

53RD ANNUAL REPORT 2015-16



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 Third Annual General Meeting of the Members of CHOWGULE STEAMSHIPS LIMITED will be held on Friday, July 29, 2016 at 11.00 A.M. at the Registered Office of the Company at Chowgule House, Mormugao Harbour, Goa 403 803 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay V. Chowgule, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mangesh Sawant, 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 Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

“RESOLVED that, pursuant to the provisions of Sections 139 and 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 of S.B. Billimoria & Co., Chartered Accountants (Registration No. 101496W) as Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting 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 an **Ordinary Resolution**:
“RESOLVED that pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant Rules made there under (including any amendment, modification or re-enactment thereof), members of the Company do hereby ratify and accord their approval to the contract entered into by the Company with Chowgule And Company Private Limited, being a Related Party pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, for acquisition of River-Sea vessel viz. Chowgule- 7 on the terms and conditions as set out in the explanatory statement annexed to the notice convening this Meeting, 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, vary and renew the terms and conditions in connection with the said transaction as they may deem fit in the interest of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things 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 06, 2016

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 INSTEAD OF HIMSELF AND THE 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 re-appointment at the Annual General Meeting is given in the Corporate Governance section of the Annual Report.
- 4) Register of Directors, Key Managerial Personnel and their shareholding and Register of Contracts or arrangements in which Directors are interested will be available for inspection at the Annual General Meeting.

- 5) The Register of Members and Share Transfer Books of the Company will remain closed from July 22, 2016 to July 29, 2016, both days inclusive.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) Unclaimed Dividends for the years 1995-96, 1996-97, 2004-05, 2005-06, 2006-07 and 2007-08 have been duly transferred to the Investor Education and Protection Fund. Unclaimed dividend for the year 2008-09 is due for transfer to Investors Education & Protection Fund, Members, who have so far not claimed their Dividend for 2008-09 or any of the subsequent years, are requested to immediately write to the Company's Share Transfer Agents.
- 10) The shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and the listing fees in respect thereof for the year 2016-17 have been paid to BSE.
- 11) All enquiries and correspondence regarding transfer of shares, dematerialization, etc., should be made with the Share Transfer Agents of the Company, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078.
- 12) Members are requested to note that pursuant to Regulation 39 of the SEBI (Listing Obligations & Disclosure Requirements) 2015, the Company has transferred the unclaimed shares into share suspense account maintained for the purpose. At the beginning of the year, total 8737 shares were lying credited to the said share suspense account belonging to 161 shareholders. During the year, none of the shareholders approached the Company for transfer of shares from suspense account. Hence there was no change in the number of shares held in share suspense account during the year.
- 13) The Notice of the Fifty Third 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 Third Annual general Meeting and the Annual Report 2016 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
- 14) 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 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 22, 2016, may cast their vote electronically.
 - (d) The e-voting period commences at 10:00 a.m. on Tuesday, July 26, 2016 and ends at 5:00 p.m. on Thursday, July 28, 2016. 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 date of dispatch of notice.
 - (g) The Board of Directors at its meeting held on May 6, 2016 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 July 26, 2016 at 9.00 a.m. and ends on July 28, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 22, 2016, 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.

CHOWGULE STEAMSHIPS LIMITED

- (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 other 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)Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on 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.
Dividend Bank Details	<ul style="list-style-type: none"> • Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.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.

- 15) 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.
- 16) 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.
- 17) 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.
- 18) 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 will 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 29, 2016 and communicated to BSE Limited.
- 19) The route map showing directions to reach the venue of the 53rd Annual General Meeting is given along with the Annual Report.
- 20) 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 upto the date of the Annual General Meeting.

By order of the Board of Directors
For Chowgule Steamships Limited

Suhas Joshi
Company Secretary

Place: Mumbai,
Date : May 06, 2016

CHOWGULE STEAMSHIPS LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

SPECIAL BUSINESS

Item No.5

Acquisition of Vessel

In view of the continued depressed international freight market and also in line with its policy of fleet rationalisation, the Company disposed off its vessel Maratha Providence (1995 built) in October 2015. As a consequence, the Company did not have any vessel in its own name though it has four Handysize vessels under its wholly owned subsidiary viz. Chowgule Steamships Overseas Limited. The international freight market has remained subdued on account of sluggish demand and oversupply of vessels. In order to explore opportunities in coastal trade in India, the Company acquired a River-Sea Vessel viz. Chowgule – 7 from Chowgule And Company Private Limited (CCPL), a Related Party, on the following broad terms and conditions:

1.	Purchase Price	-	INR 20,00,00,000/-
2.	Payment Terms	-	Deposit of 10% on signing of MOA and deferred credit of 3 years for the balance amount
3.	Delivery	-	Delivery on or before 31-03-2016

The purchase price is derived on the basis of valuation certificate received from an Independent Valuer and hence the price is deemed as an Arm's Length price. The said Vessel was delivered on March 29, 2016.

In terms of the provisions of Section 188 (1) of the Companies Act, 2013 read with the relevant Rules made there under any transaction entered into by a company having paid-up capital of ₹ 10 Crores or more with related party requires prior approval of shareholders. However, the third proviso to section 188(1) of the Companies Act, 2013, states that section 188 (1) shall not apply to any transaction entered into by a company in its ordinary course of business and on an Arm's Length basis.

Accordingly, though the above transaction with Chowgule And Company Private Limited is a transaction with a related party, since the acquisition of the vessel is in the ordinary course of business for both the parties and on an Arm's Length basis, as per the valuations arrived at by independent Valuer, the same does not attract the provisions of Section 188 of the Companies Act 2013.

However, in terms of Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, all material related party transactions require prior approval of Audit Committee and approval from shareholders. As per the said SEBI Regulations, a transaction with a Related Party shall be considered material if the value of transaction exceeds 10% of the Annual Consolidated Turnover of the listed entity. Since, acquisition of the vessel is a material transaction; within the aforesaid meaning, approval of shareholders is being sought by way of an Ordinary Resolution. Prior approval of the Audit Committee and the Board of Directors has already been obtained. The particulars of the contract entered into by the Company, are provided in brief, herein below.

Sr. No	Nature of Transactions	Name of the Director/KMP Who is a related and nature of relationship	Name of the Related Party	Amounts (in Crore)
1	Acquisition of vessel viz. Chowgule -7:	Mr. Vijay V. Chowgule being director/member of CCPL	Chowgule And Company Private Ltd.	₹ 20 Crores
2	Purchase Price - ₹ 20 Crores	Mr. Jaywant Chowgule being director of CCPL		
3	Payment Terms - 10% on signing of MOA and deferred credit of 3 years for the balance amount.	Mr. Nathan Chowgule being director of CCPL		
4	Delivery - on or before 31-03-2016 (Which was since delivered on March 29, 2016).	Prof. Rohini Chowgule being relative of Mr. Vijay Chowgule who is an interested director.		

None of the Directors except Mr. Vijay V. Chowgule, Mr. Jaywant Y. Chowgule, Mr. Nathan Chowgule and Prof. Rohini Chowgule are concerned or interested in passing of the above resolution.

The Board commends the resolution for approval of the members.

By order of the Board of Directors
For Chowgule Steamships Limited

Place: Mumbai,
Date : May 06, 2016

Suhas Joshi
Company Secretary

DIRECTORS' REPORT 2015-2016

To

The Shareholders,

Your Directors present the Fifty Third Annual Report and the Audited Accounts for the year ended March 31, 2016.

1. FINANCIAL RESULTS & APPROPRIATIONS:

	2015-16	2014-15
Loss before Financial Charges, Depreciation, Exceptional Item & Tax	(420.62)	(1,559.71)
Financial Charges	(33.93)	(52.29)
Depreciation	(456.90)	(811.40)
Loss before Exceptional Item & Tax	(911.45)	(2,423.40)
Loss on sale of vessel	(41.65)	NIL
Profit on Sale of Land	NIL	552.76
Impairment	NIL	(530.85)
Loss on Foreign Currency Translation difference	NIL	(48.83)
Loss before Deferred Tax Provision	(953.10)	(2,450.32)
Reversal of Provision for Deferred Tax (Net)	170.89	406.34
Loss after Tax	(782.21)	(2,043.98)
Brought forward from previous year	888.74	2,949.68
Adjustment as per the Companies Act 2013	NIL	(16.96)
Surplus in Statement of Profit and Loss	106.53	888.74

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 ₹ 467.05 lakhs as against ₹ 731.54 lakhs in the previous year showing a decrease of ₹ 264.49 lakhs. The Baltic Dry Bulk Index which started the year at 596 in April 2015 scaled down to 429 by March 2016. The dry bulk freight markets have remained depressed for most of the year.

In view of the continued depressed freight market conditions and also in accordance with its policy of rationalization of fleet, the Company disposed off its 1995 built vessel Maratha Providence in October 2015. The Company acquired a new built river-sea vessel to explore opportunities in Indian coastal trade.

INDUSTRY REVIEW & FUTURE OUTLOOK

The year 2015 saw a significant shift in bulk carrier demand with sea borne dry bulk trade estimated to have declined by 5% y-o-y to 4.7 bn tones, following average growth of around 7% p.a. in the preceding five year period. The build-up of surplus capacity as well as limited growth in sea borne trade, continued to place pressure on fundamentals in 2015. The bulk carrier fleet expanded by 2.4% in 2015, which was the slowest pace of growth since 1999. Weak market conditions led to surge in demolition. Deliveries continued at a relatively steady pace but the ordering was very subdued in 2015. However, the problem has now shifted to the demand side, with the dramatic slowdown in Chinese dry bulk imports in 2015 contributing to 0.1% decline in sea borne dry bulk trade in 2015, causing a further build up of oversupply.

The average bulker earnings dropped below operating cost of the vessel. The extremely difficult operating environment is leading to aggressive demolition. This is projected to help bulk carrier fleet growth to just 1.5% in 2016 and 0.7% in 2017, while new building interest is expected to be subdued. Despite this notable supply-side adjustment, the outlook for sea borne dry bulk trade growth remains difficult.

Looking forward to 2016-17, world sea borne trade is projected to grow at a relatively muted pace. Global GDP expansion is expected to pick up slightly in the short term, to reach 3.4% in 2016 and sea borne trade volume is expected to grow by 2.2%. Considering existing imbalance between demand and supply, the market is likely to remain under pressure in 2016-17.

INTERNAL FINANCIAL CONTROL SYSTEM

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

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

CHOWGULE STEAMSHIPS LIMITED

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 bode 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 ₹ 1,198.14 lakhs (US\$ 1.90 million). The total outstanding loan at year end is ₹ NIL.

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 ₹ 170.89 lakhs for the Financial Year 2015-2016, which is reflected in the Statement of Profit & Loss. The net Deferred Tax Liability of ₹ 464.99 lakhs as at March 31, 2016 is reflected in the Balance Sheet.

