03.15</th> <th style="width: 20%; text-align: right;">31.03.14</th> </tr> </thead> <tbody> <tr> <td>Market Cap.</td> <td style="text-align: right;">86.95 Cr</td> <td style="text-align: right;">36.99 Cr</td> </tr> <tr> <td>P/E ratio</td> <td style="text-align: right;">(5.63)</td> <td style="text-align: right;">(0.10)</td> </tr> <tr> <td>Increase Market Cap</td> <td style="text-align: right;">235.60%</td> <td></td> </tr> </tbody> </table>	Particulars	31.03.15	31.03.14	Market Cap.	86.95 Cr	36.99 Cr	P/E ratio	(5.63)	(0.10)	Increase Market Cap	235.60%	
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Market Cap.	86.95 Cr	36.99 Cr												
P/E ratio	(5.63)	(0.10)												
Increase Market Cap	235.60%													
8	Average percentile increase already made in the salaries other than the Managerial Personnel in the last financial year and its comparison with the percentile in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There was no increase in the remuneration of Managerial Personnel in last financial year.												

CHOWGULE STEAMSHIPS LIMITED

Sr.	Requirements	Disclosure
9	Comparison of each remuneration of the key managerial personnel against the performance of the Company	Not Applicable since the Company has incurred loss
10	The key parameters for any variable component of remuneration availed by directors	NA. The Company does not have any variable pay structure for its directors
11	The ratio of remuneration of the highest paid director to employees who are not directors but receive remuneration in excess of highest paid directors	Nil. The Company did not have any employee who was not a director and who was in receipt of remuneration in excess of that of highest paid director.
12	Remuneration as per Policy	The Remuneration paid to Directors/ senior management personnel was as per the Remuneration policy of the Company.

23. MD / CFO Certification

The MD & CFO has issued a certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs.

24. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibilities are not applicable to the Company.

25. EXTRACT OF ANNUAL RETURN

In accordance with section 134(3)(a) of the Companies Act, 2013, an extract of annual return in form MGT-9 is appended as Annexure 4.

26. 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: May 07, 2015

VIJAY V. CHOWGULE
Chairman

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

Declaration by the Managing Director & CFO under Clause 49 of the Listing Agreement

I, Mangesh Sawant, Managing Director & CFO 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, 2015.

Place : Mumbai,
Date : May 07, 2015

MANGESH SAWANT
Managing Director & CFO

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

(i) Promoter Directors		(ii) Non-promoter Director	
• Executive	Nil	• Executive	1
• Non Executive	4	• Non Executive	Nil
		(iii) • Independent Non Executive	5
Total	4		6

Grand Total = 10

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

In all, four Board Meetings were held during the financial year 2014-2015 on 08.05.2014, 09.07.2014, 16.10.2014 and 19.01.2015. The attendance of the Directors is as under:

Name	Category	No. of Board Meeting attended	Attendance at the previous AGM
Mr. Vijay V. Chowgule	Chairman-Non executive, Non-Independent Director	4	P
Mr. Dhananjay N. Mungale	Independent Director	4	P
Mr. Jaywant Y. Chowgule	Non executive, Non-Independent Director	1	P
Mr. Sanjiv N. Shah	Independent Director	2	P
Mr. Nathan R. Chowgule	Non executive, Non-Independent Director	4	P
Prof. Rohini V. Chowgule	Non executive, Non-Independent Director	3	A
Mr. Ravindra Kulkarni	Independent Director	4	P
Mr. Farokh J. Guzder	Independent Director	3	P
Admiral Arun Prakash (Retd)	Independent Director	3	P
Mr. Mangesh Sawant	Executive, Non-Independent Director	4	P

P: Present A: Absent

(c) Number of other companies or committees in which, the Director is a Director / Member.

Name of the Director	No. of other Public Ltd. Companies in which Director / Membership in other committees		
Mr. Vijay V. Chowgule	0 – BM	0 - CM	0 - CC
Mr. Dhananjay N. Mungale	7 – BM	7 – CM	2 - CC
Mr. Jaywant Y. Chowgule	0 – BM	0 – CM	0 – CC
Mr. Sanjiv N. Shah	1 – BM	2 – CM	1 – CC
Mr. Nathan R. Chowgule	1 – BM	0 – CM	0 – CC
Prof. Rohini V. Chowgule	0 – BM	0 – CM	0 – CC
Mr. Ravindra Kulkarni	6 – BM	7 – CM	3 – CC
Mr. Farokh J. Guzder	1 – BM	0 – CM	0 – CC
Admiral Arun Prakash (Retd)	0 – BM	0 – CM	0 – CC
Mr. Mangesh Sawant	0 – BM	0 – CM	0 – CC

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

3. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Dhananjay N. Mungale, as its Chairman and Mr. Vijay V. Chowgule, Mr. Sanjiv N. Shah and Mr. Farokh Guzder as members. Mr. Dhananjay N. Mungale and Mr. Sanjiv N. Shah have the requisite financial and accounting background. The Audit

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Committee met on four occasions during the financial year on May 8, 2014, July 8, 2014, October 16, 2014 and January 19, 2015. The attendance details of the Committee members are as under:

NAME	NO. OF MEETINGS ATTENDED
Mr. Dhananjay N. Mungale	4
Mr. Sanjiv N. Shah	2
Mr. Vijay V. Chowgule	4
Mr. Farokh J. Guzder	3

Mr. Mangesh Sawant, Managing Director & CFO attended all the meetings of the Audit Committee as invitee. The representatives of External Auditors attended all the four meetings, whereas the representative of Internal Auditor attended two meetings. The Company Secretary of the Company assumes the role of Secretary to the Audit Committee.

Terms of Reference of the Audit Committee

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

Terms of Reference – Audit Committee

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 for appointment, remuneration and terms of appointment of auditors of the company;
3. Approving of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon 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 (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - 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 judgment 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 draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the independence, performance and effectiveness of audit process of statutory and internal auditors;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with internal auditors of any significant findings and follow up there on;
15. 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;
16. Discussing 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
21. 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
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
22. In addition to the above, all items listed in Clause 49 (III)(D) of the Listing Agreement, as may be amended from time to time.

4. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company in order to maintain highest standards of ethical, moral and legal conduct, adopted Vigil Mechanism/ Whistle Blower Policy to provide an avenue to its employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The Audit Committee of the Company oversees the said mechanism from time to time.

None of the Company personnel has been denied access to the Audit Committee.

5. NOMINATION/ REMUNERATION COMMITTEE

In terms of provisions of Section 178 of the Companies Act 2013, the Board of Directors, at its meeting held on May 8, 2014, has reconstituted the Nomination/Remuneration Committee comprising Mr. Dhananjay N. Mungale as its Chairman and Mr. Vijay V. Chowgule, Mr. Ravindra Kulkarni and Mr. Farokh Guzder as its members.

During the year ended March 31, 2015, the Committee met once on May 8, 2014 at which all its prevalent members were present.

The role of the Remuneration Committee is to determine and recommend the Company's policy on specific remuneration package for Managing/Whole-time Directors and Senior Management personnel, Key Managerial Personnel, evaluation of performance of the Directors. The brief terms of reference of Remuneration Committee are as under:

Terms of reference of Nomination / Remuneration Committee

A. Terms of Reference

- a. Formulate criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel, and other personnel.
- b. Identifying and assessing potential individuals with reference to their expertise, skills, qualifications, attributes and personal and professional standing for appointment / re-appointment as Directors/Key managerial Personnel in the Company.
- c. Support the Board of Directors for formulating policies for evaluation of performance of directors.
- d. Recommend compensation payable to the Executive Directors, Directors and Senior Managerial Personnel.

B. Remuneration Policy

- a. Non Executive Directors
 1. The Non Executive Directors are entitled to receive sitting fees for attending each meeting of the Board of Directors or any committee thereof.
 2. The amount of sitting fees shall not exceed the limit prescribed under the Companies Act 2013.
 3. The Non-executive Directors are also entitled to be reimbursed all expenses incurred by them for attending such meetings.
- b. Managing Director/Executive Director (MD/ED)
 1. MD/ED is paid remuneration as may be mutually agreed between the Company and the MD/ED within the limits prescribed under the Companies Act 2013.
 2. The Remuneration is subject to approval by the members of the Company.
 3. The remuneration is determined on the basis of recommendation of the Nomination & Remuneration Committee. While determining the remuneration, the Nomination and Remuneration Committee shall consider the following aspects:
 - i. The relationship of remuneration with performance benchmarks established.
 - ii. Responsibility required to be shouldered
 - iii. Industry benchmarks and prevalent market trends.
- c. Senior Management Personnel
 - i. The relationship of remuneration with performance benchmarks established.

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- ii. Criticality of roles played and responsibility shouldered
- iii. Overall experience, expertise and personal traits
- iv. Annual increments are determined based on Individual performance vis-à-vis targets/ KRA set.
- d. While determining the remuneration, the Nomination and Remuneration Committee shall also consider the
 - i. Level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
 - ii. Remuneration payable or paid should meet performance benchmarks
 - iii. Ensure that remuneration payable or paid to directors, key managerial personnel and senior management is appropriate to the working of the Company and its goals.
- e. While determining the candidature for appointment of director, senior management personnel, the Nomination and Remuneration Committee shall also consider:
 - i. Qualification, experience and expertise required for the role being filled up.
 - ii. Ability to assimilate with the overall policy of the Company.
 - iii. Ability to lead and also work as a team members etc.
 - iv. In case of directors and independent directors, Independence of judgment.

C. REMUNERATION OF DIRECTORS:

a. Non-Executive Directors

The Non-Executive Directors are entitled for payment of sitting fees and reimbursement of expenses for attending each meeting of the Board of Directors, its Committees and other such meetings. The sitting fee payable is within overall limits as laid down under the Companies Act, 2013 and the Rules made there under.

b. Managing/Executive Directors

The remuneration payable to Executive Directors is determined by the Board of Directors on the basis of recommendations received from Remuneration & Nomination Committee. The remuneration is subject to approval of the members at a general meeting.

c. Details of Remuneration paid to Directors

Disclosure of remuneration paid to Executive Director

The details of the remuneration paid to Mr. Mangesh Sawant, Executive Director & CFO from April 01, 2014 to March 31, 2015 are as under:

Name	- Mangesh Sawant
Designation	- Executive Director & CFO
All elements of remuneration package Inclusive of Salary, Benefits, Provident Fund, Gratuity, Bonus, Pension, etc.	- ₹ 51.08 Lacs
Service Contract, Notice Period etc.	- The Contract period is of three years and Notice period is of three months on either side
Stock option/Sweat Equity/Commission	- NIL
No. of Shares held in the Company	- 133 (jointly held with Mrs. Swapna Mangesh Sawant)

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
Mr. Vijay V. Chowgule	1,80,000	1,156,876
Mr. Dhananjay N. Mungale	1,40,000	-
Mr. Jaywant Y. Chowgule	20,000	64,750
Mr. Sanjiv N. Shah	70,000	-
Mr. Nathan R. Chowgule	80,000	-
Prof. Rohini V. Chowgule	1,10,000	421329
Mr. Ravindra Kulkarni	1,50,000	-
Mr. Farokh J. Guzder	1,00,000	-
Admiral Arun Prakash (Retd)	70,000	-
Mr. Mangesh Sawant	NA	133

6. STAKEHOLDERS' RELATIONSHIP AND SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The committee comprises of Mr. Vijay V. Chowgule as Chairman and Mr. Sanjiv N. Shah, Prof. Rohini V. Chowgule and Mr. Ravindra Kulkarni as Members. Mr. Suhas Joshi, Company Secretary, is the Compliance Officer. The Committee meets periodically to deal with share-related matters like transfers, transmission etc., and monitor redressal of grievances from the Stakeholders.

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 Stakeholders' Relationship and Shareholders' / Investors' Grievance Committee.

At its meetings, the Committee goes into the details of the grievances, if any and, verifies that they have been attended to. Between April 1 2014 and March 31, 2015, the Company received 32 complaints / queries from shareholders. As at March 31, 2015, all the complaints / queries were resolved. There were no shares pending for transfer from the shareholders as at March 31, 2015.

The brief terms of reference of Stakeholders Relationship Committee and Shareholders' / Investors' Grievance Committee are as under:

1. To oversee the share transfer process
2. To monitor the redressal of stakeholders' grievances
3. To consider and approve issue of share certificates on requests for duplicate certificates, consolidation of folios etc.
4. To do all such acts, deeds, matters and things as may be necessary or expedient for performing any of the above acts.

7. RISK MANAGEMENT COMMITTEE

The Board of Directors has formed a Risk Management Committee comprising three Non-Executive Directors and an Independent Director as its Chairman. The purpose of the Risk Management Committee (the "Committee") is to identify, assess, monitor and manage risk. The scope, role and responsibilities of Risk Management Committee are as under:

The Risk Management Committee:

1. Shall annually approve the Risk Management Policy of the Company and related processes and practices of the Company.
2. Shall ensure that the Company is taking appropriate measures to ensure prudent balance between risk and reward in the activities of the Company.
3. Shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposure in timely manner.
4. Shall co-ordinate its activities with Audit Committee where there is overlap of functionalities.
5. Can delegate authority to sub-committee where there is such occasion.
6. Shall have access to any internal information to enable it to meaningfully perform the oversight function.

The Risk Management committee identifies/ reviews the risk trends and exposure of the Company from time to time. The Committee also verifies the plans made by the Management for mitigation risks and also corrective measures, if any, required for avoidance or reducing of risks. The Risk Management committee meets at least once in a year to review the position.

8. DIRECTORS

Prof. Rohini V. Chowgule and Mr. Jaywant Y. Chowgule will retire at the ensuing AGM and being eligible seek re-appointment. The approval of members is being sought for appoints/re-appointments of above Directors. Further, approval of members is also being sought to the appointment of Mr. Mangesh Sawant as Managing Director & CFO of the Company. A brief resume of the above Directors is as under:

A) Prof. Rohini V. Chowgule.

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 Loyola University Medical School attached to Vines Veteran Medical Facility in Chicago. Presently she 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 421329 shares in the Company. Prof. Rohini V. Chowgule is a relative of Mr. Vijay V. Chowgule, the Chairman. Prof. Rohini is not a Director in any public limited company. Prof. Rohini V. Chowgule is a director in the following companies :

- i. Chowgule Mediconsult Private Limited
- ii. Jaigad Logistics Private Limited
- iii. Chowgule Mining Private Limited

B) Mr. Jaywant Y. Chowgule

Mr. Jaywant Y. Chowgule holds a Bachelor's Degree in Science. He was appointed Manager (Commercial) of Chowgule & Company Ltd. from September 01, 1984 and rose to the rank of Executive Vice President in July 1989 which position he held till September 2004. Presently he is a Director of Chowgule & Company Pvt. Ltd. He is also the Executive Director of Chowgule Brothers Pvt. Ltd. with effect from September 2004. He has rich experience in Commercial & Industrial Sectors. He is not on the Board of any public limited company.

CHOWGULE STEAMSHIPS LIMITED

Mr. Jaywant Y. Chowgule holds 64750 equity shares in the Company. Mr. Jaywant Y. Chowgule is director on the Board of following companies:

- i. Chowgule Brothers Pvt. Ltd.
- ii. Kolhapur Oxygen & Acetylene Pvt. Ltd.
- iii. Chowgule Real Estate & Construction Company Private Limited
- iv. Chowgule & Company (Salt) Private Limited
- v. Chowgule And Company Private Limited
- vi. Mangal Farming And Agro Industries Private Limited

C) Mr. Mangesh Sawant

Mr. Mangesh Sawant is a Commerce and Law Graduate and also is a member of the Institute of Chartered Accountants of India and the Institute of Costs and Management Accountants of India. Mr. Sawant joined the Company in 1986 as an Accounts Officer and rose to the level of CFO & Director (Operations) in 2007. In 2009, the Board appointed him as the Manager which position he held till April 22, 2010 when he was appointed as Whole-time Director. Mr. Sawant has been involved in the business of the Company for more than two decades at senior management positions and thus has gained experience and expertise in various aspects of shipping business. Before joining the Company, Mr. Sawant was employed with A.F. Ferguson & Co., Chartered Accountants, as Assistant Audit Manager since 1985. Mr. Sawant is director on the Board of following companies:

- i. Jaigad Logistics Private Limited

He is not on the Board of any public limited company. Mr. Sawant holds 133 equity shares in the Company.

9. 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>
Wednesday	July 9, 2014	11.00 a.m.
Friday	July 12, 2013(*)	11.00 a.m.
Friday	July 6, 2012	11.00 a.m.

(*) One resolution pertaining to appointment of Mr. Mangesh Sawant as Executive Director & CFO was passed by way of special resolution.

10. RELATED PARTY TRANSACTIONS

All Related Party Transactions are entered in to at arm's length price and are in compliance with the applicable provisions of the Companies Act, 2013 (Act) and the Listing Agreement with the Stock Exchange. There have been no materially significant related party transactions entered into by the Company with the promoters, Directors and Key Managerial Personnel, which may have potential conflict with the interest of the Company at large. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2014 in Form AOC-2 are appended as Annexure 3.

In accordance with the requirements of Listing Agreement, the Company has inter alia formulated policy on related party transactions and material subsidiaries. The said policy is available on the Company's website viz. www.chowgulesteamships.co.in

11. 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.

12. 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.

13. DISCLOSURES

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

14. GENERAL SHAREHOLDER INFORMATION

52nd Annual General Meeting

Day, Date & Time : Friday, July 17, 2015 at 11.00 a.m.
Venue : Chowgule House, Mormugao Harbour, Goa-403803

Annual Report 2014-2015

Financial Year : 2014-2015
 Book Closure Date : July 10, 2015 – July 17, 2015 (both days inclusive)
 Dividend Payment Date : N.A.