5. SUBSIDIARIES

The Company has five overseas subsidiaries including one wholly owned subsidiary and four step-down subsidiaries. During the year Sea Green 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 are as under:

	(US \$ in million)	
	2015-16	2014-15
Income	7.210	12.518
Gross Profit / (Loss) before depreciation and exceptional items	(1.327)	2.926
Depreciation	(5.182)	(5.834)
Impairment	(12.630)	(10.807)
Write-off for cancellation of new build order	(9.344)	—
Net Loss	(28.483)	(13.715)

6. INSURANCE

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

7. DIRECTORS

Mr. Vijay V. Chowgule, Chairman and Mr. Mangesh Sawant, Managing Director & CFO, 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 and they shall hold office for a term up to five consecutive years on the Board of a company from the date of their appointment.

Pursuant to Regulation 36 of the Listing Agreement, the background of the Directors proposed to be re-appointed at the Annual General Meeting is given in the Corporate Governance Report.

Mr. Vijay V. Chowgule is a brother of Prof. Rohini V. Chowgule, Director of the Company.

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 appointments 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.

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 Directors in understanding their statutory duties, obligations and responsibilities as a Director/ Independent Director of the Company. The appointment letter of Independent Directors is 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 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, qualifications, experience and competencies, performance of specific duties, attendance of directors at meetings, contribution at the meetings etc.

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

In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

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.

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.

The Directors have prepared the annual accounts on a "going concern basis".

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.

CHOWGULE STEAMSHIPS LIMITED

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 M/s S B Billimoria & Co, Chartered Accountants, 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 shareholders for the appointment of M/s. S.B. Billimoria & Company, Chartered Accountants, as Auditors 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 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2015-16 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. THE COMPANIES (Accounts) RULES, 2014

In accordance with the requirements of Rule 8 (A) 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 I).

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 – There have been no loans / guarantees given or investments made in the group companies during the year.
21. The Company has not accepted/renewed any Fixed Deposits during the year ended March 31, 2016.
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	MD & CFO – 6X
2	Percentage increase in remuneration of Managing Director & CFO and Company Secretary	MD & CFO –NIL Company Secretary –NIL
3	Percentage increase in median remuneration of employees in the financial year	NIL
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, 2016. However, there was an increase in overall remuneration of employees of the Company at an average rate of 4% excluding the Managing Director & CFO. The increase in remuneration is on account of 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 suffered loss

Sr.	Requirements	Disclosure															
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 style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Particulars</td> <td style="width: 20%; text-align: right;">31.03.16</td> <td style="width: 20%; text-align: right;">31.03.15</td> </tr> <tr> <td>Market Cap.</td> <td style="text-align: right;">50.10 Cr</td> <td style="text-align: right;">86.95 Cr</td> </tr> <tr> <td>P/E ratio</td> <td></td> <td></td> </tr> <tr> <td>EPS</td> <td style="text-align: right;">(2.15)</td> <td style="text-align: right;">(5.63)</td> </tr> <tr> <td>Decrease in Market Cap</td> <td style="text-align: right;">42.38 %</td> <td></td> </tr> </table>	Particulars	31.03.16	31.03.15	Market Cap.	50.10 Cr	86.95 Cr	P/E ratio			EPS	(2.15)	(5.63)	Decrease in Market Cap	42.38 %	
Particulars	31.03.16	31.03.15															
Market Cap.	50.10 Cr	86.95 Cr															
P/E ratio																	
EPS	(2.15)	(5.63)															
Decrease in Market Cap	42.38 %																
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 an increase of about 4% in salaries of employees other than Managerial Personnel during the year 2015-16. The remuneration of Managerial Personnel was increased by 59% on account of elevation of the Executive Director & CFO to Managing Director & CFO effective April 1, 2015. The remuneration of Managerial Personnel is in line with industry standard and as approved by the Shareholders.															
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. CEO / CFO Certification

The Managing Director & CFO has issued a certificate pursuant to the provisions of Regulation 17 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 06, 2016

VIJAY V. CHOWGULE
Chairman

TO THE MEMBERS OF
CHOWGULE STEAMSHIPS LIMITED

Declaration by the Managing Director & CFO under Regulation 34 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, 2016.

Place: Mumbai,
Date : May 06, 2016

MANGESH SAWANT
Managing Director & CFO

CHOWGULE STEAMSHIPS LIMITED

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

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

2. BOARD OF DIRECTORS

(a) Composition / Category of Directors

(i) Promoter Directors		(ii) Non-promoter Director	
• Executive	–	• 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 2015-2016 on 07.05.2015, 17.07.2015, 16.10.2015 and 15.01.2016. 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	3	A
Mr. Dhananjay N. Mungale	Independent Director	3	P
Mr. Jaywant Y. Chowgule	Non executive, Non-Independent Director	1	A
Mr. Sanjiv N. Shah	Independent Director	2	A
Mr. Nathan R. Chowgule	Non executive, Non-Independent Director	2	P
Prof. Rohini V. Chowgule	Non executive, Non-Independent Director	4	P
Mr. Ravindra Kulkarni	Independent Director	2	P
Mr. Farokh J. Guzder	Independent Director	4	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	0 – 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	0 – BM	0 – CM	0 – CC
Prof. Rohini V. Chowgule	0 – BM	0 – CM	0 – CC
Mr. Ravindra Kulkarni	6 – BM	8 – 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 committee

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 Committee met on five occasions during the financial year on May 7, 2015, July 16, 2015, October 16, 2015, January 15, 2016 and March 18, 2016. 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	5
Mr. Farokh J. Guzder	5

Mr. Mangesh Sawant, Managing Director & CFO attended all the meetings of the Audit Committee as invitee. The representatives of External Auditors attended 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:

A. The role of the audit committee shall include the following:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements 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
 - b. 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;
 - c. changes, if any, in accounting policies and practices and reasons for the same;
 - d. major accounting entries involving estimates based on the exercise of judgment by management;
 - e. significant adjustments made in the financial statements arising out of audit findings;
 - f. compliance with listing and other legal requirements relating to financial statements;
 - g. disclosure of any related party transactions;
 - h. modified opinion(s) 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. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, 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. Discussion 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;

CHOWGULE STEAMSHIPS LIMITED

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
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. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer 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; and
 - e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - f. Statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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, has constituted 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 only one meeting was held on April 17, 2015, at which all the 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 Managing / 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 fees 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 & CFO
 1. Managing Director & CFO is paid remuneration as may be mutually agreed between the Company and the Managing Director 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.
 - 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 ethos 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 the Managing Director 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 shareholders at a general meeting.

c. Details of Remuneration paid to Directors

Disclosure of remuneration paid to Managing Director

The details of the remuneration paid to Mr. Mangesh Sawant, Managing Director & CFO from April 01, 2015 to March 31, 2016 are as under:

Name	- Mangesh Sawant
Designation	- Managing Director & CFO
All elements of remuneration package Inclusive of Salary, Benefits, Provident Fund, Gratuity, Bonus, Pension, etc.	- ₹ 81.20 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	- NIL
No. of Shares held in the Company	- 133 (jointly held with Mrs. Swapna Mangesh Sawant)

CHOWGULE STEAMSHIPS LIMITED

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	1,50,000	1,154,455
Mr. Dhananjay N. Mungale	1,10,000	–
Mr. Jaywant Y. Chowgule	20,000	64,750
Mr. Sanjiv N. Shah	70,000	–
Mr. Nathan R. Chowgule	40000	–
Prof. Rohini V. Chowgule	1,10,000	511178
Mr. Ravindra Kulkarni	70,000	–
Mr. Farokh J. Guzder	1,40,000	–
Admiral Arun Prakash (Retd)	60,000	–
Mr. Mangesh Sawant	NA	133

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

In terms of provisions of listing agreement the Board has constituted Stakeholders' Relationship and Shareholders' / Investors' Grievance Committee. The said committee functions under the Chairmanship of Mr. Vijay V. Chowgule and other members are Mr. Sanjiv N. Shah, Prof. Rohini V. Chowgule and Mr. Ravindra Kulkarni. 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 complaints from the shareholders.

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, 2015 and March 31, 2016, the Company received 18 complaints / queries from shareholders. As at March 31, 2016, all the complaints / queries were resolved. There were no shares pending for transfer from the shareholders as at March 31, 2016.

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

Though not mandatory as per the Listing Agreement, 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 approve the Risk Management Policy of the Company and related processes and practices of the Company from time to time.
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

Mr. Vijay V. Chowgule and Mr. Mangesh Sawant will retire at the ensuing Annual General Meeting and being eligible seek re-appointment. The approval of members is being sought for re-appointments of above Directors. A brief resume of the above Directors is as under:

A) Mr. Vijay V. Chowgule

Mr. Vijay V. Chowgule is the Chairman of the Company and head of the Chowgule Group. Mr. Vijay V. Chowgule has extensive management experience in production and service industries. He provides the vision to the Company, which helps it in charting its progress efficiently. He is B.S. in Textile Chemist and Industrial Management. Mr. Vijay V. Chowgule is a member of Audit Committee, Stakeholders' Relationship and Shareholders' / Investors' Grievance Committee and Nomination and Remuneration Committee of the Board of Directors of the Company. Mr. Vijay V. Chowgule holds 11,54,455 shares in the Company. Mr. Vijay V. Chowgule is relative of Prof. Rohini V. Chowgule, Director. Mr. Vijay V. Chowgule is a Director in the following companies.

- i. Chowgule And Company Private Limited
- ii. Chowgule Steamships Overseas Limited
- iii. Chowgule And Company (Salt) Private Limited
- iv. Chowgule Shipbuilding Private Limited
- v. Chowgule Construction Chemicals Private Limited
- vi. Dolphin Extrusions Private Limited
- vii. Dolphin Ore Extraction Private Limited
- viii. Dolphin Mining Services Private Limited
- ix. Spandan Eco Foundation
- x. Chowgule Ports & Infrastructure Private Limited
- xi. Chowgule Mining Private Limited
- xii. Chowgule ABP Coatings (India) Private Limited
- xiii. Chowgule Construction Technologies Private Limited
- xiv. Angré Port Private Limited
- xv. Chowgule Centre for Applied & Professional Studies
- xvi. Chowgule Mediconsult Private Limited
- xvii. Lavgan Dockyard Private Limited
- xviii. Blue Mountain Tankers AS
- xix. Allied Construction Technologies Inc Virginia

B) Mr. Mangesh Sawant

Mr. Mangesh Sawant is a Commerce Graduate & Chartered Accountant. He is also an Associate Member of Institute of Cost & Management Accountants of India and has passed LLB (Gen) from Mumbai University. 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 was subsequently elevated to the position of Managing Director effective 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 A.F. Ferguson & Co., Chartered Accountants, as Assistant Audit Manager since 1985. Mr. Sawant is a director on the Board of following companies:

- i. Jaigad Logistics Private Limited
- ii. Lavgan Dockyard 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.

Day	Date	Time
Friday	July 17, 2015(#)	11.00 a.m.
Wednesday	July 9, 2014	11.00 a.m.
Friday	July 12, 2013(*)	11.00 a.m.

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

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

CHOWGULE STEAMSHIPS LIMITED

10. RELATED PARTY TRANSACTION

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. The Company has entered into a contract to acquire River Sea Vessel from Chowgule And Company Private Limited, a related party pursuant SEBI (Listing Obligations & Disclosure Requirements) 2015. The said transaction is at Arm's Length Price and in the ordinary course of business. Pursuant to the above SEBI Regulations, approval of Members is being sought at the ensuing Annual General Meeting. There have been no other 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.

In accordance with the requirements of Listing Agreement, the Company has inter alia formulated a Policy on Related Party Transaction and Material Subsidiaries. The said Policy is available on the Company's website.

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 as above paragraphs and 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

53rd Annual General Meeting

Date & Time	: Friday, July 29, 2016 at 11.00 a.m.
Venue	: Chowgule House, Mormugao Harbour, Goa- 403803
Financial Year	: 2015-2016
Book Closure Date	: July 22, 2016 – July 29, 2016 (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).

POSTAL BALLOT

During the year approval of shareholders was obtained for sale of vessel Maratha Providence through Postal Ballot conducted during September 2015. The details of Postal Ballot voting was as under:

Postal Ballot for Sale of Vessel Maratha Providence

Mode of Voting	For		Against		Invalid	
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
Physical	79	24,116,636	5	294	2	520
Electronic	14	7,706	0	0	0	0

Total Valid Votes

	No. of Shareholders	No. of Shares	For	Against
Physical	84	24116930	24,116,636	294
Electronic	14	7706	7,706	0
		24,124,636	24,124,342	294

Votes in favour as a percentage of total votes recorded	99.99%
Votes in favour as a percentage of total Share Capital	66.44%

The Postal Ballot was conducted by Mr. V.N. Deodhar, Practicing Company Secretary, as scrutinizer.

MARKET PRICE DATA DURING APRIL 2015 – MARCH 2016 (BSE)

Month	High (R)	Low (R)
April	26.95	22.35
May	26.50	21.15
June	23.95	21.00
July	24.50	20.30
August	24.25	18.50
September	21.95	18.50
October	20.40	18.00
November	18.95	17.00
December	22.40	18.30
January	22.75	17.05
February	18.95	15.05
March	15.90	16.65

PERFORMANCE IN COMPARISON WITH SENSEX IS GIVEN BELOW:

DATE	CLOSING SENSEX	% MOVEMENT OF SENSEX MONTH TO MONTH	CSL CLOSING SHARE PRICE (R)	% MOVEMENT OF SHARE PRICES MONTH TO MONTH
Apr-15	27011.31	- 3.38	22.80	-4.80
May-15	27828.44	3.02	22.70	-0.43
Jun-15	27780.83	-0.10	22.70	0.00
Jul-15	28114.56	0.10	22.00	-3.08
Aug-15	26283.09	-6.51	20.75	-5.68
Sep-15	26154.83	-0.40	19.75	-4.82
Oct-15	26656.83	1.92	18.55	-6.07
Nov-15	26145.67	-1.92	18.65	0.53
Dec-15	26117.54	-0.11	21.10	13.14
Jan-16	24870.69	-4.77	18.45	-12.56
Feb-16	23002.00	-7.15	15.40	-16.53
Mar-16	25341.86	10.17	13.80	-10.38

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2016 IS GIVEN BELOW:

Shareholding of Nominal Value of		Shareholders		Share Amount	
₹	₹	Number	% to Total	In Rupees	% to Total
Upto 5000		20813	89.7730	24963630	6.8750
5001	10000	1,237	5.3360	10093080	2.7800
10001	20000	532	2.2950	8165610	2.2490
20001	30000	197	0.8500	5049430	1.3910
30001	40000	76	0.3280	2702530	0.7440
40001	50000	75	0.3230	3605810	0.9930
50001	100000	109	0.4700	8043840	2.2150
100001	And above	145	0.6250	300460320	82.7530
Total		23184	100.00	363084250	100.00

CHOWGULE STEAMSHIPS LIMITED

Category	No. of Shares	% Shareholding
Promoters/Person acting in concert	25058196	69.01
Banks, Financial Institution, Insurance Cos. etc	9490	0.03
Private Corporate Bodies	662872	1.83
NRIs / OCBs	250850	0.69
Mutual Funds & UTI	10423	0.03
Indian Public	10316594	28.41
TOTAL	36308425	100

About 88.15% of the equity shares (10904 shareholders) have been dematerialized as at March 31, 2016. Balance 11.85% shares (12280 shareholders) are in physical form. The total public shareholding is around 31% with about 23000 shareholders, which provides adequate liquidity in shares of the Company..

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 06, 2016

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	
(i) the efforts made towards technology absorption;	Not applicable
(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.)	₹ 2,148.16 lakhs
ii) Earned	₹ 552.81 lakhs

For and on behalf of the Board

Place: Mumbai,
Date : May 06, 2016

VIJAY V. CHOWGULE
Chairman

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, 2016, 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 06, 2016

JOE PRETTO
Partner
Membership No. 077491

CHOWGULE STEAMSHIPS LIMITED

ANNEXURE - 2

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES AS ON MARCH 31, 2016

[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 P.O. Box 265, Borough House, Rue du Pre, St. Peter Port, Guernsey, GY1 3QU (100% subsidiary)		SEA BIRD LLC Ajeltake Island, Ajeltake Road, Majuro, Marshall Island-MH 96960 (100% step down subsidiary)		SEA KING LLC Ajeltake Island, Ajeltake Road, Majuro, Marshall Island-MH 96960 (100% step down subsidiary)		SEA LORD LLC Ajeltake Island, Ajeltake Road, Majuro, Marshall Island-MH 96960 (100% step down subsidiary)		SEA LINK LLC Ajeltake Island, Ajeltake Road, Majuro, 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)
Capital	9.200	6,064.64	0.001	0.66	0.001	0.66	0.001	0.66	0.001	0.66
Reserve	71.504	47,135.63	(16.500)	(10,876.61)	(21.720)	(14,317.65)	(16.663)	(10,984.30)	(19.658)	(12,958.23)
Total Assets	100.887	66,505.04	16.186	10,670.02	18.311	12,070.69	17.747	11,698.51	18.475	12,178.59
Total Liabilities	21.307	14,045.56	32.685	21,545.97	40.030	26,387.69	34.409	22,682.15	38.131	25,136.16
Details of Investments	1.124	740.79	-	-	-	-	-	-	-	-
Total Income	0.684	451.08	1.704	1,123.27	1.445	952.39	2.253	1,485.24	1.808	1,192.02
Loss Before taxation	(8.778)	(5,786.41)	(5.295)	(3,490.62)	(5.519)	(3,638.43)	(4.275)	(2,818.35)	(4.615)	(3,041.87)
Provision For Tax	-	-	-	-	-	-	-	-	-	-
Profit after Taxation	(8.778)	(5,786.41)	(5.295)	(3,490.62)	(5.519)	(3,638.43)	(4.275)	(2,818.35)	(4.615)	(3,041.87)

Notes:

- For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, USD 1 = 65.92
- The Consolidated financial statements are in compliance with applicable Accounting Standards in India.
- In compliance with the requirements of Clause 32 of the Listing Agreement, the consolidated financial statements are duly audited by the auditors.
- 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.
- During the year Sea Green LLC, a step down subsidiary of the Company, ceased to be a subsidiary upon its liquidation.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Managing Director & CFO

SUHAS JOSHI
Company Secretary

Place : Mumbai,
Date : May 06, 2016

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 at arm's length basis

a) Name(s) of the related party and nature of relationship	Chowgule and Company Private Limited
b) Nature of contracts/arrangements/transactions	Acquisition of vessel
c) Duration of the contracts / arrangements/transactions	One time
d) Salient terms of the contracts or arrangements or transactions including the value, if any:	<ol style="list-style-type: none"> 1. ₹ 20 Crores 2. 10% on signing of MOA 3. Deferred credit of 3 years for the balance amount. 4. Delivery of vessel on or before 31-03-2016.
e) Date(s) of approval by the Board, if any:	March 18, 2016
f) Amount paid as advances, if any:	Nil.

For and on behalf of the Board of Directors

Place: Mumbai,
Date : May 06, 2016

VIJAY V. CHOWGULE
Chairman

CHOWGULE STEAMSHIPS LIMITED

ANNEXURE - 4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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	ITC HS Code of the Product/ service	% to total turnover
1.	Ship Owners and Charterers	98059000	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 LLC	Step down Subsidiary of CSL	100%	2(87)
3.	Sea Lord LLC	Step down Subsidiary of CSL	100%	2(87)
4.	Sea King LLC	Step down Subsidiary of CSL	100%	2(87)
5.	Sea Link LLC	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	2451992	1477746	3929738	10.82	2737166	1282621	4019787	11.07	0.25
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 Corporate	17237932	27750	17265682	47.55	17237932	27750	17265682	47.55	NIL
e) Banks/Fl	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2) :	19689924	1505496	21195420	58.37	19975098	1310371	21285469	58.62	0.25
2. Foreign									
a) NRIs-Individuals	NIL	1511884	1511884	4.16	NIL	1511884	1511884	4.16	NIL
b) Other individuals	NIL								
c) Bodies Corp.	2260843	NIL	2260843	6.23	2260843	NIL	2260843	6.23	NIL
d) Banks/Fl	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1) :	2260843	1511884	3772727	10.39	2260843	1511884	3772727	10.39	NIL
Total Shareholding of Promoters									
(A) = (A)(1)+(A)(2)	21950767	3017380	24968147	68.76	22235941	2822255	25058196	69.01	0.25
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	10423	10423	0.03	NIL	10423	10423	0.03	NIL
b) Banks/Fl	124	6416	6540	0.02	124	6416	6540	0.02	NIL
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	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) FII/S	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 Corporate									
i) Indian	635532	26230	661762	1.82	627905	34967	662872	1.82	0.01
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	4624412	1365144	5989556	16.5	5309982	1344325	6654307	18.33	1.83
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	4172085	87748	4259833	11.73	3497682	77660	3575342	9.85	-1.88
c) Others (specify)									
i) Clearing Members	77077	NIL	77077	0.21	20979	0	20979	0.06	-0.15
ii) Non Resident Indian - (On repatriation basis)	234657	NIL	234657	0.64	229310	0	229310	0.63	-0.01
iii) Non Resident Indian (On non-repatriation basis)	26820	2844	29664	0.08	16846	2844	19690	0.05	-0.03
iv) Directors	133	NIL	133	0.01	133	0	133	0.00	NIL
Sub-total (B)(2)	9770716	1483816	11254538	31.00	9702837	1461646	11164483	30.75	-0.23
Total Public Shareholding (B) = (B)(1)+(B)(2)	9836673	1503605	11340278	31.24	9768834	1481435	11250229	31.01	-0.23
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand total (A+B+C)	31787440	4520985	36308425	100	32004775	4303690	36308425	100.00	0.02