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

MARKET PRICE DATA DURING APRIL 2014 – MARCH 2015 (BSE)

Month	High (₹)	Low (₹)
April	13.00	10.19
May	16.53	11.26
June	19.50	15.05
July	19.15	15.00
August	18.50	15.00
September	20.60	16.50
October	17.40	15.35
November	19.30	15.25
December	23.10	17.90
January	30.95	22.10
February	30.00	22.20
March	28.40	23.25

PERFORMANCE IN COMPARISON WITH SENSEX IS GIVEN BELOW:

DATE	CLOSING SENSEX	% MOVEMENT OF SENSEX MONTH TO MONTH	CSL CLOSING SHARE PRICE (₹)	% MOVEMENT OF SHARE PRICES MONTH TO MONTH
Apr-14	22,417.80	0.13	12.01	16.68
May-14	24,217.34	8.02	16.50	37.38
Jun-14	25,413.78	4.94	18.05	9.39
Jul-14	25,894.97	1.89	16.15	-10.52
Aug-14	26,638.11	2.87	17.70	9.59
Sep-14	26,630.51	-0.03	16.60	-3.39
Oct-14	27,865.83	4.64	16.00	-3.61
Nov-14	28,693.99	2.97	19.10	19.37
Dec-14	27,499.42	-4.16	23.05	17.10
Jan-15	29,182.95	6.12	28.35	22.99
Feb-15	29,361.50	0.61	24.20	-14.64
Mar-15	27,957.49	-4.78	23.95	-1.03

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2015 IS GIVEN BELOW:

Shareholding of Nominal Value of		Shareholders		Share Amount	
₹	₹	Number	% to Total	In Rupees	% to Total
Upto 5000		22,643	89.8180	27,992,530	7.7100
5001	10,000	1,367	5.4220	11,143,210	3.0690
10001	20,000	571	2.2650	8,742,920	2.4080
20001	30,000	209	0.8290	5,378,460	1.4810
30001	40,000	74	0.2940	2,632,920	0.7250
40001	50,000	85	0.3370	4,053,850	1.1170
50001	1,00,000	108	0.4280	7,918,090	2.1810
100001	And above	153	0.6070	295,222,270	81.3100
Total		25,210	100.00	363,084,250	100.00

CHOWGULE STEAMSHIPS LIMITED

Category	No. of Shares	% Shareholding
Promoters/Person acting in concert	24,968,147	68.76
Banks, Financial Institution, Insurance Cos. etc	9,490	0.03
Private Corporate Bodies	661,762	1.82
NRIs / OCBs	266,171	0.73
Mutual Funds & UTI	10,423	0.03
Indian Public	10,392,432	28.63
TOTAL	36,308,425	100

About 87.55% (shareholders) of the equity shares have been dematerialized as at March 31, 2015. Balance 12.45% (12542 shareholders) shares 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 Pvt. 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 : May 07, 2015

VIJAY V. CHOWGULE
Chairman

ANNEXURE - 1

Statement regarding Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earnings & Outgo as required, pursuant to the Companies (Accounts) Rules 2014

Item Particulars	Comments
A. Conservation of Energy	
(i) the steps taken or impact on conservation of energy;	The Company has operationally well maintained vessel. As a measure of conservation of energy and in compliance of maritime laws the Company would be placing orders for eco ships in future.
(ii) the steps taken by the company for utilising alternate sources of energy;	Nil
(iii) the capital investment on energy conservation equipments;	Nil
B. Technology Absorption	Not applicable
(i) the efforts made towards technology absorption;	
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) the expenditure incurred on Research and Development.	
C. Foreign Exchange Earnings & Outgo	
i) Used (including loan repayments, interest, etc.)	₹ 1,332.58 lakhs
ii) Earned	₹ 742.05 lakhs

AUDITORS' CERTIFICATE

TO THE MEMBERS OF

CHOWGULE STEAMSHIPS LIMITED

We have examined the compliance of conditions of Corporate Governance by **CHOWGULE STEAMSHIPS LIMITED** ("the Company"), for the year, ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

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 with 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
(Firm's Registration No. 101496W)

Place : Mumbai,
Date : May 07, 2015

JOE PRETTO
Partner
Membership No. 077491

ANNEXURE - 2

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES AS ON MARCH 31, 2015

[pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC 1]

Name of the subsidiary	CHOWGULE STEAMSHIPS OVERSEAS LTD PO, Box 265, Borough House, Rue du Pre, St. Peter Port, Guernsey, GY1 3QU (100% subsidiary)		SEA BIRD LLC Ajetlake Island, Ajetlake Road, Mejiuro, Marshall Island-MH 96960 (100% step down subsidiary)		SEA KING LLC Ajetlake Island, Ajetlake Road, Mejiuro, Marshall Island-MH 96960 (100% step down subsidiary)		SEA LORD LLC Ajetlake Island, Ajetlake Road, Mejiuro, Marshall Island-MH 96960 (100% step down subsidiary)		SEA LINK LLC Ajetlake Island, Ajetlake Road, Mejiuro, Marshall Island-MH 96960 (100% step down subsidiary)		SEA GREEN LLC Ajetlake Island, Ajetlake Road, Mejiuro, Marshall Island-MH 96960 (100% step down subsidiary)	
	USD in Millions	(₹ in Lakhs)	USD in Millions	(₹ in Lakhs)	USD in Millions	(₹ in Lakhs)	USD in Millions	(₹ in Lakhs)	USD in Millions	(₹ in Lakhs)	USD in Millions	(₹ in Lakhs)
Capital	9.200	5,724.24	0.001	0.62	0.001	0.62	0.001	0.62	0.001	0.62	0.001	0.62
Reserve	80.282	49,951.60	(11.204)	(6,971.43)	(16.200)	(10,079.81)	(12.388)	(7,707.60)	(15.043)	(9,359.76)	-	-
Total Assets	101.123	62,918.51	20.901	13,004.49	22.098	13,749.30	22.400	13,937.18	22.778	14,172.60	3.759	2,338.95
Total Liabilities	18.533	11,531.47	32.104	19,975.30	38.997	23,898.49	34.786	21,644.15	37.820	23,531.74	3.758	2,338.32
Details of Investments	6.893	4,288.79	-	-	-	-	-	-	-	-	-	-
Total Income	0.094	58.70	3.306	2,056.86	3.357	2,088.77	2.884	1,794.21	2.972	1,849.08	-	-
Loss Before taxation	(0.277)	(172.55)	(3.835)	(2,385.83)	(2.824)	(1,757.38)	(3.832)	(2,384.27)	(2.946)	(1,833.20)	-	-
Provision For Tax	-	-	-	-	-	-	-	-	-	-	-	-
Loss after Taxation	(0.277)	(172.55)	(3.835)	(2,385.83)	(2.824)	(1,757.38)	(3.832)	(2,384.27)	(2.946)	(1,833.20)	-	-

Notes:

- (i) For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, USD 1 = 62.22
- (ii) The Consolidated financial statements are in compliance with applicable Accounting Standards in India.
- (iii) In compliance with the requirements of Clause 32 of the Listing Agreement, the consolidated financial statements are duly audited by the auditors.
- (iv) Full accounts of the aforesaid subsidiaries are available for inspection at the Registered office of the Company and on request same will be made available to the shareholders of the holding company and subsidiary companies.
- (v) During the year Sunshine LLC, a step down subsidiary of Company, ceased to be a subsidiary upon its liquidation.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

SANJIV N. SHAH
Director

MANGESH SAWANT
Managing Director & CFO

SUHAS JOSHI
Company Secretary

Place : Mumbai,
Date : May 07, 2015

ANNEXURE - 3

Details of Related Party Transactions - Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of material contracts or arrangement or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2015, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

a) Name(s) of the related party and nature of relationship	Lavgan Dockyard Private Limited (formerly Lavgan Dockyard Limited)
b) Nature of contracts/arrangements/transactions	Unsecured loan
c) Duration of the contracts / arrangements/transactions	Annual basis
d) Salient terms of the contracts or arrangements or transactions including the value, if any:	1. ₹ 8.30 Crores Unsecured Loan 2. Repayable on demand 3. Interest at 10.50% p.a.
e) Date(s) of approval by the Board, if any:	16-01-2014 and 16-10-2014
f) Amount paid as advances, if any:	Nil.

a) Name(s) of the related party and nature of relationship	Lavgan Dockyard Private Limited (formerly Lavgan Dockyard Limited)
b) Nature of contracts/arrangements/transactions	Sale of Land
c) Duration of the contracts / arrangements/transactions	Annual basis
d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 5.60 Crores
e) Date(s) of approval by the Board, if any:	16-01-2014
f) Amount paid as advances, if any:	Nil. Full consideration received.

a) Name(s) of the related party and nature of relationship	Chowgule Industries Private Ltd.
b) Nature of contracts/arrangements/transactions	Purchase of vehicle
c) Duration of the contracts / arrangements/transactions	Annual basis
d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 12.29 Lacs
e) Date(s) of approval by the Board, if any:	16-10-2014
f) Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors

Place : Mumbai,
Date : May 07, 2015

VIJAY V. CHOWGULE
Chairman

CHOWGULE STEAMSHIPS LIMITED

ANNEXURE - 4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

Particulars	Details
CIN	L63090GA1963PLC000002
Date of Incorporation	09.04.1963
Name of the Company	CHOWGULE STEAMSHIPS LIMITED
Category of Company	Public Company - Company having share capital
Registered Office and contact information	Chowgule House, Mormugao Harbour, Goa – 403 803 Tel: 022 66202500 Website: www.chowgulesteamships.co.in Email: joshi.csl@chowgule.co.in
Listing Status	Listed on BSE Limited, Mumbai
Details of the Registrar and Transfer Agent	Link Intime India Private 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

II. Principal Business Activities of the Company

Sl.No	Name and Description of main products / services	NIC Code	% to total turnover
1.	Ship Owners and Charterers	611-6110-61100	100.00%
Total			100.00%

There was no change in the nature of business of the Company during the year under report.

III. Particulars of Holding, Subsidiary and Associate Companies –

Sl. No	Name of Overseas Subsidiaries / Step-down subsidiaries	Holding / subsidiary / Associate	% of shares held	Applicable Section of Companies Act, 2013
1.	Chowgule Steamships Overseas Limited (CSOL)	Subsidiary of Chowgule Steamships Ltd. (CSL)	100%	2(87)
2.	Sea Bird	Step down Subsidiary of CSL	100%	2(87)
3.	Sea Lord	Step down Subsidiary of CSL	100%	2(87)
4.	Sea Green	Step down Subsidiary of CSL	100%	2(87)
5.	Sea King	Step down Subsidiary of CSL	100%	2(87)
6.	Sea Link	Step down Subsidiary of CSL	100%	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	1996258	1761889	3758147	10.35	2451992	1477746	3929738	10.82	0.47
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt. (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	17237932	27750	17265682	47.55	17237932	27750	17265682	47.55	Nil
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	19234190	1789639	21023829	57.90	19689924	1505496	21195420	58.37	0.47
2. Foreign									
a) NRIs -Individuals	NIL	1511884	1511884	4.16	NIL	1511884	1511884	4.16	NIL
b) Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	2260843	NIL	2260843	6.23	2260843	NIL	2260843	6.23	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	2260843	1511884	3772727	10.39	2260843	1511884	3772727	10.39	NIL
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	21495033	3301523	24796556	68.29	21950767	3017380	24968147	68.76	0.47
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	10423	10423	0.03	NIL	10423	10423	0.03	NIL
b) Banks / FI	124	6416	6540	0.02	124	6416	6540	0.02	NIL
c) Central Govt	NIL								
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	2950	2950	0.01	NIL	2950	2950	0.01	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)									
Trust	65833	NIL	65833	0.18	65833	NIL	65833	0.18	NIL
Sub-total (B)(1):-	65957	19789	85746	0.24	65957	19789	85746	0.24	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	673724	26260	699984	1.93	635532	26230	661762	1.82	(0.11)
ii) Overseas	NIL	1850	1850	0.01	NIL	1850	1850	0.01	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4761170	1387443	6148613	16.92	4624412	1365144	5989556	16.50	(0.42)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4184488	87748	4272236	11.76	4172085	87748	4259833	11.73	(0.03)
c) Others (specify)									
i) Clearing Members	17990	NIL	17990	0.05	77077	NIL	77077	0.21	0.16
ii) Non Resident Indian - (On repatriation basis)	253663	NIL	253663	0.70	234657	NIL	234657	0.64	(0.06)

CHOWGULE STEAMSHIPS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
iii) Non Resident Indian - (On Non-repatriation basis)	28810	2844	31654	0.09	26820	2844	29664	0.08	(0.01)
iv) Directors	133	NIL	133	0.01	133	NIL	133	0.01	NIL
Sub-total (B)(2):-	9919978	1506145	11426123	31.47	9770716	1483816	11254532	31.00	(0.47)
Total Public Shareholding (B)= (B)(1)+(B)(2)	9985935	1525934	11511869	31.71	9836673	1503605	11340278	31.24	(0.47)
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	31480968	4827457	36308425	100.00	31787440	4520985	36308425	100.00	0.00

(ii) Shareholding of Promoters

SI No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Chowgule And Company Private Limited.	16817554	46.3186	NIL	16817554	46.3186	NIL	NIL
2	Dolphin Investment Limited	305041	0.8401	NIL	305041	0.8401	NIL	NIL
3	Chowgule And Company Private Limited	115337	0.3177	NIL	115337	0.3176	NIL	NIL
4	Chowgule Real Estate & Construction Ltd	27750	0.0764	NIL	27750	0.0764	NIL	NIL
5	Vijay Vishwasrao Chowgule	819343	2.2566	NIL	821764	2.2632	NIL	0.01
6	Vijay Vishwasrao Chowgule	335112	0.9230	NIL	335112	0.9229	NIL	NIL
7	Ashok Vishwas Rao Chowgule	293761	0.8091	NIL	293761	0.809	NIL	NIL
8	Quail Investments Ltd.	2260843	6.2268	NIL	2260843	6.2267	NIL	NIL
9	Arti Pratap Shirke Dorigo	303125	0.8349	NIL	303125	0.8348	NIL	NIL
10	Anita Pratap Shirke Yuravivker	303125	0.8349	NIL	303125	0.8348	NIL	NIL
11	Anjali Pratap Shirke	303125	0.8349	NIL	303125	0.8348	NIL	NIL
12	Pratap Baburao Shirke	287500	0.7918	NIL	287500	0.7918	NIL	NIL
13	Sarita Pratap Shirke	118285	0.3258	NIL	118285	0.3257	NIL	NIL
14	Pratap Baburao Shirke	86850	0.2392	NIL	86850	0.2392	NIL	NIL
15	Sarita Pratap Shirke	71374	0.1966	NIL	71374	0.1965	NIL	NIL
16	Arti Pratap Shirke Dorigo	19250	0.0530	NIL	19250	0.053	NIL	NIL
17	Anita Pratap Shirke Yuravivker	19250	0.0530	NIL	19250	0.053	NIL	NIL
18	Laxmanrao Dattaji Chowgule	271250	0.7471	NIL	271250	0.747	NIL	NIL
19	Umaji Vishwasrao Chowgule	257971	0.7105	NIL	257971	0.7105	NIL	NIL
20	Rohini Vishwasrao Chowgule	252159	0.6945	NIL	421329	1.1604	NIL	0.46
21	Jagdeep Yeshwantrao Chowgule	195125	0.5374	NIL	195125	0.5374	NIL	NIL
22	Indirabai Laxmanrao Chowgule	173250	0.4772	NIL	173250	0.4771	NIL	NIL
23	Vishwasrao Dattaji Chowgule	119000	0.3277	NIL	119000	0.3277	NIL	NIL
24	Vidhya Milind Vernekar	117000	0.3222	NIL	117000	0.3222	NIL	NIL
25	Padma Chowgule	116285	0.3203	NIL	116285	0.3202	NIL	NIL
26	Sheela Yeshwantrao Chowgule	115000	0.3167	NIL	115000	0.3167	NIL	NIL
27	Padma Vishwasrao Chowgule	112135	0.3088	NIL	112135	0.3088	NIL	NIL
28	Suresh Laxmanrao Chowgule	89250	0.2458	NIL	89250	0.2458	NIL	NIL
29	Jaywant Yeshwantrao Chowgule	64750	0.1783	NIL	64750	0.1783	NIL	NIL
30	Dilip Laxmanrao Chowgule	61067	0.1682	NIL	61067	0.1681	NIL	NIL
31	Yeshwantrao D Chowgule	60000	0.1653	NIL	60000	0.1652	NIL	NIL
32	Yeshwantrao D Chowgule	60000	0.1653	NIL	60000	0.1652	NIL	NIL

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SI No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
33	Chowgule Suresh Laxmanrao	55125	0.1518	NIL	55125	0.1518	NIL	NIL
34	Yeshwantrao Dattaji Chowgule	46200	0.1272	NIL	46200	0.1272	NIL	NIL
35	Laxmanrao Dattaji Chowgule	34895	0.0961	NIL	34895	0.0961	NIL	NIL
36	Ramesh Laxmanrao Chowgule	31500	0.0868	NIL	31500	0.0867	NIL	NIL
37	Santosh Laxmanrao Chowgule	26172	0.0721	NIL	26172	0.072	NIL	NIL
38	Ashok Vishwasrao Chowgule	24675	0.0680	NIL	24675	0.0679	NIL	NIL
39	Yeshwantrao D Chowgule	15750	0.0434	NIL	15750	0.0433	NIL	NIL
40	Chowgule Satish Laxmanrao	8567	0.0236	NIL	8567	0.0236	NIL	NIL
41	Daulatrao Y Chowgule	1400	0.0039	NIL	1400	0.0038	NIL	NIL
42	Ewart Lazarus	1313	0.0036	NIL	1313	0.0036	NIL	NIL
43	Nishikant Shivajirao Chowgule	92	0.0003	NIL	92	0.0002	NIL	NIL
TOTAL		24796556	68.2942	NIL	24968147	68.7649	NIL	0.47