CHOWGULE STEAMSHIPS LIMITED

(ii) Shareholding of Promoters

Sl 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	0.3177	NIL	NIL
4	Chowgule Real Estate & Construction Ltd	27750	0.0764	NIL	27750	0.0764	NIL	NIL
5	Vijay vishwasrao Chowgule	821764	2.2633	NIL	821764	2.2633	NIL	NIL
6	Vijay vishwasrao Chowgule	335112	0.9230	NIL	335112	0.9230	NIL	NIL
7	Ashok Vishwasrao Chowgule	293761	0.8091	NIL	293761	0.8091	NIL	NIL
8	Quail Investments Ltd	2260843	6.2268	NIL	2260843	6.2268	NIL	NIL
9	Arti Pratap Shirke Dorigo	303125	0.8349	NIL	303125	0.8349	NIL	NIL
10	Anita Pratap Shirke Yuravivker	303125	0.8349	NIL	303125	0.8349	NIL	NIL
11	Anjali Pratap Shirke	303125	0.8349	NIL	303125	0.8349	NIL	NIL
12	Pratap baburao Shirke	287500	0.7918	NIL	287500	0.7918	NIL	NIL
13	Sarita Pratap Shirke	118285	0.3258	NIL	118285	0.3258	NIL	NIL
14	Pratap baburao Shirke	86850	0.2392	NIL	86850	0.2392	NIL	NIL
15	Sarita Pratap Shirke	71374	0.1966	NIL	71374	0.1966	NIL	NIL
16	Arti Pratap Shirke Dorigo	19250	0.0530	NIL	19250	0.0530	NIL	NIL
17	Anita Pratap Shirke Yuravivker	19250	0.0530	NIL	19250	0.0530	NIL	NIL
18	Laxmanrao Dattaji Chowguler	271250	0.7471	NIL	271250	0.7471	NIL	NIL
19	Umaji vishwasrao Chowgule	257971	0.7105	NIL	257971	0.7105	NIL	NIL
20	Rohini Vishwasrao Chowgule	421329	1.1604	NIL	511178	1.4079	NIL	0.2476
21	Jagdeep Yeshwantrao Chowgule	195125	0.5374	NIL	195325	0.5380	NIL	0.0004
22	Indirabai Laxmanrao Chowgule	173250	0.4772	NIL	173250	0.4772	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	0.3203	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	0.1682	NIL	NIL
31	Yeshwantrao D Chowgule	60000	0.1653	NIL	60000	0.1653	NIL	NIL
32	Yeshwantrao D Chowgule	60000	0.1653	NIL	60000	0.1653	NIL	NIL
33	Chowgule Suresh Laxmanrao	55125	0.1518	NIL	55125	0.1518	NIL	NIL
34	Yeshwantrao D Chowgule	46200	0.1272	NIL	46200	0.1272	NIL	NIL
35	Laxmanrao Dattaji Chowguler	34895	0.0961	NIL	34895	0.0961	NIL	NIL
36	Ramesh Laxmanrao Chowgule	31500	0.0868	NIL	31500	0.0868	NIL	NIL
37	Santosh Laxmanrao Chowgule	26172	0.0721	NIL	26172	0.0721	NIL	NIL
38	Ashok Vishwasrao Chowgule	24675	0.0680	NIL	24675	0.0680	NIL	NIL
39	Yeshwantrao D Chowgule	15750	0.0434	NIL	15750	0.0434	NIL	NIL
40	Chowgule Satish laxmanrao	8567	0.0236	NIL	8567	0.0236	NIL	NIL
41	Daulatrao Y Chowgule	1400	0.0039	NIL	1400	0.0039	NIL	NIL
42	Ewart Lazarus	1313	0.0036	NIL	1313	0.0036	NIL	NIL
43	Nishikant Shivajirao Chowgule	92	0.0003	NIL	92	0.0003	NIL	NIL
		24968147	68.7668		25058196	69.0148		0.2480

(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 (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Prof. Rohini Chowgule	421,329	1.161				421,329	1.160
				06.04.2015	1,250	Transfer	422,579	1.164
				07.04.2015	2,500	Transfer	425,079	1.171
				07.04.2015	619	Transfer	425,698	1.173
				08.04.2015	600	Transfer	426,298	1.175
				09.04.2015	700	Transfer	426,998	1.177
				15.04.2015	4,271	Transfer	431,269	1.188
				28.05.2015	5,000	Transfer	436,269	1.202
				29.05.2015	717	Transfer	436,986	1.204
				01.06.2015	283	Transfer	437,269	1.205
				03.06.2015	1,000	Transfer	438,269	1.208
				05.06.2015	5,500	Transfer	443,769	1.223
				30.07.2015	430	Transfer	444,199	1.224
				31.07.2015	2,070	Transfer	446,269	1.230
				03.08.2015	389	Transfer	446,658	1.231
				04.08.2015	2,000	Transfer	448,658	1.236
				06.08.2015	1,018	Transfer	449,676	1.239
				07.08.2015	1,242	Transfer	450,918	1.242
				10.08.2015	499	Transfer	451,417	1.244
				13.08.2015	3,000	Transfer	454,417	1.252
				14.08.2015	1,569	Transfer	455,986	1.256
				17.08.2015	611	Transfer	456,597	1.258
				20.08.2015	700	Transfer	457,297	1.260
				20.08.2015	60	Transfer	457,357	1.260
				21.08.2015	5,000	Transfer	462,357	1.274
				26.08.2015	1,000	Transfer	463,357	1.277
				27.08.2015	10,000	Transfer	473,357	1.304
				28.08.2015	209	Transfer	473,566	1.305
				31.08.2015	100	Transfer	473,666	1.305
				01.09.2015	323	Transfer	473,989	1.306
				02.09.2015	346	Transfer	474,335	1.307
				03.09.2015	6,285	Transfer	480,620	1.324
				07.09.2015	2,000	Transfer	482,620	1.330
				08.09.2015	2,011	Transfer	484,631	1.335
				09.09.2015	4,000	Transfer	488,631	1.346
				10.09.2015	1,966	Transfer	490,597	1.352
				24.11.2015	8,000	Transfer	498,597	1.374
				26.11.2015	2,000	Transfer	500,597	1.379
				16.02.2016	2,000	Transfer	502,597	1.385
				17.02.2016	2,000	Transfer	504,597	1.390
				18.02.2016	3,000	Transfer	507,597	1.399
				22.02.2016	1,356	Transfer	508,953	1.402
				23.02.2016	1,200	Transfer	510,153	1.406
				25.02.2016	850	Transfer	511,003	1.408
				26.02.2016	175	Transfer	511,178	1.408
	TOTAL	511178	1.408					

CHOWGULE STEAMSHIPS LIMITED

(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 (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Chitra Mhatame	1280945	3.5280	01.04.2015	0	NIL movement during the year	1280945	3.5280
		1280945	3.5280	31.03.2016				
2	Falguni Nilesh Dedhia	252496	0.6954	01.04.2015	-252496	Transfer	0	0
		0	0	31.03.2016				
3	Balram Bharwani	236200	0.6505	01.04.2015	127800	Increase	364000	1.0025
		364000	1.0025	31.03.2016				
4	Dilip Fadte	161518	0.4448	01.04.2015	0	NIL movement during the year	161518	0.4448
		161518	0.4448	31.03.2016				
5	New Commercial Mills Co.Ltd.	146513	0.4035	01.04.2015	0	NIL movement during the year	146513	0.4035
		146513	0.4035	31.03.2016				
6	Oriental Pharmaceutical Industries Limited	121558	0.3348	01.04.2015	0	NIL movement during the year	121558	0.3348
		121558	0.3348	31.03.2016				
7	Nilesh Mahendra Popat	119083	0.3280	01.04.2015	0	NIL movement during the year	119083	0.3280
		119083	0.3280	31.03.2016				
8	Hitesh Narayandasji Jhawar	105731	0.2912	01.04.2015	8062	Increase	113793	0.3134
		113793	0.3134	31.03.2016				
9	Mayur Mangaldas Kothari	91775	0.2528	01.04.2015	-91775	Transfer	0	0
		0	0	31.03.2016				
10	Ulka Mayur Kothari	91288	0.2514	01.04.2015	-91288	Transfer	0	0
		0	0	31.03.2016				
11	Narayandas Gokuldas Jhawar	84000	0.2314	01.04.2015	0	NIL movement during the year	84000	0.23114
		84000	0.2314	31.03.2016				
12	Monika Hitesh Jhawar	77915	0.2140	01.04.2015	5000	Increase	82915	0.2284
		82915	0.2284	31.03.2016				
13	Rina Sudhir Mehta	77660	0.2139	01.04.2015	0	NIL movement during the year	77600	0.2139
		77600	0.2139	31.03.2016				

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
DIRECTORS								
1	Vijay V. Chowgule	1156876	3.18	01.04.2015		NIL movement during the year	1156876	0
		1156876	3.18	31.03.2016	0			
2	Dhananjay N. Mungale	0	0	01.04.2015		NIL movement during the year	0	0
		0	0	31.03.2016	0			
3	Jaywant Y. Chowgule	64750	0.18	01.04.2015		NIL movement during the year	64750	0
		64750	0.18	31.03.2016	0			
4	Sanjiv N. Shah	0	0	01.04.2015		NIL movement during the year	0	0
		0	0	31.03.2016	0			
5	Nathan R. Chowgule	0	0	01.04.2015		NIL movement during the year	0	0
		0	0	31.03.2016	0			
6	Prof. Rohini V. Chowgule	421329	1.16	01.04.2015			421329	1.16
				06.04.2015	1,250	Transfer	422,579	1.164
				07.04.2015	2,500	Transfer	425,079	1.171
				07.04.2015	619	Transfer	425,698	1.173
				08.04.2015	600	Transfer	426,298	1.175
				09.04.2015	700	Transfer	426,998	1.177
				15.04.2015	4,271	Transfer	431,269	1.188
				28.05.2015	5,000	Transfer	436,269	1.202
				29.05.2015	717	Transfer	436,986	1.204
				01.06.2015	283	Transfer	437,269	1.205
				03.06.2015	1,000	Transfer	438,269	1.208
				05.06.2015	5,500	Transfer	443,769	1.223
				30.07.2015	430	Transfer	444,199	1.224
				31.07.2015	2,070	Transfer	446,269	1.230
				03.08.2015	389	Transfer	446,658	1.231
				04.08.2015	2,000	Transfer	448,658	1.236
				06.08.2015	1,018	Transfer	449,676	1.239
				07.08.2015	1,242	Transfer	450,918	1.242
				10.08.2015	499	Transfer	451,417	1.244
		13.08.2015	3,000	Transfer	454,417	1.252		
		14.08.2015	1,569	Transfer	455,986	1.256		
		17.08.2015	611	Transfer	456,597	1.258		
		20.08.2015	700	Transfer	457,297	1.260		

CHOWGULE STEAMSHIPS LIMITED

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				20.08.2015	60	Transfer	457,357	1.260
				21.08.2015	5,000	Transfer	462,357	1.274
				26.08.2015	1,000	Transfer	463,357	1.277
				27.08.2015	10,000	Transfer	473,357	1.304
				28.08.2015	209	Transfer	473,566	1.305
				31.08.2015	100	Transfer	473,666	1.305
				01.09.2015	323	Transfer	473,989	1.306
				02.09.2015	346	Transfer	474,335	1.307
				03.09.2015	6,285	Transfer	480,620	1.324
				07.09.2015	2,000	Transfer	482,620	1.330
				08.09.2015	2,011	Transfer	484,631	1.335
				09.09.2015	4,000	Transfer	488,631	1.346
				10.09.2015	1,966	Transfer	490,597	1.352
				24.11.2015	8,000	Transfer	498,597	1.374
				26.11.2015	2,000	Transfer	500,597	1.379
				16.02.2016	2,000	Transfer	502,597	1.385
				17.02.2016	2,000	Transfer	504,597	1.390
				18.02.2016	3,000	Transfer	507,597	1.399
				22.02.2016	1,356	Transfer	508,953	1.402
				23.02.2016	1,200	Transfer	510,153	1.406
				25.02.2016	850	Transfer	511,003	1.408
				26.02.2016	175	Transfer	511,178	1.408
			511178	31.03.2016	1.408			
7	Ravindra Kulkarni	0	0	01.04.2015	0	NIL movement during the year	0	0
				31.03.2016				
8	Farokh Guzder	0		01.04.2015		NIL movement during the year	0	0
				31.03.2016				
9	Admiral Arun Prakash (Retd)	0		01.04.2015		NIL movement during the year	0	0
				31.03.2016				
10	Mangesh Sawant	133		01.04.2015		NIL movement during the year	0	
		133		31.03.2016				133
	Key Manager Personnel(KMP)							
1	Suhas Joshi	1		01.04.2015		NIL movement during the year		
		1	0	31.03.2016				1

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	1,198.14	Nil	Nil	1,198.14
(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)	1,198.29	Nil	Nil	1,198.29
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	1,198.29	Nil	Nil	1,198.29
Net Change	1,198.29	Nil	Nil	1,198.29
Indebtedness at the end of the financial year				
(i) Principal	Nil	Nil	Nil	Nil
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager: Mangesh S. Sawant, Managing Director & CFO	Total Amount (₹ in lakhs)
1.	Gross Salary		77.21
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	76.89	
	(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	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission: – As % of profit – others, specify	Nil	Nil
5.	Others, please specify		Nil
	Total (A)		77.21
	Ceiling as per the Act		84.00

CHOWGULE STEAMSHIPS LIMITED

B. Remuneration to other Directors::

Particulars of Remuneration	Name of Directors					Total Amount (₹ in lakhs)
	Mr. Dhananjay Mungale	Mr. Sanjiv Shah	Mr. Ravindra Kulkarni	Mr. Farokh Guzder	Admiral Arun Prakash	
1. Independent Directors						
• Fees for attending board / committee meetings	1,10,000	70,000	70,000	1,40,000	60,000	4,50,000
• Commission						
• Others, please specify						
Total (1)	1,10,000	70,000	70,000	1,40,000	60,000	4,50,000
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	1,50,000	20,000	40,000		1,10,000	3,20,000
• Commission						
• Others, please specify						
Total (2)	1,50,000	20,000	40,000		1,10,000	3,20,000
Total (B) = (1+2)						7,70,000
Total Managerial Remuneration [Total (A)+(B)]	NA					
Overall Ceiling per Act	NA since the Company has incurred loss					

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel – CEO/CFO/ Suhas Joshi - Company Secretary	Total Amount (₹ in lakhs)
1.	Gross Salary		20.96
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	20.96	
	(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	
2.	Stock Option		Nil
3.	Sweat Equity		Nil
4.	Commission: – as __% of profit – others, specify		Nil
5.	Others, please specify		Nil
	Total (A)		20.96
	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

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH,2016

[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 of,
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,2016 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,2016 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;
- (vi) We have been informed that in respect of the laws specifically applicable to the Company the Company has complied with the same. A declaration on compliance of various statues including the statues specifically applicable to the Company duly signed by the Managing Director and the Chief Financial Officer is submitted to the Board on quarterly basis.

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, if any, 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 06, 2016.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **CHOWGULE STEAMSHIPS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 Standalone 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 Standalone 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 prescribed under Section 133 of the Act, as applicable.

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 standalone 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 and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, 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 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 prescribed under Section 133 of the Act, as applicable.

CHOWGULE STEAMSHIPS LIMITED

- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
 - (g) 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.
2. As required by the Companies (Auditors' Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Joe Pretto
Partner

Membership No. 077491

Place: Mumbai
Date : May 06, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the standalone financial statements of Chowgule Steamships Limited for the year ended 31st March, 2016)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **CHOWGULE STEAMSHIPS LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Date : May 06, 2016

Joe Pretto
Partner
Membership No. 077491

CHOWGULE STEAMSHIPS LIMITED

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date on the standalone financial statements of Chowgule Steamships Limited for the year ended 31st March, 2016)

- (i) (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.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds, Agreement of Assignment and Agreement for Sale provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, inventories were physically verified during the year on a monthly basis by independent ship manager, 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. In our opinion and according to the information and explanations given to us, the Company's inventories comprise paints and lube oil on board 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 does not arise.
- (iii) According to the information and explanations given to us, the Company had granted loan, unsecured, to a company, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loan, in our opinion, prima facie, is not prejudicial to the company's interest.
 - (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
 - (c) In the absence of stipulation, the amount overdue cannot be determined.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit. Hence reporting under clause (v) of the order is not applicable.
- (vi) Having regard to the nature of the Company's business / activities reporting under clause (vi) of the order is not applicable.
- (vii) According to the information and explanation given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-Tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities. Employees' State Insurance, Sales Tax, Customs Duty, Excise Duty are not applicable to the company. There were no undisputed amounts payable in respect of Provident Fund, Income-Tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2016 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, 2016 on account of disputes are given below:

Name of Statue	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	FY 1995-96	237.00*
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2003-04	9.28#
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2004-05	7.42#
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2011-12	16.02#
The Income Tax Act, 1961	Income Tax	The Assistant Commissioner of Income Tax	FY 2012-13	9.76#

* ₹ 47.40 lakhs paid as deposit

₹ 42.48 lakhs adjusted against Refund by Income Tax Authority

- (viii) 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 government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of Initial Public Offer or further public offer (including debt instruments) or term loan and hence reporting under clause (ix) of the order is not applicable.
- (x) 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 or its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable to the company.
- (xiii) In our opinion and according to the information and explanation given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them and hence the provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Joe Pretto
Partner

Membership No. 077491

Place: Mumbai
Date : May 06, 2016

CHOWGULE STEAMSHIPS LIMITED

BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	As at 31-Mar-2016 (₹ in lakhs)	As at 31-Mar-2015 (₹ in lakhs)
(I) EQUITY AND LIABILITIES :			
1 SHAREHOLDERS' FUNDS			
a) Share Capital	2	3,630.84	3,630.84
b) Reserves and Surplus	3	8,358.62	9,140.83
c) Money Received Against Share Warrants		—	—
		11,989.46	12,771.67
2 SHARE APPLICATION MONEY PENDING ALLOTMENT			
		—	—
3 NON-CURRENT LIABILITIES			
a) Long-Term Borrowings		—	—
b) Deferred Tax Liabilities (Net)	4	464.99	635.88
c) Other Long-Term Liabilities	5	1,899.36	99.36
d) Long-Term Provisions	6	71.66	36.61
		2,436.01	771.85
4 CURRENT LIABILITIES			
a) Short-Term Borrowings	7	—	193.26
b) Trade Payables	8	—	—
(i) Total Outstanding Dues of Micro Enterprises & Small Enterprises		—	—
(ii) Total Outstanding Dues of other than Micro Enterprises & Small Enterprises		90.07	615.81
c) Other Current Liabilities	9	83.15	1,248.03
d) Short-Term Provisions	10	9.44	8.16
		182.66	2,065.26
TOTAL		14,608.13	15,608.78
(II) ASSETS :			
1 NON-CURRENT ASSETS			
a) Fixed Assets			
(i) Tangible Assets	11	3,187.62	4,018.44
(ii) Intangible Assets		—	—
(iii) Capital Work-in-Progress		—	—
(iv) Intangible Assets under Development		—	—
b) Non-Current Investments	12	9,549.74	9,549.74
c) Deferred Tax Assets (Net)		—	—
d) Long-Term Loans and Advances	13	311.80	321.68
e) Other Non-Current Assets	14	—	0.51
		13,049.16	13,890.37
2 CURRENT ASSETS			
a) Current Investments	15	462.43	502.80
b) Inventories	16	0.74	22.73
c) Trade Receivables	17	2.61	165.72
d) Cash and Bank Balances	18	112.58	53.11
e) Short-Term Loans and Advances	19	847.68	852.43
f) Other Current Assets	20	132.93	121.62
		1,558.97	1,718.41
TOTAL		14,608.13	15,608.78

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 06, 2016

SUHAS JOSHI
Company Secretary

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE

Chairman

D. N. MUNGALE

Director

MANGESH SAWANT
Managing Director & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Note No.	For the year ended 31-Mar-2016 (₹ in lakhs)	For the year ended 31-Mar-2015 (₹ in lakhs)
REVENUE			
I. Revenue from Operations	22	555.08	742.05
II. Other Income	23	356.76	405.41
III. Total Revenue		911.84	1,147.46
IV. EXPENSES			
Operating Expenses	24	443.63	1,764.38
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods		-	-
Employee Benefits Expense	25	605.43	715.45
Finance Cost	26	33.93	52.29
Depreciation and Amortisation Expense	11	456.90	811.40
Other Expenses	27	283.40	227.34
Total Expenses		1,823.29	3,570.86
V. Loss Before Exceptional and Extraordinary Items and Tax (III - IV)		(911.45)	(2,423.40)
VI. Exceptional Items	28	(41.65)	(26.92)
VII. Loss Before Extraordinary Items and Tax (V - VI)		(953.10)	(2,450.32)
VIII. Extraordinary Items		-	-
IX. Loss Before Tax (VII - VIII)		(953.10)	(2,450.32)
X. Tax Expense:			
- Current Tax		-	-
- Reversal of Deferred Tax Liabilities (Net) [₹ Nil (2015 - Net of ₹ 4.22 lakhs)] (Refer to Note No. 11)	4	170.89	406.34
		170.89	406.34
XI. Loss for the Year from Continuing Operations (IX - X)		(782.21)	(2,043.98)
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)		(782.21)	(2,043.98)
XVI. Basic and Diluted Earnings per Equity Share of ₹ 10/- each (In ₹)	32	(2.15)	(5.63)