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Vijay V. Chowgule	1,154,455	3.18	29.04.2014	2421	Transfer	1,154,455	3.18
		1,156,876	3.19				1,156,876	3.19
2	Prof. Rohini Chowgule	252,159	0.69	02.04.2014	725	Transfer	252,884	0.70
				03.04.2014	600	Transfer	253,484	0.70
				09.04.2014	2,000	Transfer	255,484	0.70
				10.04.2014	300	Transfer	255,784	0.70
				16.07.2014	4,386	Transfer	260,170	0.72
				18.07.2014	1,600	Transfer	261,770	0.72
				23.07.2014	8,000	Transfer	269,770	0.74
				24.07.2014	800	Transfer	270,570	0.75
				25.07.2014	3,565	Transfer	274,135	0.76
				28.07.2014	2,635	Transfer	276,770	0.76
				30.07.2014	1,966	Transfer	278,736	0.77
				01.08.2014	534	Transfer	279,270	0.77
				04.08.2014	1,409	Transfer	280,679	0.77
				05.08.2014	1,000	Transfer	281,679	0.78
06.08.2014	1,591	Transfer	283,270	0.78				
07.08.2014	2,500	Transfer	285,770	0.79				
08.08.2014	1,000	Transfer	286,770	0.79				
11.08.2014	500	Transfer	287,270	0.79				
12.08.2014	1,100	Transfer	288,370	0.79				
13.08.2014	1,031	Transfer	289,401	0.80				

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Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				14.08.2014	1,031	Transfer	990,432	0.80
				20.08.2014	3,755	Transfer	994,187	0.81
				20.08.2014	2,000	Transfer	996,187	0.82
				21.08.2014	2,000	Transfer	998,187	0.82
				22.08.2014	3,083	Transfer	301,270	0.83
				25.08.2014	2,930	Transfer	304,200	0.84
				26.08.2014	3,570	Transfer	307,770	0.85
				27.08.2014	5,600	Transfer	313,370	0.86
				28.08.2014	100	Transfer	313,470	0.86
				02.09.2025	2,304	Transfer	315,774	0.87
				03.09.2014	500	Transfer	316,274	0.87
				04.09.2014	1,500	Transfer	317,774	0.88
				05.09.2014	1,000	Transfer	318,774	0.88
				08.09.2014	2,696	Transfer	321,470	0.89
				09.09.2014	3,500	Transfer	324,970	0.90
				10.09.2014	3,000	Transfer	327,970	0.90
				11.09.2014	1,079	Transfer	329,049	0.91
				12.09.2014	1,000	Transfer	330,049	0.91
				19.09.2014	1,000	Transfer	331,049	0.91
				22.09.2014	274	Transfer	331,323	0.91
				24.09.2014	2,000	Transfer	333,323	0.92
				25.09.2014	1,647	Transfer	334,970	0.92
				26.09.2014	300	Transfer	335,270	0.92
				30.09.2014	3,200	Transfer	338,470	0.93
				01.10.2014	100	Transfer	338,570	0.93
				22.10.2014	640	Transfer	339,210	0.93
				27.10.2014	860	Transfer	340,070	0.94
				28.10.2014	2,000	Transfer	342,070	0.94
				29.10.2014	1,000	Transfer	343,070	0.94
				30.10.2014	1,500	Transfer	344,570	0.95
				31.10.2014	1,000	Transfer	345,570	0.95
				03.11.2014	1,500	Transfer	347,070	0.96
				05.11.2014	1,406	Transfer	348,476	0.96
				07.11.2014	2,094	Transfer	350,570	0.97
				12.11.2014	6,000	Transfer	356,570	0.98
				13.11.2014	799	Transfer	357,369	0.98
				14.11.2014	700	Transfer	358,069	0.99
				17.11.2014	500	Transfer	358,569	0.99
				18.11.2014	1,000	Transfer	359,569	0.99
				19.11.2014	2,000	Transfer	361,569	1.00
				20.11.2014	1,520	Transfer	363,089	1.00
				25.11.2014	580	Transfer	363,669	1.00
				08.12.2014	600	Transfer	364,269	1.00
				09.12.2014	100	Transfer	364,369	1.00

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Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				10.12.2014	1,300	Transfer	365,669	1.01
				11.12.2014	2,000	Transfer	367,669	1.01
				12.12.2014	1,000	Transfer	368,669	1.02
				15.12.2014	1,500	Transfer	370,169	1.02
				16.12.2014	2,500	Transfer	372,669	1.03
				17.12.2014	1,500	Transfer	374,169	1.03
				18.12.2014	4,435	Transfer	378,604	1.04
				19.12.2014	2,065	Transfer	380,669	1.05
				22.12.2014	2,000	Transfer	382,669	1.05
				23.12.2014	1,500	Transfer	384,169	1.06
				24.12.2014	1,000	Transfer	385,169	1.06
				26.12.2014	3,500	Transfer	388,669	1.07
				31.12.2014	2,000	Transfer	390,669	1.08
				01.01.2015	4,500	Transfer	395,169	1.09
				02.01.2015	6,000	Transfer	401,169	1.10
				05.01.2015	3,100	Transfer	404,269	1.11
				23.02.2015	658	Transfer	404,927	1.12
				23.02.2015	1,842	Transfer	406,769	1.12
				02.03.2015	4,000	Transfer	410,769	1.13
				03.03.2015	687	Transfer	411,456	1.13
				18.03.2015	2,813	Transfer	414,269	1.14
				19.03.2015	2,000	Transfer	416,269	1.15
				24.03.2015	500	Transfer	416,769	1.15
				25.03.2015	780	Transfer	417,549	1.15
				26.03.2015	780	Transfer	418,329	1.15
				30.03.2015	2,000	Transfer	420,329	1.16
				31.03.2015	1,000	Transfer	421,329	1.16
	Total	421,329	1.16					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)					
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company				
1	CHITRA P MAHATME	1,280,945	3.53	01.04.2014	0	NIL movement during the year	1,280,945	3.53				
		1,280,945	3.53	31.03.2015								
2	MAYUR MANGALDAS KOTHARI	243,019	0.67	01.04.2014	(8,505)	Transfer	243,019	0.65				
				30.05.2014					(6,000)	Transfer	234,514	0.63
				13.06.2014								

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Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				30.06.2014	(5,000)	Transfer	223,514	0.62
				11.07.2014	(642)	Transfer	222,872	0.61
				18.07.2014	(505)	Transfer	222,367	0.61
				30.09.2014	(842)	Transfer	221,525	0.61
				28.11.2014	(10,000)	Transfer	211,525	0.58
				12.12.2014	(4,750)	Transfer	206,775	0.57
				31.12.2014	(30,000)	Transfer	176,775	0.49
				02.01.2015	(20,000)	Transfer	156,775	0.43
				09.01.2015	(60,000)	Transfer	96,775	0.27
				16.01.2015	(5,000)	Transfer	91,775	0.25
		91,775	0.25					
3	DILIP R FADTE	161,518	0.44	01.04.2014	0	NIL movement during the year		
		161,518	0.44	31.03.2015			161,518	0.44
4	BALRAM BHARWANI	154,300	0.42	01.04.2014			154,300	0.42
				04.04.2014	350	Transfer	154,650	0.43
				11.04.2014	71	Transfer	154,721	0.43
				18.04.2014	21	Transfer	154,742	0.43
				25.04.2014	875	Transfer	155,617	0.43
				02.05.2014	8	Transfer	155,625	0.43
				23.05.2014	5	Transfer	155,630	0.43
				30.05.2014	50	Transfer	155,680	0.43
				06.06.2014	55	Transfer	155,735	0.43
				13.06.2014	130	Transfer	155,865	0.43
				20.06.2014	35	Transfer	155,900	0.43
				30.06.2014	110	Transfer	156,010	0.43
				04.07.2014	115	Transfer	156,125	0.43
				11.07.2014	54	Transfer	156,179	0.43
				18.07.2014	62	Transfer	156,241	0.43
				25.07.2014	135	Transfer	156,376	0.43
				01.08.2014	230	Transfer	156,606	0.43
				08.08.2014	244	Transfer	156,850	0.43
				15.08.2014	250	Transfer	157,100	0.43
				29.08.2014	321	Transfer	157,421	0.43
				05.09.2014	2,179	Transfer	159,600	0.44
				12.09.2014	5,011	Transfer	164,611	0.45
				19.09.2014	2,248	Transfer	166,859	0.46
				30.09.2014	12,949	Transfer	179,808	0.50
				10.10.2014	5,492	Transfer	185,300	0.51
				17.10.2014	3,627	Transfer	188,927	0.52
				24.10.2014	73	Transfer	189,000	0.52
				31.10.2014	4,300	Transfer	193,300	0.53

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Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				07.11.2014	2,200	Transfer	195,500	0.54
				21.11.2014	15,950	Transfer	211,450	0.58
				28.11.2014	10,772	Transfer	222,222	0.61
				05.12.2014	778	Transfer	223,000	0.61
				12.12.2014	9,550	Transfer	232,550	0.64
				19.12.2014	200	Transfer	232,750	0.64
				31.12.2014	950	Transfer	233,700	0.64
				02.01.2015	300	Transfer	234,000	0.64
				27.02.2015	2,120	Transfer	236,120	0.65
				13.03.2015	25	Transfer	236,145	0.65
				20.03.2015	55	Transfer	236,200	0.65
		236,200	0.65	31.03.2015				
5	NEW COMMERCIAL MILLS CO LTD	146,513	0.40	01.04.2014	0	NIL movement during the year		
		146,513	0.40	31.03.2015			146,513	0.40
6	ORIENTAL PHARMACEUTICAL INDUSTRIES LIMITED	121,558	0.33	01.04.2014	0	NIL movement during the year		
		121,558	0.33	31.03.2015			121,558	0.33
7	NILESH MAHENDRA POPAT	119,083	0.33	01.04.2014	0	NIL movement during the year		
		119,083	0.33	31.03.2015			119,083	0.33
8	Hitesh Narayandasji Jhawar	105,731	0.29	01.04.2014	0	NIL movement during the year		
		105,731	0.29	31.03.2015			105,731	0.29
9	PARESH RAJA	100,000	0.28	01.04.2014			100,000	0.28
				09.01.2015	(50,000)	Transfer	50,000	0.14
				16.01.2015	(50,000)	Transfer	0	0.00
		0	0.00	31.03.2015				
10	ULKA MAYUR KOTHARI	91,288	0.25	01.04.2014	0	NIL movement during the year		
		91,288	0.25	31.03.2015			91,288	0.25

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
DIRECTORS								
1	Vijay V. Chowgule	1,154,455	3.18	01.04.2014			1,154,455	3.18
				29.04.2014	2421	Transfer	1,156,876	3.19
		1,156,876	3.19	31.03.2015				
2	Dhananjay N. Mungale	0	0.00	01.04.2014		NIL movement during the year		
		0	0.00	31.03.2015	0		0	0.00
3	Jaywant Y. Chowgule	64,750	0.18	01.04.2014	0	NIL movement during the year		
		64,750	0.18	31.03.2015			64,750	0.18

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Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	Sanjiv N. Shah	0	0.00	01.04.2014		NIL movement during the year	0	0.00
		0	0.00	31.03.2015	0			
5	Nathan R. Chowgule	0	0.00	01.04.2014		NIL movement during the year	0	0.00
		0	0.00	31.03.2015	0			
6	Prof. Rohini V. Chowgule	252,159	0.69	01.04.2014			252,159	0.69
				02.04.2014	725	Transfer	252,884	0.70
				03.04.2014	600	Transfer	253,484	0.70
				09.04.2014	2,000	Transfer	255,484	0.70
				10.04.2014	300	Transfer	255,784	0.70
				16.07.2014	4,386	Transfer	260,170	0.72
				18.07.2014	1,600	Transfer	261,770	0.72
				23.07.2014	8,000	Transfer	269,770	0.74
				24.07.2014	800	Transfer	270,570	0.75
				25.07.2014	3,565	Transfer	274,135	0.76
				28.07.2014	2,635	Transfer	276,770	0.76
				30.07.2014	1,966	Transfer	278,736	0.77
				01.08.2014	534	Transfer	279,270	0.77
				04.08.2014	1,409	Transfer	280,679	0.77
				05.08.2014	1,000	Transfer	281,679	0.78
				06.08.2014	1,591	Transfer	283,270	0.78
				07.08.2014	2,500	Transfer	285,770	0.79
				08.08.2014	1,000	Transfer	286,770	0.79
				11.08.2014	500	Transfer	287,270	0.79
				12.08.2014	1,100	Transfer	288,370	0.79
				13.08.2014	1,031	Transfer	289,401	0.80
14.08.2014	1,031	Transfer	290,432	0.80				
20.08.2014	3,755	Transfer	294,187	0.81				
20.08.2014	2,000	Transfer	296,187	0.82				
21.08.2014	2,000	Transfer	298,187	0.82				
22.08.2014	3,083	Transfer	301,270	0.83				
25.08.2014	2,930	Transfer	304,200	0.84				
26.08.2014	3,570	Transfer	307,770	0.85				
27.08.2014	5,600	Transfer	313,370	0.86				
28.08.2014	100	Transfer	313,470	0.86				
02.09.2015	2,304	Transfer	315,774	0.87				
03.09.2014	500	Transfer	316,274	0.87				
04.09.2014	1,500	Transfer	317,774	0.88				
05.09.2014	1,000	Transfer	318,774	0.88				
08.09.2014	2,696	Transfer	321,470	0.89				
09.09.2014	3,500	Transfer	324,970	0.90				

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Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				10.09.2014	3,000	Transfer	327,970	0.90
				11.09.2014	1,079	Transfer	329,049	0.91
				12.09.2014	1,000	Transfer	330,049	0.91
				19.09.2014	1,000	Transfer	331,049	0.91
				22.09.2014	274	Transfer	331,323	0.91
				24.09.2014	2,000	Transfer	333,323	0.92
				25.09.2014	1,647	Transfer	334,970	0.92
				26.09.2014	300	Transfer	335,270	0.92
				30.09.2014	3,200	Transfer	338,470	0.93
				01.10.2014	100	Transfer	338,570	0.93
				22.10.2014	640	Transfer	339,210	0.93
				27.10.2014	860	Transfer	340,070	0.94
				28.10.2014	2,000	Transfer	342,070	0.94
				29.10.2014	1,000	Transfer	343,070	0.94
				30.10.2014	1,500	Transfer	344,570	0.95
				31.10.2014	1,000	Transfer	345,570	0.95
				03.11.2014	1,500	Transfer	347,070	0.96
				05.11.2014	1,406	Transfer	348,476	0.96
				07.11.2014	2,094	Transfer	350,570	0.97
				12.11.2014	6,000	Transfer	356,570	0.98
				13.11.2014	799	Transfer	357,369	0.98
				14.11.2014	700	Transfer	358,069	0.99
				17.11.2014	500	Transfer	358,569	0.99
				18.11.2014	1,000	Transfer	359,569	0.99
				19.11.2014	2,000	Transfer	361,569	1.00
				20.11.2014	1,520	Transfer	363,089	1.00
				25.11.2014	580	Transfer	363,669	1.00
				08.12.2014	600	Transfer	364,269	1.00
				09.12.2014	100	Transfer	364,369	1.00
				10.12.2014	1,300	Transfer	365,669	1.01
				11.12.2014	2,000	Transfer	367,669	1.01
				12.12.2014	1,000	Transfer	368,669	1.02
				15.12.2014	1,500	Transfer	370,169	1.02
				16.12.2014	2,500	Transfer	372,669	1.03
				17.12.2014	1,500	Transfer	374,169	1.03
				18.12.2014	4,435	Transfer	378,604	1.04
				19.12.2014	2,065	Transfer	380,669	1.05
				22.12.2014	2,000	Transfer	382,669	1.05
				23.12.2014	1,500	Transfer	384,169	1.06
				24.12.2014	1,000	Transfer	385,169	1.06

CHOWGULE STEAMSHIPS LIMITED

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				26.12.2014	3,500	Transfer	388,669	1.07
				31.12.2014	2,000	Transfer	390,669	1.08
				01.01.2015	4,500	Transfer	395,169	1.09
				02.01.2015	6,000	Transfer	401,169	1.10
				05.01.2015	3,100	Transfer	404,269	1.11
				23.02.2015	658	Transfer	404,927	1.12
				23.02.2015	1,842	Transfer	406,769	1.12
				02.03.2015	4,000	Transfer	410,769	1.13
				03.03.2015	687	Transfer	411,456	1.13
				18.03.2015	2,813	Transfer	414,269	1.14
				19.03.2015	2,000	Transfer	416,269	1.15
				24.03.2015	500	Transfer	416,769	1.15
				25.03.2015	780	Transfer	417,549	1.15
				26.03.2015	780	Transfer	418,329	1.15
				30.03.2015	2,000	Transfer	420,329	1.16
				31.03.2015	1,000	Transfer	421,329	1.16
		421,329	1.16	31.03.2015				
7	Ravindra Kulkarni	0	0.00	01.04.2014		NIL movement during the year		
		0	0.00	31.03.2015	0		0	0.00
8	Farokh Guzder	0	0.00	01.04.2014		NIL movement during the year		
		0	0.00	31.03.2015	0		0	0.00
9	Admiral Arun Prakash (Retd.)	0	0.00	01.04.2014		NIL movement during the year		
		0	0.00	31.03.2015	0		0	0.00
10	Mangesh Sawant	133	0.00	01.04.2014		NIL movement during the year		
		133	0.00	31.03.2015	0		133	0.00
	Key Managerial Personnel (KMP's)							
1	Suhas V. Joshi	0	0.00	01.04.2014			0	0.00
				01.07.2014	1	Transfer	1	0.00
		1	0.00	31.03.2015				