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 06, 2016

SUHAS JOSHI
Company Secretary

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

D. N. MUNGALE
Director

MANGESH SAWANT
Managing Director & CFO

CHOWGULE STEAMSHIPS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended 31-Mar-2016 (₹ in lakhs)	For the year ended 31-Mar-2015 (₹ in lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before Tax and Extraordinary Items	(953.10)	(2,450.32)
Adjustments for:		
Depreciation	456.90	811.40
Provision for Impairment of Vessel	-	530.85
Provision for Employee Benefits	84.38	3.86
Sundry Balance Written Back	(0.71)	(45.46)
Foreign Exchange Translation Differences	8.74	58.64
Interest Income	(89.25)	(55.96)
Dividend Income	(0.07)	(0.05)
Rent Income	(202.78)	(198.72)
Claims Written off	65.71	-
Profit on Sale of Current Investments	(63.95)	(104.91)
Loss/(Profit) on Sale of Fixed Asset	41.65	(553.07)
Finance Cost	33.93	52.29
	<u>(618.55)</u>	<u>(1,951.45)</u>
Operating Loss Before Working Capital Changes		
Adjustments for:		
Decrease / (Increase) in Trade Receivables	163.11	160.83
Decrease / (Increase) in Loans and Advances	0.15	2.63
Decrease / (Increase) in Other Current Assets	0.51	-
Movement in Restricted Bank Balances	8.88	6.93
Decrease / (Increase) in Inventories	21.99	26.95
(Decrease)/ Increase in Trade Payables	(518.16)	346.03
(Decrease)/ Increase in Other Current Liabilities	(5.75)	1.77
	<u>(947.82)</u>	<u>(1,406.31)</u>
Cash generated from operations		
Less: Net Income Tax Refund / (Paid)	14.49	(25.48)
	<u>(933.33)</u>	<u>(1,431.79)</u>
Net Cash flow used in Operating Activities (A)		
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(207.29)	(27.41)
Sale of Fixed Assets	2,332.72	561.52
Sale of Non Current Investment	-	273.50
Rental Income from Operating Lease	198.82	198.72
Sale of Current Investments	1,300.41	2,014.28
Purchase of Current Investments	(1,196.09)	(273.69)
Loan Given to Lavgan Dockyard Pvt. Ltd.	-	(830.00)
Interest Received	16.21	0.16
Dividend Received	0.07	0.05
	<u>2,444.85</u>	<u>1,917.13</u>
Net Cash Flow from Investing Activities (B)		
C CASH FLOW FROM FINANCING ACTIVITIES:		
Net (Decrease) / Increase in Cash Credit Balance	(193.26)	31.70
Repayment of Borrowings	(1,229.85)	(495.56)
Interest & Other Finance Charges	(34.08)	(52.24)
Unclaimed Dividend Paid	(8.88)	(6.93)
	<u>(1,466.07)</u>	<u>(523.03)</u>
Net Cash Flow Used in Financing Activities (C)		
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	<u>45.45</u>	<u>(37.69)</u>
Cash and Cash Equivalents - Opening Balance	19.28	55.16
Cash and Cash Equivalents - Closing Balance	64.73	17.47
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	64.73	17.47
Effect of Exchange Rate Change - Favourable	22.90	1.81
	<u>87.63</u>	<u>19.28</u>
Cash & Cash Equivalents as Restated		
Foot Note:		
Cash & Cash Equivalents as above (Refer to Note No. 18)	87.63	19.28
Add: Restricted Bank Balances	24.95	33.83
Cash and Cash Equivalents - Closing Balance	<u>112.58</u>	<u>53.11</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 06, 2016

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Managing Director & CFO

SUHAS JOSHI
Company Secretary

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 prescribed under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). 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-2016	31-Mar-2015
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.

CHOWGULE STEAMSHIPS LIMITED

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 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.

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 term. Where the Company as a lessor, lease rental under operating lease are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term

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		

	As at 31-Mar-2016 (₹ in lakhs)	As at 31-Mar-2015 (₹ 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

ISSUED, SUBSCRIBED AND PAID-UP

36,308,425	Equity Shares of ₹ 10 each, fully paid up		
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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% of the total Equity Shares:

<u>Name of the Equity Shareholders</u>	Numbers of Shares as at 31-Mar-2016	Numbers of Shares as at 31-Mar-2015
Chowgule and Company Private Limited	16,932,891 46.64%	16,932,891 46.64%
Quail Investments Limited	2,260,843 6.23%	2,260,843 6.23%

3 RESERVES AND SURPLUS

	As at 31-Mar-2016 (₹ in lakhs)	As at 31-Mar-2015 (₹ 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	1,170.60
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	888.74	2,949.68
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	(782.21)	(2,043.98)
Closing Balance	106.53	888.74
TOTAL	<u>8,358.62</u>	<u>9,140.83</u>

4 DEFERRED TAX LIABILITIES

Deferred Tax Liability (Net) :

Depreciation on Fixed Assets & Exchange Difference

524.13	683.28
<u>524.13</u>	<u>683.28</u>

Deferred Tax Asset (Net) :

Provision for Doubtful Debts
Provision for Employees' Benefits
Exchange Fluctuation

(13.78)	(13.78)
(45.36)	(17.47)
-	(16.15)
<u>(59.14)</u>	<u>(47.40)</u>

TOTAL

<u>464.99</u>	<u>635.88</u>
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The Company has Recognised in the Statement of Profit and Loss the Net Provision of Deferred Tax Asset of ₹ 170.89 lakhs (2015 - ₹ 402.12 lakhs).

NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-2016 (₹ in lakhs)	As at 31-Mar-2015 (₹ in lakhs)
5 OTHER LONG-TERM LIABILITIES		
Trade Payable on Purchase of Fixed Asset	1,800.00	–
Rent Deposit	99.36	99.36
TOTAL	1,899.36	99.36
 6 LONG-TERM PROVISIONS		
Provision for Employee Benefits: Compensated Absences	71.66	36.61
TOTAL	71.66	36.61
 7 SHORT-TERM BORROWINGS		
Secured Borrowings		
Loan Repayable on Demand from Bank :		
Cash Credits: (Refer to Note No. 11, 16 & 17)	–	193.26
Secured against Hypothecation of Book Debts and Stocks / Stores aboard the Vessel and First Equitable Mortgage on the Company's Office Premises.		
TOTAL	–	193.26
 8 TRADE PAYABLES		
Shipping Cost Payable	33.11	578.92
Provision for Other Expenses	56.96	30.02
Payable on Purchase of Fixed Asset	–	6.87
TOTAL	90.07	615.81

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, 2016.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9 OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt:

Secured by Mortgage of m.v. Maratha Providence. During the year Charge is Satisfied
(See Footnote below)

Interest Accrued but not Due on Loans

Payable to Gratuity Fund (Refer to Note No. 29)

Unclaimed Dividends

Other Payables: Statutory Remittances

TOTAL

Footnote : Terms of Repayment

No. of Installments Outstanding

Amount of Installments

Installments Payable

Amount of Balloon Payment

Interest Rate

10 SHORT-TERM PROVISIONS

Provision for Employee Benefits: Compensated Absences

TOTAL

	As at 31-Mar-2016 (₹ in lakhs)	As at 31-Mar-2015 (₹ in lakhs)
	—	1,198.14
	—	0.15
	56.08	8.03
	24.95	33.83
	2.12	7.88
TOTAL	83.15	1,248.03
	—	3
	—	USD 200,000
	—	Quarterly
	—	USD 1,500,000
	—	3 months LIBOR + 2%

	9.44	8.16
TOTAL	9.44	8.16

NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSETS

Particulars	COST			ACCUMULATED DEPRECIATION				W/D V As at 31-Mar-2016		
	Opening as at 1-Apr-2015	Additions during the year	Deductions/ Write off during the year	Closing as at 31-Mar-2016	Opening as at 1-Apr-2015	For the year on original cost	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss		Impairment	Deductions during the year
Tangible Assets (See Footnote No. 6)										
Freehold land	224.18 (231.92)	-	(7.74)	224.18 (224.18)	-	-	-	-	-	-
Buildings (See Footnote No. 3)										
On Leasehold land - Office Premises (See Footnote No. 1 & 5)	2,086.86 (2,086.86)	-	-	2,086.86 (2,086.86)	1,087.77 (968.30)	112.00 (119.47)	-	-	-	1,199.77 (1,087.77)
On Freehold land - Staff Quarters (See Footnote No. 2)	110.43 (110.43)	-	-	110.43 (110.43)	57.80 (52.79)	4.75 (5.01)	-	-	-	62.55 (57.80)
Furniture and Fixtures	51.79 (52.75)	-	(0.96)	51.79 (51.79)	49.56 (37.95)	3.48 (5.57)	-	-	(0.96)	46.04 (42.56)
Vehicles	20.13 (16.12)	-	(8.36)	20.13 (20.13)	7.34 (12.32)	4.07 (2.67)	-	-	-	11.41 (7.34)
Office Equipments	149.06 (153.61)	0.42 (8.17)	(12.72)	149.48 (149.06)	127.06 (116.19)	7.81 (10.85)	-	-	-	134.87 (127.06)
Vessel (See Footnote No. 4)	13,530.37 (13,530.37)	2,000.00	13,530.34	2,000.03 (13,530.37)	10,831.85 (9,633.17)	324.79 (667.83)	-	-	11,156.00	0.64 (10,831.85)
TOTAL TANGIBLE ASSETS	16,172.82 (16,182.06)	2,000.42 (20.54)	13,530.34 (99.78)	4,642.90 (16,172.82)	12,154.38 (10,820.72)	456.90 (811.40)	-	-	11,156.00 (21.33)	1,455.28 (12,154.38)
Previous Year (Figures in bracket related to previous year)										

FOOTNOTES:

- Includes cost of 5 shares of ₹ 50 each fully paid in Baktitar Commercial Premises Co-operative Society Limited. Secured also as first equitable mortgage for Cash Credit facility from State Bank of India
- 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.
- The Company had revalued its block of assets under 'Buildings' as on 31.03.2002. The revaluation had been carried out based on a report by an independent professional valuer. The revalued amounts are as under

Buildings	Historical cost As on 31.03.2002 (₹ in lakhs)	Written Down Value as on 31.03.2002 (₹ in lakhs)	Revalued Amount (Substituted for original cost) as on 31.03.2002 (₹ in lakhs)	Difference in W/D V and revalued amount (₹ in lakhs)
Leasehold land - Office Premises	24.45	7.59	2,070.00	2,062.41
Freehold land - Staff Quarters	6.49	2.76	106.68	103.92
TOTAL	30.94	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.

- 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 ₹ Nil (2015: ₹ 530.85 lakhs) is computed (Refer to Note no. 28)
- Office premises includes an amount of ₹ 1,391.25 lakhs (2015: ₹ 1,391.25 lakhs) given on lease. Depreciation for the same is ₹ 711.4 lakhs (2015: ₹ 79.65). Future minimum rent receipts are as under

	31-Mar-2016 (₹ in lakhs)	31-Mar-2015 (₹ in lakhs)
Not later than one year	-	158.12
Later than one year and not later than five years	-	-
TOTAL	-	158.12

- In the previous year consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 1, 2014, depreciation for the year ended March 31, 2014, depreciation for the year ended March 31, 2015 had 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 had adjusted an amount of ₹ Nil (2015: ₹ 16.96 lakhs (net of deferred tax of ₹ 4.22 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

	No. of Shares	As at 31-Mar-2016 (₹ in lakhs)	As at 31-Mar-2015 (₹ in lakhs)
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
Non-Trade Investments			
Investments in Equity Shares (Quoted) of ₹ 10 each fully paid up (at Cost):			
Mahindra Lifespace Developers Limited #	16	–	–
ICICI Bank Limited	750	0.05	0.05
GOL Offshore Services Limited	50	0.01	0.01
Essar Ports Limited (Delisted in November 2015)		–	0.02
Essar Shipping Limited	233	0.01	0.01
GOL Offshore Limited #	30	–	–
The Great Eastern Shipping Company Limited	121	0.02	0.02
Varun Shipping Company Limited (Demerged in July 2015)		–	0.02
Shreyas Shipping and Logistics Limited #	100	–	–
The Shipping Corporation of India Limited	75	0.02	0.02
			<u>0.11</u>
Unquoted (Equity Shares fully paid up) (at Cost):			
Essar Ports Limited	466	0.02	–
Varun Global Limited #	150	–	–
Varun Resources Limited	600	0.02	–
			<u>0.04</u>
TOTAL		<u>9,549.74</u>	<u>9,549.74</u>
Aggregate Amount of Quoted Investments		0.11	0.15
Aggregate Amount of Unquoted Investments		9,549.63	9,549.59
Aggregate Market Value of Quoted Investments		2.69	4.29
# Value Less than ₹ 500			

13 LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Advance Income Tax (Net of Provision for Tax ₹ 819.00 lakhs [2015 - ₹ 819.00 lakhs])	151.59	166.08
MAT Credit Entitlement	74.07	74.07
Capital Advances	32.50	27.70
Security Deposits	6.24	6.43
Disputed Sales Tax Deposit (Refer to Note No. 21)	47.40	47.40
TOTAL	<u>311.80</u>	<u>321.68</u>

14 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
Accrued Interest: On Fixed Deposits with Bank	–	0.01
TOTAL	<u>–</u>	<u>0.51</u>

Footnote: During the Previous Year 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

15 CURRENT INVESTMENTS

Investment in Mutual Fund:

Unquoted (At Lower of Cost and Fair Value, unless otherwise stated):

	Face Value in ₹	No. of units	As at 31-Mar-2016 (₹ in lakhs)	No. of units	As at 31-Mar-2015 (₹ in lakhs)
Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	10	53,573	9.19	53,573	9.19
DHFL Pramerica Short Term Floating Rate Fund - Growth (Earlier - DWS Treasury Fund Investment Regular Plan - Growth)	10	21,259	2.98	1,763,942	247.00
Franklin India Low Duration Fund - Growth	10	1,217,711	200.00	-	-
IDFC Banking Debt Fund- Regular Plan - Growth	10	28,839	3.13	2,268,599	246.61
Religare Invesco Credit Opportunities Fund - Institutional Growth	10	14,600	247.13	-	-
TOTAL			<u>462.43</u>		<u>502.80</u>
Aggregate Net Asset Value of Units in Mutual Funds			477.91		556.78

16 INVENTORIES

(At Lower of Cost and Net Realisable Value)

	As at 31-Mar-2016 (₹ in lakhs)	As at 31-Mar-2015 (₹ in lakhs)
Paints	-	2.88
Fuel Oil and Lube Oil on Ships	0.74	19.85
TOTAL	<u>0.74</u>	<u>22.73</u>

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

17 TRADE RECEIVABLES

(Unsecured)

Considered Good

More than Six Months from the Date they were Due for Payment	-	-
Other Trade Receivables	2.61	165.72
	<u>2.61</u>	<u>165.72</u>

Considered Doubtful

More than Six Months from the Date they were Due for Payment	41.67	41.67
Other Trade Receivables	-	-
	<u>41.67</u>	<u>41.67</u>
Less: Provision for Doubtful Debts	41.67	41.67
	<u>41.67</u>	<u>41.67</u>

TOTAL

2.61 165.72

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-2016 (₹ in lakhs)	As at 31-Mar-2015 (₹ in lakhs)
18 CASH AND BANK BALANCES		
a) Cash and Cash Equivalents:		
In Current Accounts	16.58	12.77
In Foreign Currency Accounts	71.05	6.51
	<u>87.63</u>	<u>19.28</u>
b) Other Balances:		
In Unpaid Dividend Accounts	24.95	33.83
TOTAL	<u><u>112.58</u></u>	<u><u>53.11</u></u>
19 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Prepaid Expenses	16.93	21.66
Loan to Lavgan Dockyard Pvt. Ltd. (see Footnote below)	830.00	830.00
Advance for Expenses	0.75	0.77
TOTAL	<u><u>847.68</u></u>	<u><u>852.43</u></u>
Footnote:		
The Company has given an Unsecured Loan of ₹ 830.00 lakhs (2015- ₹ 830.00 lakhs) @ 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.	128.97	55.91
Other Receivable	3.96	–
Claim Receivable	–	65.71
TOTAL	<u><u>132.93</u></u>	<u><u>121.62</u></u>
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	42.61	479.71
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-2016 (₹ in lakhs)	For the year ended 31-Mar-2015 (₹ in lakhs)
22 REVENUE FROM OPERATIONS		
Sale of Service:		
Charter Hire Receipts	467.05	731.54
Other Operating Revenue:		
Claims Received	88.03	10.51
TOTAL	555.08	742.05
23 OTHER INCOME		
Interest on:		
Loan to Lavgan Dockyard Pvt. Ltd.	87.39	55.91
Bank Deposit	0.06	0.05
Income Tax Refund	1.80	–
Rental Income	202.78	198.72
Dividends on Long Term Investments	0.07	0.05
Profit on Sale of Current Investments (Net)	63.95	104.91
Profit on Sale of Asset- Car	–	0.31
Sundry Balances Written Back (Net)	0.71	45.46
TOTAL	356.76	405.41
24 OPERATING EXPENSES		
Fuel, Oil and Water	107.86	363.39
Stores and Spare Parts Consumed	24.30	264.32
Port Disbursement, Stevedorage, Light Dues etc.	0.43	8.15
Ship Repairs and Survey Charges	12.61	85.38
Dry Docking Charges	–	702.78
Insurance & Protection Club Dues	76.64	132.72
Brokerage and Agency Fees	14.32	23.69
Claims Paid	0.53	–
Claims Written Off	65.71	–
Ship Management Fees	76.87	85.74
Crew Expenses	67.49	74.15
Quality & Safety Facilities	3.75	17.57
Handling & Transport	(6.88)	6.49
TOTAL	443.63	1,764.38

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31-Mar-2016 (₹ in lakhs)	For the year ended 31-Mar-2015 (₹ in lakhs)
25 EMPLOYEE BENEFITS EXPENSES		
Manning Cost	316.04	545.05
Salaries, Wages and Other Benefits (Refer to Note No. 29)	185.87	139.39
Contributions to Provident and Other Funds (Refer to Note No. 29)	100.67	29.01
Staff Welfare Expenses	2.85	2.00
TOTAL	605.43	715.45
26 FINANCE COSTS		
Interest on Borrowings		
- Term Loan	17.25	37.25
- Cash Credit	16.68	13.84
- Other Borrowing Costs	-	1.20
TOTAL	33.93	52.29
27 OTHER EXPENSES		
Power and Fuel	8.31	8.61
Legal and Professional Expenses	21.84	18.01
Postage, Telephone, Telexes etc.	11.76	16.55
Rent	0.49	0.49
Rates and Taxes	18.49	15.02
Auditors' Remuneration		
For Statutory Audit	4.00	4.00
For Tax Audit	0.80	0.80
For Other Services	3.70	3.70
For Reimbursement of Expenses	-	0.42
Service Tax on above	1.25	1.10
Directors' Sitting Fees	9.75	10.02
Net Foreign Currency Translation Differences	8.77	10.34
Travelling Expenses (Including Foreign Travelling)	28.59	5.41
Repairs to Building	65.84	40.40
Miscellaneous Expenses	42.95	34.51
TOTAL	283.40	227.34
28 EXCEPTIONAL ITEMS		
Loss on Sale of Vessel	(41.65)	-
Loss on Foreign Currency Translation Difference on Borrowing	-	(48.83)
Profit on Sale of Asset - Land	-	552.76
Impairment Loss (Refer to Note No. 11)	-	(530.85)
TOTAL	(41.65)	(26.92)

NOTES TO THE FINANCIAL STATEMENTS

29 EMPLOYEE BENEFITS OBLIGATIONS

Staff Costs for the year ended 31st March, 2016, 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: -

	2015-16 (₹ in lakhs)	2014-15 (₹ 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	11.64	9.67
ii) Superannuation Fund	13.69	12.15
(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	188.98	101.84
ii) Fair Value of Plan Assets	132.90	93.81
iii) Amounts in the Balance Sheet		
Liabilities under Other Current Liabilities (Refer to Note No. 9)	56.08	8.03
The Amounts Recognised in the Statement of Profit and Loss are as Follows:		
i) Current Service Cost	9.94	14.60
ii) Interest Cost	7.94	8.09
iii) Expected return on Plan Assets	(8.94)	(7.65)
iv) Net Actuarial Losses / (Gains) Recognised in Year	70.70	(4.08)
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)	79.64	10.96
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	101.84	88.41
ii) Current Service Cost	9.94	14.60
iii) Interest Cost	7.94	8.09
iv) Actuarial Losses / (Gains)	69.26	(6.52)
v) Past Service Cost	-	-
vi) Benefits Paid	-	(2.74)
vii) Closing Defined Benefit Obligation	188.98	101.84
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	93.81	74.82
ii) Adjustment to Opening Balance	4.29	3.77
iii) Expected Return	8.94	7.64
iv) Actuarial Losses	(1.44)	(2.43)
v) Contribution by Employer	27.30	12.75
vi) Benefits Paid	-	(2.74)
vii) Closing Fair Value of Plan Assets	132.90	93.81

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 are as Follows:

	2015-16	2014-15
i) Discount Rate at 31st March	7.97% p.a.	7.80% p.a.
ii) Expected Return on Plan Assets at 31st March	8.00% p.a.	9.15% p.a.
iii) Rate of Increase in Compensation	15.00% 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 2016-17 is ₹ 7.20 lakhs (2015-16 is ₹ 7.50 lakhs).