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
(i) Principal	1633.23	Nil	Nil	1633.23
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	0.10	Nil	Nil	0.10
Total (i + ii + iii)	1633.33	Nil	Nil	1633.33

(₹ in lacs)

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	435.04	Nil	Nil	435.09
Net Change	435.04	Nil	Nil	435.09
Indebtedness at the end of the financial year				
(i) Principal	1198.14	Nil	Nil	1198.14
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	0.15	Nil	Nil	0.15
Total (i+ii+iii)	1198.29	Nil	Nil	1198.29

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director , Whole-time Directors and/or Manager

Name of the WTD - Mr. Mangesh Sawant, Executive Director and CFO

Sr. No.	Particulars of Remuneration	Total Amount (₹ In lacs)
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	46.00
	(b) Value of perquisites u/s. 17 (2) of the Income Tax Act, 1961	0.32
	(c) Profits in lieu of salary u/s. 17 (3) of the Income Tax Act, 1961	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	Nil
5.	Others, please specify	Nil
	Total (A)	46.32
	Ceiling as per the Act	60.00

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount (₹)
	Mr. Dhananjay Mungale	Mr. Sanjiv Shah	Mr. Ravindra Kulkarni	Mr. Farokh Guzder	Admiral Arun Prakash	
1. Independent Directors						
• Fees for attending board/ committee meetings	140,000	70,000	150,000	100,000	70,000	530,000
• Commission	NIL	NIL	NIL	NIL	NIL	NIL
• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
Total (1)	140,000	70,000	150,000	100,000	70,000	530,000

CHOWGULE STEAMSHIPS LIMITED

Particulars of Remuneration	Name of Directors				Total Amount (₹)
	Mr. Vijay Chowgule	Mr. Jaywant Chowgule	Mr. Nathan Chowgule	Prof. Rohini Chowgule	
2. Other Non Executive Directors					
• Fees for attending board/ committee meetings	180,000	20,000	80,000	110,000	390,000
• Commission	NIL	NIL	NIL	NIL	NIL
• Others, please specify	NIL	NIL	NIL	NIL	NIL
Total (2)	180,000	20,000	80,000	110,000	390,000
Total (B) = (1+2)	320,000	90,000	2,30,000	280,000	920,000
Total Managerial Remuneration [Total (A)+(B)]					5,552,000
Overall Ceiling per Act	Not Applicable since the Company has incurred Loss during the year				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
Company Secretary and Compliance Officer

Sr. No.	Particulars of Remuneration	Total Amount (₹ In lacs)
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	21.02
	(b) Value of perquisites u/s. 17 (2) of the Income Tax Act, 1961	Nil
	(c) Profits in lieu of salary u/s. 17 (3) of the Income Tax Act, 1961	Nil
		21.02
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	Nil
5.	Others, please specify	Nil
	Total	21.02
	Ceiling as per the Act	NA

VII. Penalties / Punishment/ Compounding of Offences

There were no penalties or punishments levied on the Company during the year. Also, there was no necessity for the Company to compound any offence.

ANNEXURE - 5

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31,2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Chowgule Steamships Limited
Chowgule House, Marmugao Harbour, Goa 403803

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chowgule Steamships Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Chowgule Steamships Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March,2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Chowgule Steamships Limited ("the Company") for the financial year ended on 31st March,2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange in respect of Issue and Listing of Securities;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

CHOWGULE STEAMSHIPS LIMITED

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **V. N. DEODHAR & CO.,**

V. N. DEODHAR

PROP.

FCS NO.1880

C.P. No. 898

Place: Mumbai

Date: May 6, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **CHOWGULE STEAMSHIPS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

CHOWGULE STEAMSHIPS LIMITED

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants
(Firm's Registration No. 101496W)

Place : Mumbai
Date : May 07, 2015

Joe Pretto
Partner
Membership No. 077491

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date on the financial statements of Chowgule Steamships Limited for the year ended 31st March, 2015)

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (vi) & (xi) of paragraph 3 of the Order are not applicable to the Company.
- (ii) 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 programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- (iii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year on a monthly basis by independent ship managers, who manage the Company's vessel 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 procedures of physical verification of inventories followed by the independent ship managers, who manage the Company's vessel, were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company's inventories comprise paints 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 vessel, the question of discrepancies on physical verification thereof does not arise.
- (iv) According to the information and explanations given to us, the Company has granted loan, unsecured, to a company, covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loan:
 - (a) In the absence of stipulation, the regularity of the receipts of principal amounts and interest has not been commented upon.
 - (b) In the absence of stipulation, the amount overdue cannot be determined.
- (v) According to the 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. During the course of our audit, we have neither observed nor have we been informed about any major weaknesses in such internal control systems.

(vi) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vii) According to the information and explanations given to us, in respect of statutory dues and other dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Wealth Tax, Customs Duty, Sales Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amount payable in respect of Provident Fund, Income-tax, Wealth Tax, Customs Duty, Sales Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

(b) Details of dues of Income-tax and Sales Tax which have not been deposited as on 31st March, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)
The Tamil Nadu General Sales Tax Act, 1959	Sales Tax	High Court of Madras	Financial Year 1995-96	189.60
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Financial Year 2003-04	9.28
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Financial Year 2004-05	7.42
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Financial Year 2011-12	461.85

(c) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

(viii) The Company does not have accumulated losses at the end of the financial year and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to bank. The Company has not obtained any borrowings from financial institution and has not issued any debentures.

(x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.

(xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants
(Firm's Registration No. 101496W)

Joe Pretto
Partner
Membership No. 077491

Place : Mumbai
Date : May 07, 2015

CHOWGULE STEAMSHIPS LIMITED

BALANCE SHEET AS AT MARCH 31, 2015

	Note No.	As at 31-Mar-2015 (₹ in Lakhs)	As at 31-Mar-2014 (₹ in Lakhs)
(I) EQUITY AND LIABILITIES :			
1 SHAREHOLDERS' FUNDS			
a) Share Capital	2	3,630.84	3,630.84
b) Reserves and Surplus	3	9,140.83	11,201.77
c) Money Received against Share Warrants		—	—
		12,771.67	14,832.61
2 SHARE APPLICATION MONEY PENDING ALLOTMENT			
		—	—
3 NON-CURRENT LIABILITIES			
a) Long-Term Borrowings	4	—	1,149.31
b) Deferred Tax Liabilities (Net)	5	635.88	1,038.00
c) Other Long-Term Liabilities	6	99.36	99.36
d) Long-Term Provisions		—	—
		735.24	2,286.67
4 CURRENT LIABILITIES			
a) Short-Term Borrowings	7	193.26	161.57
b) Trade Payables	8	615.81	322.11
c) Other Current Liabilities	9	1,248.03	544.48
d) Short-Term Provisions	10	44.77	35.35
		2,101.87	1,063.51
TOTAL		<u>15,608.78</u>	<u>18,182.79</u>
(II) ASSETS :			
1 NON-CURRENT ASSETS			
a) Fixed Assets			
(i) Tangible Assets	11	4,018.44	5,361.34
(ii) Intangible Assets		—	—
(iii) Capital Work-in-Progress		—	—
(iv) Intangible Assets under Development		—	—
b) Non-Current Investments	12	9,549.74	9,823.24
c) Deferred Tax Assets (Net)		—	—
d) Long-Term Loans and Advances	13	81.53	81.15
e) Other Non-Current Assets	14	0.51	0.62
		13,650.22	15,266.35
2 CURRENT ASSETS			
a) Current Investments	15	502.80	2,138.48
b) Inventories	16	22.73	49.68
c) Trade Receivables	17	165.72	326.55
d) Cash and Bank Balances	18	53.11	95.92
e) Short-Term Loans and Advances	19	1,092.58	240.10
f) Other Current Assets	20	121.62	65.71
		1,958.56	2,916.44
TOTAL		<u>15,608.78</u>	<u>18,182.79</u>

See accompanying notes forming part of the financial statements

In terms of our report attached.

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

JOE PRETTO
Partner

Place : Mumbai,
Date : May 07, 2015

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

SANJIV N. SHAH
Director

MANGESH SAWANT
Managing Director & CFO

SUHAS JOSHI
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note No.	For the year ended 31-Mar-2015 (₹ in Lakhs)	For the year ended 31-Mar-2014 (₹ in Lakhs)
REVENUE			
I. Revenue from Operations	22	742.05	1,600.54
II. Other Income	23	405.41	258.21
III. Total Revenue		1,147.46	1,858.75
IV. EXPENSES:			
Operating Expenses	24	1,764.38	934.39
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods		-	-
Employee Benefits Expenses	25	715.45	645.11
Finance Costs	26	52.29	95.06
Depreciation and Amortisation Expenses	11	811.40	679.61
Other Expenses	27	227.34	281.15
Total Expenses		3,570.86	2,635.32
V. Loss before Exceptional and Extraordinary Items and Tax (III - IV)		(2,423.40)	(776.57)
VI. Less: Exceptional Items	28	(26.92)	439.02
VII. Loss before Extraordinary Items and Tax (V - VI)		(2,450.32)	(337.55)
VIII. Extraordinary Items		-	-
IX. Loss Before Tax (VII - VIII)		(2,450.32)	(337.55)
X. Tax Expense:			
- Current Tax		-	-
- Reversal of Deferred Tax Liabilities [Net of ₹ 4.22 lakhs (Previous Year- ₹ Nil)] (Refer to Note No. 11)	5	406.34	304.00
- Excess Provision for Tax Relating to Prior Years		-	(2.93)
		406.34	301.07
XI. Loss for the year from Continuing Operations (IX - X)		(2,043.98)	(36.48)
XII. Loss from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Loss for the year from Discontinuing Operations (after tax) (XII - XIII)		-	-
XV. Loss for the year (XI + XIV)		(2,043.98)	(36.48)
XVI. Basic and Diluted Earnings per Equity Share of ₹ 10/- each (in ₹)	32	(5.63)	(0.10)

In terms of our report attached.

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

JOE PRETTO
Partner

Place : Mumbai,
Date : May 07, 2015

SUHAS JOSHI
Company Secretary

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

SANJIV N. SHAH
Director

MANGESH SAWANT
Managing Director & CFO

CHOWGULE STEAMSHIPS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended 31-Mar-2015 (₹ in Lakhs)	For the year ended 31-Mar-2014 (₹ in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before Tax and Extraordinary Items	(2,450.32)	(337.55)
Adjustments for:		
Depreciation	811.40	679.61
Provision for Impairment of Vessel	530.85	-
Provision for Employee Benefits	3.86	(1.91)
Sundry Balance Written Back	(45.46)	(11.52)
Foreign Exchange Translation Differences	58.64	206.04
Interest Income	(55.96)	(0.05)
Dividend Income	(0.05)	(4.05)
Profit on Sale of Current Investments	(104.91)	(43.87)
Profit on Sale of Fixed Asset	(553.07)	-
Assets Written Off	-	0.04
Interest & Other Finance Charges Paid	52.29	95.06
Operating (Loss) / Profit before Working Capital Changes	(1,752.73)	581.80
Adjustments for:		
(Increase) / Decrease in Trade Receivables	160.83	(326.55)
(Increase) / Decrease in Long-term Loans and Advances	(0.38)	(3.05)
(Increase) / Decrease in Short-term Loans and Advances	3.01	(1.41)
(Increase) / Decrease in Other Current Assets	-	(65.71)
Movement in restricted Bank Balances	6.93	5.81
(Increase) / Decrease in Inventories	26.95	242.25
Increase/(Decrease) in Trade Payables	339.16	(149.04)
Increase/(Decrease) in Other Current Liabilities	1.77	(63.00)
Cash generated (Used in) / From Operations	(1,214.46)	221.10
Less: Net Income Tax Refund	(25.48)	(14.96)
Net Cash Flow (Used in) / From Operating Activities (A)	(1,239.94)	206.14
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(20.54)	(0.76)
Sale of Fixed Assets	561.52	-
Sale of Non Current Investment	273.50	-
Sale of Current Investments	2,014.28	1,207.42
Purchase of Current Investments	(273.69)	(2,951.46)
Loan Return By /(Given To) Lavgan Dockyard Pvt. Ltd	(830.00)	-
Loan Return By /(Given To) Subsidiary Company	-	1,884.81
Interest Received	0.16	-
Dividend Received	0.05	4.05
Net Cash flow from Investing Activities (B)	1,725.28	144.06
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase in Cash Credit Balance	31.70	160.11
Repayment of Borrowings	(495.56)	(494.98)
Interest & Other Finance Charges	(52.24)	(95.25)
Unclaimed Dividend Paid	(6.93)	(5.81)
Net Cash Flow Used in Financing Activities (C)	(523.03)	(435.93)
Net Decrease in Cash and Cash equivalents (A+B+C)	(37.69)	(85.73)
Cash and Cash Equivalents - Opening Balance	55.16	136.73
Cash and Cash Equivalents - Closing Balance	17.47	51.00
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	17.47	51.00
Effect of Exchange Rate Change - Favourable	1.81	4.16
Cash & Cash Equivalents as Restated	19.28	55.16
Foot Note:		
Cash & Cash Equivalents as above (Refer to Note No. 18)	19.28	55.16
Add: Restricted Bank Balances	33.83	40.76
Cash and Cash Equivalents - Closing Balance	53.11	95.92

Note : During the Previous year conversion of loan given to a subsidiary Company ₹ Nil (2014 - ₹ 2,433.60 lakhs) to Convertible Redeemable Preference Shares is consider as a non-cash transacton.

See accompanying notes forming part of the financial statements

In terms of our report attached.

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

Chartered Accountants

JOE PRETTO

Partner

Place : Mumbai,

Date : May 07, 2015

SUHAS JOSHI
Company Secretary

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE

Chairman

SANJIV N. SHAH

Director

MANGESH SAWANT

Managing Director & CFO

NOTES TO THE FINANCIAL STATEMENTS

Corporate information:

Chowgule Steamships Limited (CSL) ("the Company") is a shipping company which presently owns and operates a fleet of 5 vessels (including that of its wholly owned subsidiaries) for seaborne transportation of bulk cargoes. CSL is principally engaged in the carriage of goods by sea and is committed to serve its customers to their satisfaction and mutual optimum benefits.

1 SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Accounting and Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

iii. Tangible 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 the Statement of Profit and Loss.

Buildings have been revalued on 31st March, 2002.

The Company depreciates its fleet of ships on a straight line basis as per the useful life as prescribed in Schedule II to the Companies Act, 2013. The cost of second hand ships and other capital additions thereto are depreciated with reference to their residual lives. Other assets are depreciated on written down value basis as per the useful life as prescribed in Schedule II to the Companies Act, 2013.

The Management estimates the useful lives for the fixed assets as under:

Particulars	31-Mar-2015	31-Mar-2014
Vessel	25 years	25 years
Buildings	60 years	60 years
Furniture and Fixtures	10 years	5 years
Office Equipments	3 - 6 years	5 years
Vehicles	8 years	4 years
Computers	3 years	3 years

iv. Impairment of Fixed 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 Statement of Profit and Loss.

v. Investments:

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

vi. Inventories:

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

vii. Unfinished Voyage:

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

viii. Revenue Recognition:

Freight and demurrage earnings are recognised on a completed voyage basis.

Time charter earnings are accrued on a time proportion basis.

Interest Income is recognised on the time proportionate basis taking into account the amount outstanding and rate applicable.

Dividend Income is recognised when the right to receive such dividend is established.

ix. 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.

NOTES TO THE FINANCIAL STATEMENTS

x. Employee Benefits:

a. Short-Term Employee Benefits

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.

b. Long-Term Employee Benefits

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, it is financed by the Company along with its employees.

i) 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.

ii) 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. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

c. 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 avilment of encashment of such accrued benefit or where the avilment 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.

xi. 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. In other cases, the rates prevailing at the date of the transaction are used.

b. As at the 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.

xii. 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.

xiii. 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.

xiv. Taxes on Income:

The Company's income taxes include taxes on the Company's taxable profits, 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

NOTES TO THE FINANCIAL STATEMENTS

Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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 utilized. 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.

xv. Operating Lease:

Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are effectively retained by the lessors are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the lease period. Where the Company as a lessor, leased assets under operating leases, lease rental under such lease are recognised in the Statement of Profit and Loss on a straight-line basis.

xvi. Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit/(loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

xvii. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xviii. Operating Cycle:

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2 SHARE CAPITAL

AUTHORISED

50,000,000 Equity Shares of ₹ 10/- each

2,500,000 Redeemable Preference Shares of ₹ 100/- each

ISSUED, SUBSCRIBED AND PAID-UP

36,308,425 Equity Shares of ₹ 10 each, fully paid up

	As at 31-Mar-2015 (₹ in Lakhs)	As at 31-Mar-2014 (₹ in Lakhs)
	5,000.00	5,000.00
	2,500.00	2,500.00
	7,500.00	7,500.00
	3,630.84	3,630.84
TOTAL	3,630.84	3,630.84

Rights, Preferences and Restrictions Attached to Equity Shares

The Company has issued only one class of shares referred to as equity shares having a par value of ₹ 10.

Each holder of equity shares is entitled to one vote per share.

The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting except, in the case of interim dividend.

The equity shares are not repayable except, in the case of a buy-back, reduction of capital or winding up. In the event of liquidation of the Company, members of the Company holding equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

In last 5 years no classes of shares has been issued or bought back by the Company nor have any bonus issues been made by the Company.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Following are the names of the shareholders together with the number of Equity Shares holding more than 5 percent of the total Equity Shares:

Name of the Equity Shareholders		Numbers of Shares as at 31-Mar-2015	Numbers of Shares as at 31-Mar-2014
Chowgule and Company Private Limited		16,932,891	16,932,891
	Percentage	46.64	46.64
Quail Investments Limited		2,260,843	2,260,843
	Percentage	6.23	6.23

3 RESERVES AND SURPLUS

	As at 31-Mar-2015 (₹ in Lakhs)	As at 31-Mar-2014 (₹ in Lakhs)
a) CAPITAL RESERVE		
Balance as per last Balance Sheet	11.96	11.96
b) CAPITAL REDEMPTION RESERVE		
Balance as per last Balance Sheet	30.00	30.00
c) SECURITIES PREMIUM		
Balance as per last Balance Sheet	2,922.01	2,922.01
d) REVALUATION RESERVE		
Balance as per last Balance Sheet	1,170.60	1,232.22
Less: Adjusted Against Corresponding Depreciation Charge (Refer to Note No. 11)	—	(61.62)
	1,170.60	1,170.60
e) GENERAL RESERVE		
Balance as per last Balance Sheet	4,117.52	4,117.52
f) SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Opening Balance	2,949.68	2,986.16
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer to Note No.11)	(16.96)	—
Less : Loss for the year	(2,043.98)	(36.48)
Closing Balance	888.74	2,949.68
TOTAL	<u>9,140.83</u>	<u>11,201.77</u>

4 LONG-TERM BORROWINGS

SECURED BORROWINGS

Term Loan from Banks:

Secured by mortgage of vessel m.v. Maratha Providence (Refer to Note No. 9)

TOTAL	—	1,149.31
	—	1,149.31

Terms of Repayment

No. of installments outstanding	3	7
Amount of installments	USD 200,000	USD 200,000
Installments payable	Quarterly	Quarterly
Amount of Balloon Payment	USD 1,500,000	USD 1,500,000
Interest rate	3 months LIBOR + 2%	3 months LIBOR + 2%

During the previous year the terms of repayment of the loan has been restructured as per the revised repayment schedule.

NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-2015 (₹ in Lakhs)	As at 31-Mar-2014 (₹ in Lakhs)
5 DEFERRED TAX LIABILITIES		
Deferred Tax Liability :		
Depreciation on Fixed Assets & Exchange Difference	683.28	1,119.00
	683.28	1,119.00
Deferred Tax Asset :		
Provision for Doubtful Debts	(13.78)	(14.00)
Provision for Employees' Benefits	(17.47)	(17.00)
Exchange Fluctuation	(16.15)	(50.00)
	(47.40)	(81.00)
TOTAL	635.88	1,038.00
The Company has recognised in the Statement of Profit and Loss the net provision of Deferred Tax Asset of ₹ 402.12 lakhs (2014 - ₹ 304.00 lakhs).		
6 OTHER LONG-TERM LIABILITIES		
Rent Deposit	99.36	99.36
	99.36	99.36
TOTAL	99.36	99.36
7 SHORT-TERM BORROWINGS		
SECURED BORROWINGS		
Loan Repayable on Demand from Bank :		
Cash Credits: (Refer to Note No. 11, 16 & 17)	193.26	161.57
Secured against hypothecation of book debts and stocks / stores aboard the vessel and first equitable mortgage on the Company's office premises		
	193.26	161.57
TOTAL	193.26	161.57
8 TRADE PAYABLES		
Shipping Cost Payable	590.47	304.72
Provision for Other Expenses	18.47	17.39
Payable on Purchase of Fixed Asset	6.87	-
	615.81	322.11
TOTAL	615.81	322.11

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 31st March, 2015.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-2015 (₹ in Lakhs)	As at 31-Mar-2014 (₹ in Lakhs)
9 OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debt:		
Secured by mortgage of vessel m.v. Maratha Providence (Refer to Note No. 4)	1,198.14	483.92
Interest Accrued but not Due on Loans	0.15	0.10
Payable to Gratuity Fund (Refer to Note No. 29)	8.03	13.59
Unclaimed Dividends	33.83	40.76
Other Payables:		
Statutory Remittances	7.88	6.11
TOTAL	<u>1,248.03</u>	<u>544.48</u>
10 SHORT-TERM PROVISIONS		
Provision for Employee Benefits:		
Compensated Absences	44.77	35.35
TOTAL	<u>44.77</u>	<u>35.35</u>

NOTES TO THE FINANCIAL STATEMENTS
11 FIXED ASSETS

(₹ in Lakhs)

Particulars	COST			ACCUMULATED DEPRECIATION				BOOK VALUE				
	Opening as at 1-Apr-2014	Additions during the year	Deductions / Write off during the year	Closing as at 31-Mar-2015	Opening as at 1-Apr-2014	For the year on original cost	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	adjusted against corresponding draw down from revaluation reserve	Impairment during the year	Deductions during the year	Up to 31-Mar-2015	As at 31-Mar-2015
Tangible Assets (See Footnote No. 6)												
Freehold land	831.92 (931.92)	-	7.74	924.18 (931.92)	-	-	-	-	-	-	-	924.18 (931.92)
Buildings (See Footnote No. 3)												
On leasehold land -	2,086.86 (2,086.86)	-	-	2,086.86 (2,086.86)	968.30 (909.42)	119.47 (0.92)	-	-	(58.66)	-	1,087.77 (968.30)	999.09 (1,118.56)
On Freehold land -	110.43 (110.43)	-	-	110.43 (110.43)	52.79 (49.75)	5.01 (0.08)	-	-	(2.96)	-	57.80 (52.79)	52.63 (57.64)
Staff Quarters (See Footnote No. 2)	59.75 (59.75)	-	0.96	51.79 (59.75)	37.95 (34.67)	5.57 (3.28)	-	-	-	0.96	49.56 (37.95)	9.93 (14.80)
Furniture and Fixtures												
	12.37	-	8.36	20.13 (16.12)	19.32 (11.00)	2.67 (1.39)	-	-	-	7.65	12.79 (3.80)	12.79 (3.80)
Vehicles												
	153.61	-	19.72	149.06 (153.61)	116.19 (109.66)	10.85 (6.88)	12.74	-	-	19.72 (0.35)	197.06 (116.19)	99.00 (37.42)
Office Equipments												
	13,530.37	-	-	13,530.37 (13,530.37)	9,633.17 (8,965.34)	667.83	-	-	-	530.85	10,831.85 (9,633.17)	2,698.52 (3,897.20)
Vessel (See Footnote No. 4)												
	16,182.06	20.54	99.78	16,172.82	10,890.72	811.40	12.74	-	-	530.85	12,154.38	4,018.44
TOTAL TANGIBLE ASSETS												
Previous Year	(16,181.69)	(0.76)	(0.39)	(16,182.06)	(10,079.84)	(679.61)	-	(61.62)	-	(0.35)	(10,890.72)	(5,361.34)
(figures in bracket related to previous year)												

FOOTNOTES:

- 1) Includes cost of 5 shares of ₹ 50 each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited. Secured also as first equitable mortgage for Cash Credit facility from State Bank of India (Refer to Note No. 7)
- 2) Includes cost of 5 shares of ₹ 50 each fully paid in Dadar Paschim Apartments Co-operative Housing Society Limited and 5 shares of ₹ 50 each fully paid in Olympus Co-operative Housing Society Limited.
- 3) 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		Revalued Amount (Substituted for original cost)		Difference in W.D.V. and revalued amount (₹ in Lakhs)
	as on 31.03.2002 (₹ in Lakhs)	as on 31.03.2002 (₹ in Lakhs)	Written Down Value as on 31.03.2002 (₹ in Lakhs)	Revalued Amount as on 31.03.2002 (₹ in Lakhs)	
Leasehold land - Office Premises	24.45	7.59	7.59	2,070.00	2,062.41
Freehold land - Staff Quarters	6.49	2.76	2.76	106.68	103.92
TOTAL	30.94	10.35	10.35	2,176.68	2,166.33

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.

- 4) Depreciation provided on the revalued portion of the buildings amounting to ₹ Nil (2014 - ₹ 61.62 lakhs) has been directly adjusted from the Revaluation Reserve. (Refer to Note No. 2)
- 5) The Company has impaired its vessel due to adverse economic conditions, considering the economic life and the saleable value based on broker report. Accordingly the impairment loss of ₹ 530.85 lakhs (2014 - ₹ Nil) is computed (Refer to Note no. 28)
- 6) Office premises includes an amount of ₹ 1,391.25 lakhs (2014 - ₹ 1,391.25 lakhs) given on lease. Depreciation for the same is ₹ 59.74 lakhs (2014 - ₹ 0.17 lakhs) Future minimum rent receipts are as under

	31-Mar-2015 (₹ in Lakhs)	31-Mar-2014 (₹ in Lakhs)
Not later than one year	158.12	198.72
Later than one year and not later than five years	158.12	158.12
Total	158.12	356.84

- 6) Consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 1, 2014, depreciation for the year ended March 31, 2015 has been provided on the basis of the useful lives as prescribed in Schedule I. Depreciation charge for year ended March 31, 2015 is higher by ₹ 132.00 lakhs. Where the remaining useful life of the asset was determined to be nil as on April 1, 2014, the Company has adjusted an amount of ₹ 16.96 lakhs (net of deferred tax of ₹ 4.92 Lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12 NON CURRENT INVESTMENTS

LONG TERM:

Trade Investments

Investments in the Subsidiary Company (Unquoted) at Cost:

Chowgule Steamships Overseas Limited (100% wholly owned subsidiary)
(Equity Shares of USD 1 each fully paid up)

9,200,000 4,191.79 4,191.79

Chowgule Steamships Overseas Limited
(Convertible Redeemable Preference Shares of USD 1 each fully paid up)

9,500,000 5,357.80 5,357.80

Unquoted (Equity Shares of ₹ 10 each fully paid up) at Cost:

Chowgule Ports Infrastructure Private Limited

– 273.50

Non-Trade Investments

Investments in Equity Shares (Quoted) of ₹ 10 each fully paid up at Cost:

Mahindra Lifespace Developers Limited #

16 – –

ICICI Bank Limited - [face value ₹ 2, (2014- ₹ 10) (2014- 150 Nos.)]

750 0.05 0.05

GOL Offshore Services Limited

50 0.01 0.01

GOL Offshore Limited #

30 – –

The Great Eastern Shipping Company Limited

121 0.02 0.02

Essar Ports Limited

466 0.02 0.02

Essar Shipping Limited

233 0.01 0.01

Varun Shipping Company Limited

150 0.02 0.02

Shreyas Shipping and Logistics Limited #

100 – –

The Shipping Corporation of India Limited

75 0.02 0.02

0.15 0.15

TOTAL

9,549.74 9,823.24

Aggregate amount of Quoted Investments

0.15 0.15

Aggregate amount of Unquoted Investments

9,549.59 9,823.09

Aggregate market value of Quoted Investments

4.29 2.80

value less than ₹ 500

13 LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Capital Advances

27.70 27.54

Security Deposits

6.43 6.21

Disputed Sales Tax Deposit (Refer to Note No. 21)

47.40 47.40

TOTAL

81.53 81.15

14 OTHER NON CURRENT ASSETS

Balances with Bank

In deposit account with maturity of more than 12 months from Balance Sheet date

0.50 0.50

(See footnote below)

Accrued Interest:

On Fixed Deposits with Bank

0.01 0.12

TOTAL

0.51 0.62

Footnote:

Margin Money against Bank Guarantee which has an maturity of more than 12 months from Balance Sheet date. Guarantee is given by Bank and counter guaranteed by the Company for due performance of the Company's obligations.

NOTES TO THE FINANCIAL STATEMENTS

	Face Value in ₹	No. of units	As at 31-Mar-2015 (₹ in Lakhs)	No. of units	As at 31-Mar-2014 (₹ in Lakhs)
15 CURRENT INVESTMENTS					
Investment in Mutual Fund:					
Unquoted (at lower of cost and fair value, unless otherwise stated):					
Birla Sun Life Dynamic Bond Fund - Retail - Growth-Regular Plan	10	53,573	9.19	150,008	25.75
DWS Treasury Fund - Investment - Regular Plan – Growth	10	1,763,942	247.00	6,480,920	907.50
ICICI Prudential Liquid - Regular Plan – Growth			–	158,002	297.73
IDFC Banking Debt Fund-Regular Plan-Growth	10	2,268,599	246.61	8,348,312	907.50
TOTAL			<u>502.80</u>		<u>2,138.48</u>
Aggregate Net Asset Value of units in Mutual Funds			556.78		2,164.39

	As at 31-Mar-2015 (₹ in Lakhs)	As at 31-Mar-2014 (₹ in Lakhs)
16 INVENTORIES		
(at lower of Cost and Net Realisable Value)		
Paints	2.88	4.29
Fuel Oil and Lube Oil on Ship	19.85	45.39
TOTAL	<u>22.73</u>	<u>49.68</u>

Secured for Cash Credit facility taken from Bank (Refer to Note No. 7)

	As at 31-Mar-2015 (₹ in Lakhs)	As at 31-Mar-2014 (₹ in Lakhs)
17 TRADE RECEIVABLES		
(Unsecured)		
Considered Good		
More than six months from the date they were due for payment	–	–
Other Trade Receivables	165.72	326.55
	165.72	326.55
Considered Doubtful		
More than six months from the date they were due for payment	41.67	41.67
Other Trade Receivables	–	–
	41.67	41.67
Less: Provision for Doubtful Debts	41.67	41.67
	–	–
TOTAL	<u>165.72</u>	<u>326.55</u>

Secured for Cash Credit facility taken from Bank (Refer to Note No. 7)

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-2015 (₹ in Lakhs)	As at 31-Mar-2014 (₹ in Lakhs)
18 CASH AND BANK BALANCES		
a) Cash and Cash Equivalents:		
In Current Account	12.77	18.74
In Foreign Currency Account	6.51	36.42
	19.28	55.16
b) Other Balances:		
In Unpaid Dividend Accounts	33.83	40.76
TOTAL	53.11	95.92
19 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advance Income Tax [Net of Provision for Tax ₹ 826.62 lakhs (2014 - ₹ 826.62 lakhs)]	166.08	140.60
MAT Credit Entitlement	74.07	74.07
Prepaid Expenses	21.66	24.42
Loan given to Lavgan Dockyard Pvt. Ltd. (see footnote below)	830.00	-
Advance for Expenses	0.77	1.01
TOTAL	1,092.58	240.10
Footnote:		
The Company has given an Unsecured Loan of ₹ 830.00 lakhs (2014 - ₹ Nil) @ 10.50% p.a. repayable on demand to facilitate completion of project.		
20 OTHER CURRENT ASSETS		
Accrued Interest on Loan given to Lavgan Dockyard Pvt. Ltd.	55.91	-
Claim Receivable	65.71	65.71
TOTAL	121.62	65.71
21 CONTINGENT LIABILITIES		
a) Sales Tax demand not provided for: (Refer to Note No. 13)	237.00	237.00
Note: The Company has contested the above claims 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 ₹ 47.40 lakhs (Refer Note No. 13) (including refunds withheld by the authorities) and executed a bond of ₹ 218.04 lakhs 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.		
b) Income Tax demand not provided for:	479.71	386.14
The Company has filed appeal in respect of the same.		
Note : Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31-Mar-2015 (₹ in Lakhs)	For the year ended 31-Mar-2014 (₹ in Lakhs)
22 REVENUE FROM OPERATIONS		
Sale of Service:		
Charter Hire Receipts	731.54	1,554.88
Other Operating Revenue:		
Claims Received	10.51	45.66
TOTAL	742.05	1,600.54
23 OTHER INCOME		
Interest on:		
Loan given to Lavgan Dockyard Pvt. Ltd.	55.91	–
Bank Deposit	0.05	0.05
Rental Income	198.72	198.72
Dividends:		
On Long-Term Investments	0.05	0.05
On Current Investments	–	4.00
Profit on Sale of Current Investments (Net)	104.91	43.87
Profit on Sale of Asset- Car	0.31	–
Sundry Balances Written Back (Net)	45.46	11.52
TOTAL	405.41	258.21
24 OPERATING EXPENSES		
Fuel, Oil and Water	363.39	187.16
Stores and Spare Parts Consumed	264.32	249.47
Port Disbursement, Stevedorage, Light Dues etc.	8.15	21.65
Ship Repairs and Survey Charges	85.38	101.57
Dry Docking Charges	702.78	–
Insurance & Protection Club Dues	132.72	127.53
Brokerage and Agency Fees	23.69	45.31
Ship Management Fees	85.74	84.91
Crew Expenses	74.15	97.37
Quality & Safety Facilities	17.57	8.13
Handling & Transport	6.49	11.29
TOTAL	1,764.38	934.39

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31-Mar-2015 (₹ in Lakhs)	For the year ended 31-Mar-2014 (₹ in Lakhs)
25 EMPLOYEE BENEFITS EXPENSES		
Manning Cost	545.05	491.41
Salaries, Wages and Other Benefits (Refer to Note No. 29)	139.39	119.47
Contributions to Provident and Other Funds (Refer to Note No. 29)	29.01	32.54
Staff Welfare Expenses	2.00	1.69
TOTAL	715.45	645.11
26 FINANCE COSTS		
Interest on Borrowings	51.09	52.67
Other Borrowing Costs	1.20	42.39
TOTAL	52.29	95.06
27 OTHER EXPENSES		
Power and Fuel	8.61	7.91
Legal and Professional Expenses	18.01	18.93
Postage, Telephone, Telexes etc.	16.55	14.56
Rent	0.49	0.49
Rates and Taxes	15.02	16.61
Auditors' Remuneration		
For Statutory Audit	4.00	4.00
For Tax Audit	0.80	0.80
For Other Services	3.70	3.80
For Reimbursement of Expenses	0.42	-
Service Tax on above	1.10	1.06
	10.02	9.66
Directors' Sitting Fees	10.34	9.21
Net Foreign Currency Translation Differences	5.41	48.60
Travelling Expenses (Including Foreign Travelling)	40.40	52.59
Repairs to Building	34.51	34.05
Loss on Sale of Fixed Assets / Written Off	-	0.04
Miscellaneous Expenses	67.98	68.50
TOTAL	227.34	281.15
28 EXCEPTIONAL ITEMS		
Loss on Foreign Currency Translation Difference on Borrowing	(48.83)	(153.63)
Gain on Foreign Currency Translation Difference on partial repayment of loan and on conversion of Loan into Convertible Redeemable Preference Shares in respect of subsidiary	-	592.65
Profit on Sale of Asset- Land	552.76	-
Impairment Loss (Refer to Note No. 11)	(530.85)	-
TOTAL	(26.92)	439.02

NOTES TO THE FINANCIAL STATEMENTS

29 EMPLOYEE BENEFITS OBLIGATIONS

Staff Costs for the year ended 31st March, 2015, include provision for employee benefits as given below consequent to the adoption of the revised Accounting Standard (AS) 15 on Employee Benefits. The necessary disclosures in respect thereof are as under: -

	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
(a) The Company has recognised the following amounts in the Statement of Profit and Loss as contribution under defined contribution schemes		
i) Provident Fund	9.67	8.84
ii) Superannuation Fund	12.15	10.43
(b) Details of Gratuity plan are as follows (Refer to Note Nos. 9 & 25):		
The Company makes annual contributions to the Chowgule Steamships Limited Shore Employees Gratuity Fund, which in-turn, has taken Group Gratuity cum Life Assurance Scheme of the Life Insurance Corporation of India, which is a funded defined benefit plan for qualifying employees. This scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.		
The amounts recognised in the Balance Sheet are as follows:		
i) Present Value of Funded Obligations	101.84	88.41
ii) Fair Value of Plan Assets	93.81	74.82
iii) Amounts In the Balance Sheet		
Liabilities under Other Current Liabilities (Refer to Note No.9)	8.03	13.59
The amounts recognised in the Statement of Profit and Loss are as follows:		
i) Current Service Cost	14.60	12.48
ii) Interest Cost	8.09	6.13
iii) Expected return on Plan Assets	(7.65)	(5.98)
iv) Net Actuarial Losses / (Gains) recognised in year	(4.08)	1.02
v) Past Service Cost	-	-
vi) Expenses recognized in the Statement of Profit and Loss under Contribution to Provident & Other Funds (Refer to Note No. 25)	10.96	13.65
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	88.41	74.75
ii) Current Service Cost	14.60	12.48
iii) Interest Cost	8.09	6.13
iv) Actuarial Gains	(6.52)	(4.95)
v) Past Service Cost	-	-
vi) Benefits Paid	(2.74)	-
vii) Closing Defined Benefit Obligation	101.84	88.41
Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:		
i) Opening Fair Value of Plan Assets	74.82	55.43
ii) Adjustment to Opening Balance	3.76	0.39
iii) Expected Return	7.64	5.98
iv) Actuarial (Losses) / Gains	(2.43)	(5.98)
v) Contribution by Employer	12.75	19.00
vi) Benefits Paid	(2.73)	-
vii) Closing Fair Value of Plan Assets	93.81	74.82

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.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Principal actuarial assumptions at the balance sheet date are as follows:

	2014-15	2013-14
i) Discount Rate at 31st March	7.80% p.a.	9.30% p.a.
ii) Expected Return on Plan Assets at 31st March	9.15% p.a.	9.15% p.a.
iii) Rate of Increase in Compensation	10.00% p.a.	10.00% p.a.
iv) Withdrawal Rate	0.50% p.a.	0.50% p.a.
v) Maximum Gratuity Payable Per Person	Unlimited	Unlimited
vi) Retirement Age	60 years	60 years
vii) Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The contribution expected to be made by the Company during the financial year 2015-16 is ₹ 7.50 lakhs (2014-15 is ₹ 12.75 lakhs).

Experience Adjustments	2010-11 (₹ in Lakhs)	2011-12 (₹ in Lakhs)	2012-13 (₹ in Lakhs)	2013-14 (₹ in Lakhs)	2014-15 (₹ in Lakhs)
Present Value of the Obligation	43.18	63.80	74.75	88.41	101.84
Fair Value of the Plan Assets	11.67	23.66	55.43	74.82	93.81
Surplus/ (Deficit)	(31.51)	(40.14)	(19.32)	(13.59)	(8.03)
Experience Adjustment on Plan Liabilities	3.51	(4.59)	7.14	(0.96)	(14.84)
Experience Adjustment on Plan Assets	(0.90)	(1.62)	0.32	(5.98)	(2.43)

The expected rate of return on plan assets is based on the average long-term rate of return expected on investment of funds during the estimated term of obligation.

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

30 Related party disclosures, as required by AS-18 "Related Party Disclosures" as notified under the Companies (Accounting Standard) Rules, 2006, are given below.

i. **Name of the Related Parties where control exists**

- a) Chowgule Steamships Overseas Limited (CSOL) - Wholly owned subsidiary
- b) Sea Bird LLC - Wholly owned subsidiary of CSOL
- c) Sea Lord LLC - Wholly owned subsidiary of CSOL
- d) Sea Green LLC – Wholly owned subsidiary of CSOL
- e) Sea King LLC - Wholly owned subsidiary of CSOL
- f) Sea Link LLC - Wholly owned subsidiary of CSOL
- g) Sun Shine LLC - Wholly owned subsidiary of CSOL (Company was wound up)

ii. Name of Related Party	Nature of Relationship	Nature of Transactions	31-Mar-2015 (₹ in Lakhs)	31-Mar-2014 (₹ in Lakhs)
Key Management Personnel				
Mr. Mangesh Sawant	Executive Director & CFO	Remuneration for the year	51.08	51.34
iii. Transactions and balance outstanding with Related Party				
Chowgule Steamships Overseas Limited (CSOL)	Wholly owned subsidiary	Advance		
		Opening Balance	–	4,318.40
		Refund of Loan	–	1,884.80
		Conversion of Loan into Shares	–	2,433.60
		Closing Balance	–	–
		Investment in Convertible Redeemable Shares		
		Opening Balance	5,357.80	2,924.20
		Shares issued on Conversion	–	2,433.60
		Closing Balance	5,357.80	5,357.80

NOTES TO THE FINANCIAL STATEMENTS

31 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.

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

	2014-15	2013-14
a. Net Loss for the year (₹ In lakhs)	(2,043.98)	(36.48)
b. Weighted average number of Equity shares outstanding during the financial year (in Nos.)	36,308,425	36,308,425
c. Basic and Diluted Earnings Per Equity Share on the above (in ₹)	(5.63)	(0.10)

33 FOREIGN CURRENCY EXPOSURES

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

Particulars	2014-15		2013-14	
	(₹ in Lakhs)	USD Million	(₹ in Lakhs)	USD Million
Receivables				
Trade Receivables & Other Assets	174.21	0.28	331.98	0.56
Cash & Bank Balances	6.51	0.01	36.42	0.06
Payables				
Term Loan form Foreign Bank	1,198.14	1.90	1,633.23	2.70
Trade Payables & Other Liabilities	392.85	0.63	73.78	0.12

Note : USD = US Dollar

34 EARNINGS & EXPENDITURE IN FOREIGN CURRENCY

	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
Earnings in Foreign Currency	742.05	1,600.54
Expenditure in Foreign Currency		
– Ship Operating Expenses, Manning Costs and Other Related Expenditure	1,298.97	709.44
– Interest & Other Finance Charges Paid	33.61	73.87
TOTAL	1,332.58	783.31

35 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE

Chairman

SANJIV N. SHAH

Director

MANGESH SAWANT

Managing Director & CFO

Place : Mumbai,
Date : May 07, 2015

SUHAS JOSHI
Company Secretary

CHOWGULE STEAMSHIPS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF CHOWGULE STEAMSHIPS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **CHOWGULE STEAMSHIPS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries constitutes "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditor on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2015;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of all subsidiaries, whose financial statements reflect total assets of ₹ 68,181.49 lakhs as at 31st March, 2015, total revenues of ₹ 7,931.84 lakhs and net cash outflow amounting to ₹ 150.45 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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

Chartered Accountants

(Firm's Registration No. 101496W)

Joe Preto

Partner

Membership No. 077491

Place : Mumbai

Date : May 07, 2015

CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Note No.	As at 31-Mar-2015 (₹ in Lakhs)	As at 31-Mar-2014 (₹ in Lakhs)
(I) EQUITY AND LIABILITIES :			
1 SHAREHOLDERS' FUNDS			
a) Share Capital	2	3,630.84	3,630.84
b) Reserves and Surplus	3	27,059.37	35,992.94
c) Money Received against Share Warrants		—	—
		30,690.21	39,623.78
2 SHARE APPLICATION MONEY PENDING ALLOTMENT		—	—
3 PREFERENCE SHARES ISSUED BY SUBSIDIARY COMPANY OUTSIDE THE GROUP	4	5,599.80	5,341.50
4 NON-CURRENT LIABILITIES			
a) Long-Term Borrowings	5	31,234.66	33,976.14
b) Deferred Tax Liabilities (Net)	6	635.88	1,038.00
c) Other Long-Term Liabilities	7	99.36	99.36
d) Long-Term Provisions		—	—
		31,969.90	35,113.50
5 CURRENT LIABILITIES			
a) Short-Term Borrowings	8	193.26	161.57
b) Trade Payables	9	1,197.64	843.60
c) Other Current Liabilities	10	4,545.05	3,638.62
d) Short-Term Provisions	11	44.77	35.35
		5,980.72	4,679.14
TOTAL		<u>74,240.63</u>	<u>84,757.92</u>
(II) ASSETS :			
1 NON-CURRENT ASSETS			
a) Fixed Assets			
(i) Tangible Assets	12	57,716.48	66,459.10
(ii) Intangible Assets		—	—
(iii) Capital Work-in-Progress		—	—
(iv) Intangible Assets under Development		—	—
b) Non-current Investments	13	1,659.63	2,707.82
c) Deferred Tax Assets (Net)		—	—
d) Long-Term Loans and Advances	14	8,987.32	8,576.17
e) Other Non-Current Assets	15	0.51	0.62
		68,363.94	77,743.71
2 CURRENT ASSETS			
a) Current Investments	16	3,132.11	4,452.61
b) Inventories	17	174.70	204.16
c) Trade Receivables	18	612.28	385.90
d) Cash and Bank Balances	19	667.81	1,602.95
e) Short-Term Loans and Advances	20	1,163.41	296.03
f) Other Current Assets	21	126.38	72.56
		5,876.69	7,014.21
TOTAL		<u>74,240.63</u>	<u>84,757.92</u>

See accompanying notes to the consolidated financial statements

In terms of our report attached.

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

JOE PRETTO
Partner

Place : Mumbai,
Date : May 07, 2015

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

SANJIV N. SHAH
Director

MANGESH SAWANT
Managing Director & CFO

SUHAS JOSHI
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note No.	For the year ended 31-Mar-2015 (₹ in Lakhs)	For the year ended 31-Mar-2014 (₹ in Lakhs)
REVENUE			
I. Revenue from Operations	23	8,626.49	9,273.15
II. Other Income	24	452.81	361.40
III. Total Revenue		9,079.30	9,634.55
IV. EXPENSES:			
Operating Expenses	25	4,388.98	4,233.84
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods		-	-
Employee Benefits Expenses	26	2,838.83	3,075.46
Finance Costs	27	1,059.06	1,171.88
Depreciation and Amortisation Expenses	12	4,441.26	4,692.71
Other Expenses	28	583.44	829.40
Total Expenses		13,311.57	14,003.29
V. Loss before Exceptional and Extraordinary Items and Tax (III - IV)		(4,232.27)	(4,368.74)
VI. Less: Exceptional Items	29	(6,751.30)	3,350.78
VII. Loss before Extraordinary Items and Tax (V - VI)		(10,983.57)	(1,017.96)
VIII. Extraordinary Items		-	-
IX. Loss Before Tax (VII - VIII)		(10,983.57)	(1,017.96)
X. Tax Expense:			
- Current Tax		-	-
- Reversal of Deferred Tax Liabilities [Net of ₹ 4.22 lakhs (Previous Year - ₹ Nil)] (Refer to Note No. 12)	6	406.34	304.00
- Excess Provision for Tax Relating to Prior Years		-	(2.93)
		406.34	301.07
XI. Loss for the year from Continuing Operations (IX - X)		(10,577.23)	(716.89)
XII. Loss from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Loss for the year from Discontinuing Operations (after tax) (XII - XIII)		-	-
XV. Loss for the year (XI + XIV)		(10,577.23)	(716.89)
XVI. Basic and Diluted Earnings per Equity Share of ₹ 10/- each (in ₹)	33	(29.13)	(1.97)

See accompanying notes to the consolidated financial statements

In terms of our report attached.

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

JOE PRETTO
Partner

Place : Mumbai,
Date : May 07, 2015

SUHAS JOSHI
Company Secretary

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

SANJIV N. SHAH
Director

MANGESH SAWANT
Managing Director & CFO

CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended 31-Mar-2015 (₹ in Lakhs)	For the year ended 31-Mar-2014 (₹ in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before Tax and Extraordinary Items	(10,983.57)	(1,017.96)
Adjustments for:		
Depreciation	4,441.26	4,692.71
Provision for Impairment of Vessels	7,255.23	-
Provision for Employee Benefits	3.86	(1.91)
Sundry Balance Written Back	(45.48)	(85.07)
Foreign Exchange Translation Differences	1,554.63	3,471.32
Foreign Exchange Difference Arising on Consolidation	(1,035.60)	(2,674.41)
Interest Income	(89.69)	(7.14)
Dividend Income	(18.27)	(4.05)
Profit on Sale of Current Investments	(100.34)	(66.42)
Loss on Sale of Non Current Investment	2.64	-
Profit on Sale of Fixed Assets	(553.07)	(2,911.76)
Fixed Assets Written Off	-	0.04
Adjustments to the carrying value of Investments	55.75	8.04
Interest & Other Finance Charges Paid	1,059.06	1,171.88
	<u>1,546.41</u>	<u>2,575.27</u>
Operating Profit before Working Capital Changes		
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(226.38)	(385.90)
(Increase) / Decrease in Long-Term Loans and Advances	(411.05)	(771.65)
(Increase) / Decrease in Short-Term Loans and Advances	(11.90)	21.65
(Increase) / Decrease in Other Current Assets	-	(65.71)
(Increase) / Decrease in term Deposit with Bank	741.88	(741.88)
Movement in restricted Bank Balances	6.93	5.81
(Increase) / Decrease in Inventories	29.46	610.62
Increase/(Decrease) in Trade Payables	399.53	37.04
Increase/(Decrease) in Other Current Liabilities	(114.92)	(155.93)
	<u>1,959.96</u>	<u>1,129.32</u>
Cash Generated from Operations	1,959.96	1,129.32
Less: Net Income Tax Refund	(25.48)	(14.96)
	<u>1,934.48</u>	<u>1,114.36</u>
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(20.54)	(0.76)
Sale of Fixed Assets	561.52	4,688.65
Sale of Current Investments	2,335.74	2,232.78
Sale of Non Current Investments	905.54	-
Purchase of Current Investments	(601.03)	(6,163.09)
Loan Return by / (given to) Lavgan Dockyard Pvt. Ltd	(830.00)	-
Interest Received	35.87	0.24
Dividend Received	18.27	4.05
	<u>2,405.37</u>	<u>761.87</u>
Net Cash Flow from Investing Activities (B)		
C CASH FLOW FROM FINANCING ACTIVITIES:		
Net increase in Cash Credit Balance	31.70	160.11
Repayment of Borrowings	(3,491.12)	(3,446.58)
Interest Paid	(1,061.64)	(1,183.70)
Unclaimed Dividend Paid	(6.93)	(5.81)
	<u>(4,527.99)</u>	<u>(4,475.98)</u>
Net Cash Flow Used in Financing Activities (C)		
Net Decrease in Cash and Cash Equivalents (A+B+C)	(188.14)	(2,599.75)
Cash and Cash Equivalents - Opening Balance	820.31	3,415.90
Cash and Cash Equivalents - Closing Balance	632.17	816.15
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	632.17	816.15
Effect of Exchange Rate Change - Favourable	1.81	4.16
	<u>633.98</u>	<u>820.31</u>
Foot Note:		
Cash & Cash Equivalents as Above (Refer to Note No. 19)	633.98	820.31
Add: Restricted Bank Balances	33.83	40.76
Add: FD's maturing for More than Three Months	-	741.88
Cash and Cash Equivalents - Closing Balance	<u>667.81</u>	<u>1,602.95</u>

See accompanying notes to the consolidated financial statements

In terms of our report attached.

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

Chartered Accountants

JOE PRETTO

Partner

Place : Mumbai,

Date : May 07, 2015

SUHAS JOSHI
Company Secretary

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE

Chairman

SANJIV N. SHAH

Director

MANGESH SAWANT

Managing Director & CFO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate information:

Chowgule Steamships Limited (CSL) ("the Company") and its subsidiaries (collectively referred to as 'the Group') are shipping company which presently owns and operates a fleet of 5 vessels (including that of its wholly owned subsidiaries) for seaborne transportation of bulk cargoes. Group is principally engaged in the carriage of goods by sea and is committed to serve its customers to their satisfaction and mutual optimum benefits.

1 SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Accounting and Preparation of Consolidated Financial Statements:

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

ii. Principles of Consolidation:

- a) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements' specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements have been prepared on the following basis.
- The accounts of the foreign subsidiaries have been prepared in compliance with the local laws and applicable Accounting Standards. In the opinion of the Management, based on the analysis of the significant transactions at subsidiaries, no material adjustments are required to be made to comply with group accounting policies / Indian GAAP.
 - The consolidated financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
 - As the subsidiaries are foreign, revenue and Balance Sheet items are consolidated at the closing rate. 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, 2015.
 - 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.
- b) 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	% of Holding and voting power either directly or indirectly through subsidiary	
		31-Mar-2015	31-Mar-2014
Chowgule Steamships Overseas Ltd (CSOL)	Guernsey	100%	100%
Sunshine LLC	The Marshall Islands	Company was wound up	100%
Sea Bird LLC	The Marshall Islands	100%	100%
Sea Lord LLC	The Marshall Islands	100%	100%
Sea Green LLC	The Marshall Islands	100%	100%
Sea King LLC	The Marshall Islands	100%	100%
Sea Link LLC	The Marshall Islands	100%	100%

iii. Use of Estimates:

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

iv. Tangible 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 the Consolidated Statement of Profit and Loss.

Buildings have been revalued on 31st March, 2002.

The Company depreciates its fleet of ships on a straight line basis as per the useful life as prescribed in Schedule II to the Companies Act, 2013. In case of CSL the cost of second hand ships and other capital additions thereto are depreciated with reference to their residual lives. Other assets are depreciated on written down value basis as per the useful life as prescribed in Schedule II to the Companies Act, 2013. Depreciation on buildings has been provided on revalued amount.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Management estimates the useful lives for the fixed assets as under:

Particulars	31-Mar-2015	31-Mar-2014
Vessels	20 - 25 years	20 - 25 years
Buildings	60 years	60 years
Furniture and Fixtures	10 years	5 years
Office Equipments	3 - 6 years	5 years
Vehicles	8 years	4 years
Computers	3 years	3 years

v. Impairment of Fixed Assets:

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Group'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 Consolidated Statement of Profit and Loss.

vi. Investments:

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

vii. Inventories:

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

viii. Unfinished Voyage:

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

ix. Revenue Recognition:

Freight and demurrage earnings are recognised on a completed voyage basis.

Time charter earnings are accrued on a time proportion basis.

Interest Income is recognised on the time proportionate basis taking into account the amount outstanding and rate applicable.

Dividend Income is recognised when the right to receive such dividend is established.

x. Bareboat Charges

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

xi. 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.

xii. Employee Benefits :

a. Short-Term Employee Benefits

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.

b. Long-Term Employee Benefits

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, it is financed by the Company along with its employees.

i 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.

ii 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. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

c. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

xiii. 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. In other cases, the rates prevailing at the date of the transaction are used.
- b As at the 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.

xiv. 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.

xv. Provisions and Contingencies:

A provision is recognised when the Group 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.

xvi. Taxes on Income:

The Company's income taxes include taxes on the Company's taxable profits, 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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 utilized. 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.

xvii. Operating Lease:

Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are effectively retained by the lessors are classified as operating leases. Lease rentals are charged to the Consolidated Statement of Profit and Loss on a straight line basis over the lease period. Where the Company as a lessor, leased assets under operating leases, lease rental under such lease are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis.

xviii. Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit/(loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

xix. Cash flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

xx. Operating Cycle:

Based on the nature of services / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SHARE CAPITAL

AUTHORISED

50,000,000 Equity Shares of ₹ 10/- each

2,500,000 Redeemable Preference Shares of ₹ 100/- each

ISSUED, SUBSCRIBED AND PAID-UP

36,308,425 Equity Shares of ₹ 10 each, fully paid up

TOTAL

	As at 31-Mar-15 (₹ in Lakhs)	As at 31-Mar-14 (₹ in Lakhs)
	5,000.00	5,000.00
	2,500.00	2,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
	3,630.84	3,630.84
TOTAL	<u>3,630.84</u>	<u>3,630.84</u>

Rights, Preferences and Restrictions Attached to Equity Shares

The Company has issued only one class of shares referred to as equity shares having a par value of ₹ 10.

Each holder of equity shares is entitled to one vote per share.

The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting except, in the case of interim dividend.

The equity shares are not repayable except, in the case of a buy-back, reduction of capital or winding up. In the event of liquidation of the Company, members of the Company holding equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

In last 5 years no classes of shares has been issued or bought back by the Company nor have any bonus issues been made by the Company.

Following are the names of the shareholders together with the number of Equity Shares holding more than 5 percent of the total Equity Shares:

Name of the Shareholders

Name of the Shareholders		Numbers of shares as at 31-Mar-15	Numbers of shares as at 31-Mar-14
Chowgule and Company Private Limited		16,932,891	16,932,891
	Percentage	46.64	46.64
Quail Investments Limited		2,260,843	2,260,843
	Percentage	6.23	6.23

3 RESERVES AND SURPLUS

a) CAPITAL RESERVE

Balance as per last Balance Sheet

11.96

11.96

b) CAPITAL REDEMPTION RESERVE

Balance as per last Balance Sheet

30.00

30.00

c) SECURITIES PREMIUM

Balance as per last Balance Sheet

2,922.01

2,922.01

d) REVALUATION RESERVE

Balance as per last Balance Sheet

1,170.60

1,232.22

Less: Adjusted Against Corresponding Depreciation

–

(61.62)

Charge (Refer to Note No. 12)

1,170.60

1,170.60

e) GENERAL RESERVE

Balance as per last Balance Sheet

4,117.52

4,117.52

Carried forward

8,252.09

8,252.09

	As at 31-Mar-15 (₹ in Lakhs)	As at 31-Mar-14 (₹ in Lakhs)
	11.96	11.96
	30.00	30.00
	2,922.01	2,922.01
	1,170.60	1,232.22
	–	(61.62)
	<u>1,170.60</u>	<u>1,170.60</u>
	4,117.52	4,117.52
	<u>8,252.09</u>	<u>8,252.09</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-15 (₹ in Lakhs)	As at 31-Mar-14 (₹ in Lakhs)
3 RESERVES AND SURPLUS (contd.)		
Brought forward	8,252.09	8,252.09
f) FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as per last Balance Sheet	12,846.86	9,952.55
Additions During the Year	<u>1,660.62</u>	<u>2,894.31</u>
	14,507.48	12,846.86
g) SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Opening Balance	14,893.99	15,610.88
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer to Note No. 12)	(16.96)	-
Less : Loss for the year	<u>(10,577.23)</u>	<u>(716.89)</u>
Closing Balance	4,299.80	14,893.99
TOTAL	<u><u>27,059.37</u></u>	<u><u>35,992.94</u></u>
 4 PREFERENCE SHARES ISSUED BY SUBSIDIARY COMPANY OUTSIDE THE GROUP		
9,000,000 Convertible Redeemable Shares of USD 1/- each issued to M/s Rudra Shipping & Trading Company Limited. These shares are convertible in to equity shares at the option of the holders in the ratio of 1:1 until the day before 10th anniversary of the issue when the option reverts to the Chowgule Steamships Overseas Limited (CSOL). At this point the CSOL also has the option to redeem these shares for cash at USD 1.10 per share	5,599.80	5,341.50
TOTAL	<u><u>5,599.80</u></u>	<u><u>5,341.50</u></u>
 5 LONG-TERM BORROWINGS		
Term loans from Banks:		
Secured by mortgage of vessels forming part of fleet (Refer to Note No. 10)	31,234.66	33,976.14
TOTAL	<u><u>31,234.66</u></u>	<u><u>33,976.14</u></u>
 6 DEFERRED TAX LIABILITIES		
Deferred Tax Liability :		
Depreciation on Fixed Assets & Exchange Difference	683.28	1,119.00
	<u>683.28</u>	<u>1,119.00</u>
Deferred Tax Asset :		
Provision for Doubtful Debts	(13.78)	(14.00)
Provision for Employees' Benefits	(17.47)	(17.00)
Exchange Fluctuation	(16.15)	(50.00)
	<u>(47.40)</u>	<u>(81.00)</u>
TOTAL	<u><u>635.88</u></u>	<u><u>1,038.00</u></u>

The Company has recognised in the Statement of Profit and Loss the net provision of Deferred Tax Asset of ₹ 402.12 lakhs (2014- ₹ 304.00 lakhs).

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-15 (₹ in Lakhs)	As at 31-Mar-14 (₹ in Lakhs)
7 OTHER LONG-TERM LIABILITIES		
Rent Deposit	99.36	99.36
TOTAL	<u>99.36</u>	<u>99.36</u>
8 SHORT-TERM BORROWINGS		
SECURED BORROWINGS		
Loan Repayable on Demand from Bank :		
Cash Credits (Refer to Note No. 12, 17 & 18)	193.26	161.57
Secured against hypothecation of book debts and stocks / stores aboard the vessel and first equitable mortgage on the Company's office premises		
TOTAL	<u>193.26</u>	<u>161.57</u>
9 TRADE PAYABLES		
Shipping Cost Payable	1,144.41	772.70
Provision for Other Expenses	46.36	70.90
Payable on Purchase of Fixed Asset	6.87	-
TOTAL	<u>1,197.64</u>	<u>843.60</u>
10 OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debts:		
Secured by mortgage of vessels forming part of fleet (Refer to Note No. 5)	4,377.72	3,341.30
Interest Accrued but Not Due on Loans	84.80	87.38
Charter Hire (Received in Advance)	32.79	149.48
Payable to Gratuity Fund (Refer to Note No. 30)	8.03	13.59
Unclaimed Dividends	33.83	40.76
Other Payables:		
Statutory Remittances	7.88	6.11
TOTAL	<u>4,545.05</u>	<u>3,638.62</u>
11 SHORT-TERM PROVISIONS		
Provision for Employee Benefits:		
Compensated Absences	44.77	35.35
TOTAL	<u>44.77</u>	<u>35.35</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 FIXED ASSETS

(₹ in Lakhs)

Particulars	COST				ACCUMULATED DEPRECIATION					BOOK VALUE				
	Opening as at 1-Apr-2014	Additions during the year	Adjustment during the year	Deductions during the year	Closing as at 31-Mar-2015	Up to 1-Apr-2014	For the year on original cost	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	adjusted against corresponding draw down from revaluation reserve	Adjustment during the year	Impairment during the year	Deductions during the year	Up to 31-Mar-2015	As at 31-Mar-2015
TANGIBLE ASSETS: (See Footnote 8)														
Freehold Land	231.92 (231.99)	-	-	7.74	224.18 (231.92)	-	-	-	-	-	-	-	1,087.77 (968.30)	924.18 (231.92)
Building (See Footnote 3)														
On Leasehold land -	9,086.86 (9,086.86)	-	-	-	9,086.86 (9,086.86)	968.30 (909.42)	119.47 (0.92)	-	(58.66)	-	-	-	1,087.77 (968.30)	999.09 (1,118.56)
On Freehold land -	110.43 (110.43)	-	-	-	110.43 (110.43)	52.79 (49.75)	5.01 (0.08)	-	-	-	-	-	57.80 (59.79)	52.63 (57.64)
Furniture and Fixtures	59.75 (52.75)	-	-	0.96	51.79 (52.75)	37.95 (34.67)	5.57 (3.98)	-	(9.96)	-	-	0.96	42.56 (37.95)	9.93 (14.80)
Vehicles	16.12 (16.12)	12.37	-	8.36	20.13 (16.12)	12.32 (11.00)	2.67 (1.32)	-	-	-	-	7.65	7.34 (12.32)	12.79 (3.80)
Office Equipments	153.61 (153.24)	8.17	-	19.72	149.06 (153.61)	116.19 (109.66)	10.85 (6.88)	12.74	-	-	-	19.72 (0.35)	197.06 (116.19)	29.00 (37.42)
Vessels (See Footnote 4, 5 & 6)	104,095.79 (103,080.75)	-	4,379.49 (8,908.59)	-	108,475.28 (104,095.79)	39,100.83 (37,679.99)	4,297.69 (4,680.93)	-	-	1,424.97 (2,856.57)	7,255.23	-	52,078.72 (39,100.83)	56,396.56 (64,994.96)
TOTAL TANGIBLE ASSETS	106,747.48 (105,732.07)	30.54 (0.76)	4,379.49 (8,908.59)	29.78 (7,893.94)	111,117.73 (106,747.48)	40,288.38 (38,794.49)	4,441.36 (4,692.71)	12.74	-	1,424.97 (2,856.57)	7,255.23	21.33 (6,117.01)	53,401.25 (40,288.38)	57,716.48 (66,459.10)

Previous Year (Figures in bracket related to previous year)

FOOTNOTES:

- Includes cost of 5 shares of ₹ 50 each fully paid in Baktiwater Commercial Premises Co-operative Society Limited. Secured also as first equitable mortgage for Cash Credit facility from State Bank of India. (Refer to Note No. 8)
 - Includes cost of 5 shares of ₹ 50 each fully paid in Dedar Raschim Apartments Co-operative Housing Society Limited and 5 shares of ₹ 50 each fully paid in Olympus Co-operative Housing Society Limited.
 - 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 | | Revalued Amount (Substituted for original cost) as on 31.03.2002 | | Difference in W.D.V and revalued amount |
|----------------------------------|------------------|------------------------|--|-----------------|---|
| | As on 31.03.2002 | Value as on 31.03.2002 | Written Down | Revalued Amount | |
| Leasehold land – Office Premises | 24.45 | 7.59 | 16.86 | 2,070.00 | 2,062.41 |
| Freehold land – Staff Quarters | 6.49 | 2.76 | 3.73 | 106.68 | 103.92 |
| TOTAL | 30.94 | 10.35 | 10.35 | 2,176.68 | 2,166.33 |
- 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.
- Depreciation provided on the revalued portion of the buildings amounting to ₹ Nil lakhs (2014 – ₹ 61.62 lakhs) has been directly adjusted from the Revaluation Reserve. (Refer to Note No. 3)
- The Company and its subsidiaries have impaired its vessels due to adverse economic conditions, considering economic life, saleable value based on broker reports and value in use using similar assumptions including the discount rate as in the past, as appropriate. Accordingly the impairment loss of ₹ 7,255.23 lakhs (2014 - ₹ Nil) is computed (Refer to Note no. 29)
 - Adjustment in the costs for the year contains ₹ 4,379.49 lakhs (2014 - ₹ 8,908.59 lakhs) on account of restatement of opening gross block relating to non-integral foreign operations consequent to change in the exchange rate
 - Adjustment in the depreciation for the year contains ₹ 1,424.97 lakhs (2014 - ₹ 2,856.57 lakhs) on account of restatement of opening accumulated depreciation relating to non-integral foreign operations consequent to change in the exchange rate
 - Office premises includes an amount of ₹ 1,391.95 lakhs (2014 - ₹ 1,391.95) given on lease. Depreciation for the same is ₹ 59.74 lakhs (2014 - ₹ 0.17 lakhs) Future minimum rent receipts are as under
- | | 31-Mar-2015 | 31-Mar-2014 |
|---|-------------|-------------|
| Not later than one year | 158.12 | 198.72 |
| Later than one year and not later than five years | - | 158.12 |
| Total | 158.12 | 356.84 |
- Consequent to Schedule I to the Companies Act, 2013 becoming applicable w.e.f. April 1, 2014, depreciation for the year ended March 31, 2015 has been provided on the basis of the useful lives as prescribed in Schedule II. Depreciation charge for year ended March 31, 2015 is higher by ₹ 132.00 lakhs. Where the remaining useful life of the asset was determined to be nil as on April 1, 2014, the Company has adjusted an amount of ₹ 16.96 lakhs (net of deferred tax of ₹ 4.92 lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	No. of Shares	As at 31-Mar-15 (₹ in Lakhs)	As at 31-Mar-14 (₹ in Lakhs)
13 NON CURRENT INVESTMENTS			
Trade Investments			
Unquoted at Cost:			
Equity Shares of ₹ 10 each fully paid up			
Chowgule Ports Infrastructure Private Limited		–	273.50
Non-Trade Investments			
Unquoted at Cost:			
Others			
Northern Shipping Fund	–	1,920.32	1,362.56
Sisters Maritime LLC	–	439.16	520.87
4.25% Notes Rural Electrification Corporation Ltd.		–	304.91
4.75% European Medium Term- Notes Syndicate Bank Ltd	4,000	257.72	245.83
Less : Current portion of Long-Term Investment	(4,000)	(257.72)	–
		1,659.48	2,434.17
Investment in Equity Shares (Quoted) of ₹ 10 each fully paid up			
at Cost:			
Mahindra Lifespace Developers Limited #	16	–	–
ICICI Bank Limited - [face value ₹ 2, (2014- ₹ 10) (2014- 150 Nos.)]	750	0.05	0.05
GOL Offshore Services Limited	50	0.01	0.01
GOL Offshore Limited #	30	–	–
The Great Eastern Shipping Company Limited	121	0.02	0.02
Essar Ports Limited	466	0.02	0.02
Essar Shipping Limited	233	0.01	0.01
Varun Shipping Company Limited	150	0.02	0.02
Shreyas Shipping and Logistics Limited #	100	–	–
The Shipping Corporation of India Limited	75	0.02	0.02
		0.15	0.15
TOTAL		1,659.63	2,707.82
Aggregate amount of Quoted Investments		0.15	0.15
Aggregate amount of Unquoted Investments		1,659.48	2,707.67
Aggregate market value of Quoted Investments		4.29	2.80
# value less than ₹ 500			
14 LONG-TERM LOANS AND ADVANCES			
(Unsecured, Considered Good)			
Capital Advances		8,933.49	8,522.56
Security Deposits		6.43	6.21
Disputed Sales Tax Deposit (Refer to Note No. 22)		47.40	47.40
TOTAL		8,987.32	8,576.17
15 OTHER NON CURRENT ASSETS			
Balances with Bank			
In deposit account with maturity of more than 12 months from Balance Sheet date (See footnote below)		0.50	0.50
Accrued Interest on Fixed Deposits with Bank		0.01	0.12
TOTAL		0.51	0.62

Footnote:

Margin Money against Bank Guarantee which has an maturity of more than 12 months from Balance Sheet date. Guarantee is given by Bank and counter guaranteed by the Company for due performance of the Company's obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Face Value	No. of units	As at 31-Mar-15 (₹ in Lakhs)	No. of units	As at 31-Mar-14 (₹ in Lakhs)
16 CURRENT INVESTMENTS					
Investment in Mutual Funds:					
Unquoted (at lower of cost and fair value, unless otherwise stated):					
Birla Sun Life Dynamic Bond Fund - Retail - Growth-Regular Plan	₹ 10	53,573	9.19	150,008	25.75
DWS Treasury Fund - Investment - Regular Plan - Growth	₹ 10	1,763,942	247.00	6,480,920	907.50
ICICI Prudential Liquid - Regular Plan - Growth			-	158,002	297.73
IDFC Banking Debt Fund-Regular Plan-Growth	₹ 10	2,268,599	246.61	8,348,312	907.50
Blackrock Global Funds. - Euro Market Fund Capitalisation	USD 10	12,403	250.13	12,403	238.59
Kimco Japan Long / Short Fund Ltd	USD 100	2,019	156.39	1,974	149.18
Alkeon Growth Offshore Fund Ltd	USD 100	4,000	250.19	4,000	237.40
Credit Suisse Nova (Lux) - Global Senior Loan Fund Distribution	USD 100	9,477	622.18	9,477	593.48
Goldman Sachs Fund -Goldman Sachs Global Startegic Income Bond	USD 100	6,493	468.98	6,493	447.35
AXA IM Fixed Income Investment Startegies Fcp-Us Short Duration High Yield Capitalisation	USD 100	5,385	468.98	5,385	447.35
Persistent Edge Asia Partners Ltd	USD 1,000	350	218.92	350	208.82
Current portion of Long-Term Investment (at cost)					
4.75% European Medium Term- Notes Syndicate Bank Ltd	USD 100	4,000	257.72		-
			3,196.29		4,460.65
Less: Provision for Diminution in Value of the Current Investments			(64.18)		(8.04)
			TOTAL		4,452.61
Aggregate Net Asset Value of units in Mutual Funds			3,212.79		4,480.11

	As at 31-Mar-15 (₹ in Lakhs)	As at 31-Mar-14 (₹ in Lakhs)
17 INVENTORIES		
(at lower of Cost and Net Realisable Value)		
Paints	2.88	4.29
Fuel Oil and Lube Oil on Ships	171.82	199.87
	TOTAL	204.16

Secured for Cash Credit facility taken from Bank (Refer to Note No. 8)

	As at 31-Mar-15 (₹ in Lakhs)	As at 31-Mar-14 (₹ in Lakhs)
18 TRADE RECEIVABLES		
(Unsecured)		
Considered Good		
More than six months from the date they were due for payment	-	-
Other Trade Receivables	612.28	385.90
	612.28	385.90
Considered Doubtful		
More than six months from the date they were due for payment	41.67	41.67
Other Trade Receivables	-	-
	41.67	41.67
Less: Provision for Doubtful Debts	41.67	41.67
	-	-
	TOTAL	385.90

Secured for Cash Credit facility taken from Bank (Refer to Note No. 8)

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-15 (₹ in Lakhs)	As at 31-Mar-14 (₹ in Lakhs)
19 CASH AND BANK BALANCES		
a) Cash and Cash Equivalents:		
Cash on Hand	2.49	2.37
In Current Account	12.77	18.74
In Foreign Currency Account	618.72	799.20
In Deposit Accounts with maturity of less than three months from Balance Sheet date	–	741.88
	<u>633.98</u>	<u>1,562.19</u>
b) Other Balances:		
In Unpaid Dividend Accounts	33.83	40.76
TOTAL	<u><u>667.81</u></u>	<u><u>1,602.95</u></u>
20 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advance Income Tax [Net of provision for Tax ₹ 826.62 lakhs (2014 - ₹ 826.62 lakhs)]	166.08	140.60
MAT Credit Entitlement	74.07	74.07
Prepaid Expenses	58.11	64.20
Loan given to Lavgan Dockyard Pvt. Ltd. (see footnote below)	830.00	–
Advance for Expenses	35.15	17.16
	<u>1,163.41</u>	<u>296.03</u>
TOTAL	<u><u>1,163.41</u></u>	<u><u>296.03</u></u>
Footnote:		
The Company has given an Unsecured Loan of ₹ 830.00 lakhs (2014 - ₹ Nil) @ 10.50% p.a. repayable on demand to facilitate completion of project.		
21 OTHER CURRENT ASSETS		
Accrued Interest:		
On Investments	4.76	6.85
On Loan given to Lavgan Dockyard Pvt. Ltd.	55.91	–
Claim Receivable	65.71	65.71
	<u>126.38</u>	<u>72.56</u>
TOTAL	<u><u>126.38</u></u>	<u><u>72.56</u></u>
22 CONTINGENT LIABILITIES		
a) Sales Tax demand not provided for: (Refer to Note No. 14)	237.00	237.00
Note: The Company has contested the above claims 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 ₹ 47.40 lakhs (Refer Note No. 14) (including refunds withheld by the authorities) and executed a bond of ₹ 218.04 lakhs 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.		
b) Income Tax demand not provided for:	479.71	386.14
The Company has filed appeal in respect of the same.		
Note : Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		
COMMITMENTS		
c) Sea Lord LLC and Sea Bird LLC subsidiary companies of Chowgule Steamships Overseas Ltd. have provided additional security to a bank for a loan given to Garud B.V. for a maximum of USD 10 Millions	6,292.00	5,935.00
d) Estimated amount of contracts remaining to be executed on capital account not provided for The group has a commitment for the construction of four hulls	61,683.49	64,112.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 REVENUE FROM OPERATIONS

	For the year ended 31-Mar-15 (₹ in Lakhs)	For the year ended 31-Mar-14 (₹ in Lakhs)
Sale of Service:		
Charter Hire Receipts	8,520.46	9,177.73
Other Operating Revenue:		
Claims Received	106.03	95.42
TOTAL	8,626.49	9,273.15

24 OTHER INCOME

Interest on:		
Loan given to Lavgan Dockyard Pvt. Ltd.	55.91	–
Bank Deposits	33.78	0.29
Others	–	6.85
Rental Income	198.72	198.72
Dividends:		
On Long-Term Investments	0.05	0.05
On Current Investments	18.22	4.00
Profit on Sale of Current Investments - (Net)	100.34	66.42
Profit on Sale of Asset- Car	0.31	–
Sundry Balances Written Back (Net)	45.48	85.07
TOTAL	452.81	361.40

25 OPERATING EXPENSES

Fuel, Oil and Water	1,284.59	746.74
Stores and Spare Parts Consumed	588.38	656.44
Port Disbursement, Stevedorage, Light Dues etc.	42.83	49.29
Ship Repairs and Survey Charges	233.30	358.32
Dry Docking Charges	702.78	–
Insurance & Protection Club Dues	436.06	519.12
Brokerage and Agency Fees	207.03	225.01
Claims Paid	3.11	608.34
Ship Management Fees	399.33	466.36
Crew Expenses	406.78	522.51
Quality & Safety Facilities	53.80	48.16
Handling & Transport	30.99	33.55
TOTAL	4,388.98	4,233.84

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31-Mar-15 (₹ in Lakhs)	For the year ended 31-Mar-14 (₹ in Lakhs)
26 EMPLOYEE BENEFITS EXPENSES		
Manning Cost	2,668.43	2,921.76
Salaries, Wages and Other Benefits (Refer to Note No. 30)	139.39	119.47
Contributions to Provident and Other Funds (Refer to Note No. 30)	29.01	32.54
Staff Welfare Expenses	2.00	1.69
TOTAL	<u>2,838.83</u>	<u>3,075.46</u>
27 FINANCE COSTS		
Interest on Borrowings	1,057.86	1,121.44
Other Borrowing Costs	1.20	50.44
TOTAL	<u>1,059.06</u>	<u>1,171.88</u>
28 OTHER EXPENSES		
Power and Fuel	8.61	7.91
Legal and Professional Expenses	245.90	310.90
Postage, Telephone, Telexes etc.	20.60	4.98
Rent	0.49	0.49
Rates and Taxes	27.76	31.54
Auditors' Remuneration		
For Statutory Audit	18.33	21.37
For Tax Audit	0.80	0.80
For Other Services	3.70	3.80
For Reimbursement of Expenses	0.42	-
Service Tax on above	1.10	1.06
	<u>24.35</u>	<u>27.03</u>
Directors' Sitting Fees	10.34	9.21
Travelling Expenses (Including Foreign Travelling)	45.28	61.44
Repairs to Building	34.51	34.05
Brokerage Paid	-	140.66
Provision for Diminution in the Value of Investment	55.75	8.04
Loss on Sale of Fixed Assets / Written Off	-	0.04
Loss on Sale of Non Current Investment	2.64	-
Net Foreign Currency Translation Differences	2.53	81.43
Miscellaneous Expenses	104.68	111.68
TOTAL	<u>583.44</u>	<u>829.40</u>
29 EXCEPTIONAL ITEMS		
Loss on Foreign Currency Translation Difference on Borrowing	(48.83)	(153.63)
Gain on Foreign Currency Translation difference on partial repayment of loan and on conversion of Loan into Convertible Redeemable Preference Shares in respect of subsidiary	-	592.65
Profit on Sale of Assets	552.76	2,911.76
Impairment Loss (Refer to Note No. 12)	(7,255.23)	-
TOTAL	<u>(6,751.30)</u>	<u>3,350.78</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 EMPLOYEE BENEFITS OBLIGATIONS

Staff Costs for the year ended 31st March, 2015, include provision for employee benefits as given below consequent to the adoption of the revised Accounting Standard (AS) 15 on Employee Benefits. The necessary disclosures in respect thereof are as under: -

	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
(a) The Company has recognised the following amounts in the Statement of Profit and Loss as contribution under defined contribution schemes		
i) Provident Fund	9.67	8.84
ii) Superannuation Fund	12.15	10.43
(b) Details of Gratuity Plan are as follows: (Refer to Note No. 10 & 26)		
The Company makes annual contributions to the Chowgule Steamships Limited Shore Employees Gratuity Fund, which in-turn, has taken Group Gratuity cum Life Assurance Scheme of the Life Insurance Corporation of India, which is a funded defined benefit plan for qualifying employees. This scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.		
The amounts recognised in the Balance Sheet are as follows:		
i) Present Value of Funded Obligations	101.84	88.41
ii) Fair Value of Plan Assets	93.81	74.82
iii) Amounts In the Balance Sheet		
Liabilities under Other Current Liabilities (Refer to Note No.10)	8.03	13.59
The amounts recognised in the Statement of Profit and Loss are as follows:		
i) Current Service Cost	14.60	12.48
ii) Interest Cost	8.09	6.13
iii) Expected Return on Plan Assets	(7.65)	(5.98)
iv) Net Actuarial Losses / (Gains) recognised in year	(4.08)	1.02
v) Past Service Cost	-	-
vi) Expenses recognized in the Statement of Profit and Loss under Contribution to Provident & Other Funds (Refer to Note No 26)	10.96	13.65
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	88.41	74.75
ii) Current Service Cost	14.60	12.48
iii) Interest Cost	8.09	6.13
iv) Actuarial Gains	(6.52)	(4.95)
v) Past Service Cost	-	-
vi) Benefits Paid	(2.74)	-
vii) Closing Defined Benefit Obligation	101.84	88.41

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
i) Opening Fair Value of Plan Assets	74.82	55.43
ii) Adjustment to Opening Balance	3.76	0.39
iii) Expected Return	7.64	5.98
iv) Actuarial (Losses) / Gains	(2.43)	(5.98)
v) Contribution by Employer	12.75	19.00
vi) Benefits Paid	(2.73)	-
vii) Closing Fair Value of Plan Assets	93.81	74.82

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.

Principal actuarial assumptions at the balance sheet date are as follows:

	2014-15	2013-14
i) Discount Rate at 31st March	7.80% p.a.	9.30% p.a.
ii) Expected Return on Plan Assets at 31st March	9.15% p.a.	9.15% p.a.
iii) Rate of Increase in Compensation	10.00% p.a.	10.00% p.a.
iv) Withdrawal Rate	0.50% p.a.	0.50% p.a.
v) Maximum Gratuity Payable Per Person	Unlimited	Unlimited
vi) Retirement Age	60 years	60 years
vii) Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The contribution expected to be made by the Company during the financial year 2015-16 is ₹ 7.50 lakhs (2014-15 ₹ 12.75 lakhs).

Experience Adjustments	2010-11 (₹ in Lakhs)	2011-12 (₹ in Lakhs)	2012-13 (₹ in Lakhs)	2013-14 (₹ in Lakhs)	2014-15 (₹ in Lakhs)
Present Value of the Obligation	43.18	63.80	74.75	88.41	101.84
Fair Value of the Plan Assets	11.67	23.66	55.43	74.82	93.81
Surplus/ (Deficit)	(31.51)	(40.14)	(19.32)	(13.59)	(8.03)
Experience Adjustment on Plan Liabilities	3.51	(4.59)	7.14	(0.96)	(14.84)
Experience Adjustment on Plan Assets	(0.90)	(1.62)	0.32	(5.98)	(2.43)

The expected rate of return on plan assets is based on the average long-term rate of return expected on investment of funds during the estimated term of obligation.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 Related party disclosures, as required by AS-18 "Related Party Disclosures" as notified under the Companies (Accounting Standard) Rules, 2006, are given below.

i. Name of the Related Parties where control exists

- a) Chowgule Steamships Overseas Limited (CSOL) - Wholly owned subsidiary
- b) Sea Bird LLC - Wholly owned subsidiary of CSOL
- c) Sea Lord LLC - Wholly owned subsidiary of CSOL
- d) Sea Green LLC – Wholly owned subsidiary of CSOL
- e) Sea King LLC - Wholly owned subsidiary of CSOL
- f) Sea Link LLC - Wholly owned subsidiary of CSOL
- g) Sun Shine LLC - Wholly owned subsidiary of CSOL (Company was wound up)

ii. Name of Related Party	Nature of Relationship	Nature of Transactions	31-Mar-15 (₹ in Lakhs)	31-Mar-14 (₹ in Lakhs)
Key Management Personnel				
Mr. Mangesh Sawant	Executive Director & CFO	Remuneration for the year	51.08	51.34

32 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 Geographical Segments either.

33 As per Accounting Standard (AS) 20 on 'Earnings Per Share' (Basic and Diluted), the earning per share of the Group is as under:

	2014-15	2013-14
a. Net Loss for the year (₹ in lakhs)	(10,577.23)	(716.89)
b. Weighted average number of Equity shares outstanding during the financial year (in Nos.)	36,308,425	36,308,425
c. Basic and Diluted Earnings Per Equity Share on the above (₹)	(29.13)	(1.97)

34 FOREIGN CURRENCY EXPOSURES

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

Particulars	Foreign Currency	2014-15		2013-14	
		(₹ in Lakhs)	USD Million	(₹ in Lakhs)	USD Million
Receivables					
Trade Receivables & Other Assets	USD	174.21	0.28	331.98	0.56
Cash & Bank Balances	USD	6.51	0.01	36.42	0.06
Payables					
Term Loan form Foreign Bank	USD	1,198.14	1.90	1,633.23	2.70
Trade Payables & Other Liabilities	USD	392.85	0.63	73.78	0.12

Note : USD = US Dollar

35 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

SANJIV N. SHAH
Director

MANGESH SAWANT
Managing Director & CFO

Place : Mumbai,
Date : May 07, 2015

SUHAS JOSHI
Company Secretary

Fleet Profile

CHOWGULE STEAMSHIPS LIMITED

	Name	Year Built	DWT (M.T.)
1.	M. V. Maratha Providence	1995	47574

CHOWGULE STEAMSHIPS OVERSEAS LIMITED

	Name	Year Built	DWT (M.T.)
1.	M. V. Maratha Pride (Owned by Sea Bird LLC)	2011	37221
2.	M. V. Maratha Paramount (Owned by Sea King LLC)	2011	32081
3.	M. V. Maratha Promise (Owned by Sea Lord LLC)	2012	37187
4.	M. V. Maratha Prudence (Owned by Sea Link LLC)	2012	32070