Experience Adjustments	2011-12 (₹ in lakhs)	2012-13 (₹ in lakhs)	2013-14 (₹ in lakhs)	2014-15 (₹ in lakhs)	2015-16 (₹ in lakhs)
Present Value of the Obligation	63.80	74.75	88.41	101.84	188.98
Fair Value of the Plan Assets	23.66	55.43	74.82	93.81	132.90
Surplus / (Deficit)	(40.14)	(19.32)	(13.59)	(8.03)	(56.08)
Experience Adjustment on Plan Liabilities	(4.59)	7.14	(0.96)	(14.84)	33.06
Experience Adjustment on Plan Assets	(1.62)	0.32	(5.98)	(2.43)	(1.44)

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

- Chowgule Steamships Overseas Limited (CSOL) - Wholly owned subsidiary
- Sea Bird LLC - Wholly owned subsidiary of CSOL
- Sea Lord LLC - Wholly owned subsidiary of CSOL
- Sea Green LLC – Wholly owned subsidiary of CSOL (Company was wound up)
- Sea King LLC - Wholly owned subsidiary of CSOL
- Sea Link LLC - Wholly owned subsidiary of CSOL

ii. Name of Related Party	Nature of Relationship	Nature of Transactions	31-Mar-2016 (₹ in lakhs)	31-Mar-2015 (₹ in lakhs)
Key Management Personnel				
Mr. Mangesh Sawant	Managing Director & CFO	Remuneration for the year	81.20	51.08

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

	2015-16	2014-15
a. Net Loss for the year (₹ In lakhs)	(782.21)	(2,043.98)
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 ₹)	(2.15)	(5.63)

NOTES TO THE FINANCIAL STATEMENTS

33 FOREIGN CURRENCY EXPOSURES

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

Particulars	2015-16		2014-15	
	(₹ in lakhs)	USD Million	(₹ in lakhs)	USD Million
Receivables				
Trade Receivables & Other Assets #	1.35	–	174.21	0.28
Cash & Bank Balances	71.05	0.11	6.51	0.01
Payables				
Term Loan form Foreign Bank	–	–	1,198.14	1.90
Trade Payables & Other Liabilities	12.47	0.02	392.85	0.63

Note : USD = US Dollar

Value less than USD 10,000

34 EARNINGS & EXPENDITURE IN FOREIGN CURRENCY

Earnings in Foreign Currency

Expenditure in Foreign Currency

Ship Operating Expenses, Manning Costs and Other Related Expenditure

Interest & Other Finance Charges Paid

	2015-16 (₹ in lakhs)	2014-15 (₹ in lakhs)
Earnings in Foreign Currency	552.81	742.05
Ship Operating Expenses, Manning Costs and Other Related Expenditure	2,131.10	1,298.97
Interest & Other Finance Charges Paid	17.06	33.61
TOTAL	2,148.16	1,332.58

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

D. N. MUNGALE
Director

Place : Mumbai,
Date : May 06, 2016

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
Managing Director & CFO

CHOWGULE STEAMSHIPS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS 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, 2016, 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 in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act 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. While conducting the 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 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. 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 obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 52,417.10 lakhs as at 31st March, 2016, total revenues of ₹ 5,266.02 lakhs and net cash inflow amounting to ₹ 180.51 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 report 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 report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' report of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 23 (i) to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

*Chartered Accountants
(Firm's Registration No. 101496W)*

Joe Pretto

Partner

Membership No. 077491

Place: Mumbai

Date : May 06, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of Chowgule Steamships Limited for the year ended 31st March 2016)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting ("IFCoFR") of **CHOWGULE STEAMSHIPS LIMITED** (hereinafter referred to as "the Holding Company"). Our reporting does not include five subsidiary companies incorporated outside India, to which IFCoFR is not applicable.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March , 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Date : May 06, 2016

Joe Preto
Partner
Membership No. 077491

CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	As at 31-Mar-2016 (₹ in lakhs)	As at 31-Mar-2015 (₹ in lakhs)
(I) EQUITY AND LIABILITIES :			
1 SHAREHOLDERS' FUNDS			
a) Share Capital	2	3,630.84	3,630.84
b) Reserves and Surplus	3	9,134.90	27,059.37
c) Money Received against Share Warrants		—	—
		12,765.74	30,690.21
2 SHARE APPLICATION MONEY PENDING ALLOTMENT			
3 PREFERENCE SHARES ISSUED BY SUBSIDIARY COMPANIES OUTSIDE THE GROUP			
	4	5,932.80	5,599.80
4 NON-CURRENT LIABILITIES			
a) Long-Term Borrowings	5	29,948.38	31,234.66
b) Deferred Tax Liabilities (Net)	6	464.99	635.88
c) Other Long-Term Liabilities	7	1,899.36	99.36
d) Long-Term Provisions	8	71.66	36.61
		32,384.39	32,006.51
5 CURRENT LIABILITIES			
a) Short-Term Borrowings	9	1,812.80	193.26
b) Trade Payables	10	—	—
(i) Total Outstanding Dues of Micro Enterprises & Small Enterprises		—	—
(ii) Total Outstanding Dues of other than Micro Enterprises & Small Enterprises		1,166.42	1,197.64
c) Other Current Liabilities	11	3,404.05	4,545.05
d) Short-Term Provisions	12	9.44	8.16
		6,392.71	5,944.11
TOTAL		57,475.64	74,240.63
(II) ASSETS :			
1 NON-CURRENT ASSETS			
a) Fixed Assets			
(i) Tangible Assets	13	48,336.74	57,716.48
(ii) Intangible Assets		—	—
(iii) Capital Work-in-Progress		—	—
(iv) Intangible Assets under Development		—	—
b) Non-current Investments	14	740.94	1,659.63
c) Deferred Tax Assets (Net)		—	—
d) Long-Term Loans and Advances	15	5,803.84	9,227.47
e) Other Non-current Assets	16	—	0.51
		54,881.52	68,604.09
2 CURRENT ASSETS			
a) Current Investments	17	462.43	3,132.11
b) Inventories	18	111.92	174.70
c) Trade Receivables	19	71.94	612.28
d) Cash and Bank Balances	20	907.79	667.81
e) Short-Term Loans and Advances	21	907.11	923.26
f) Other Current Assets	22	132.93	126.38
		2,594.12	5,636.54
TOTAL		57,475.64	74,240.63

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 06, 2016

SUHAS JOSHI
Company Secretary

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Managing Director & CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Note No.	For the year ended 31-Mar-2016 (₹ in lakhs)	For the year ended 31-Mar-2015 (₹ in lakhs)
REVENUE			
I. Revenue from Operations	24	5,429.34	8,626.49
II. Other Income	25	748.52	452.81
III. Total Revenue		6,177.86	9,079.30
EXPENSES			
Operating Expenses	26	3,090.71	4,388.98
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods		-	-
Employee Benefits Expense	27	2,877.09	2,838.83
Finance Cost	28	1,082.13	1,059.06
Depreciation and Amortisation Expense	13	3,873.17	4,441.26
Other Expenses	29	456.22	583.44
Total Expenses		11,379.32	13,311.57
V. Loss Before Exceptional and Extraordinary Items and Tax (III - IV)		(5,201.46)	(4,232.27)
VI. Exceptional Items	30	(14,527.32)	(6,751.30)
VII. Loss Before Extraordinary Items and Tax (V - VI)		(19,728.78)	(10,983.57)
VIII. Extraordinary Items		-	-
IX. Loss Before Tax (VII - VIII)		(19,728.78)	(10,983.57)
X. Tax Expense:			
- Current Tax		-	-
- Reversal of Deferred Tax Liabilities (Net) [₹ Nil (2015 - Net of ₹ 4.22 lakhs)] (Refer to Note No. 13)	6	170.89	406.34
		170.89	406.34
XI. Loss for the Year from Continuing Operations (IX - X)		(19,557.89)	(10,577.23)
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)		(19,557.89)	(10,577.23)
XVI. Basic and Diluted Earnings per Equity Share of ₹ 10/- each (in ₹)	34	(53.87)	(29.13)

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 06, 2016

SUHAS JOSHI
Company Secretary

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Managing Director & CFO

CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended 31-Mar-2016 (₹ in lakhs)	For the year ended 31-Mar-2015 (₹ in lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss Before Tax and Extraordinary Items	(19,728.78)	(10,983.57)
Adjustments for:		
Depreciation	3,873.17	4,441.26
Provision for Impairment of Vessels	8,325.88	7,255.23
Provision for Employee Benefits	84.38	3.86
Advance Written Off	6,159.79	-
Sundry Balance Written Back	(0.71)	(45.48)
Foreign Exchange Translation Differences	1,266.59	1,554.63
Foreign Exchange Difference Arising on Consolidation	(1,226.81)	(1,035.60)
Interest Income	(89.91)	(89.69)
Dividend Income	(5.01)	(18.27)
Claims Written Off	65.71	-
Profit on Sale of Current Investments	(89.20)	(100.34)
Profit on Sale of Non-Current Investments	(292.92)	-
Rent Income	(202.78)	(198.72)
Loss on Sale of Non-Current Investment	-	2.64
Loss / (Profit) on Sale of Fixed Assets	41.65	(553.07)
Provision for Diminution in Value of Investment	(67.99)	-
Reversal of Provision for Diminution in Value of Investment	-	55.75
Finance Cost	1,082.13	1,059.06
Operating (Loss)/Profit before Working Capital Changes	(804.81)	1,347.69
Adjustments for:		
Decrease / (Increase) in Trade Receivables	540.33	(226.38)
(Increase) / Decrease in Loans and Advances	(416.44)	(422.95)
(Increase) / Decrease in Term Deposit with Bank	-	741.88
Decrease / (Increase) in Other Current Assets	3.96	-
Movement in Restricted Bank Balances	8.88	6.93
Decrease / (Increase) in Inventories	62.78	29.46
(Decrease) / Increase in Trade Payables	(23.64)	406.40
Increase / (Decrease) in Other Current Liabilities	18.17	(114.92)
Cash Generated from Operations	(610.77)	1,768.11
Less: Net Income Tax Refund / (Paid)	14.49	(25.48)
Net Cash (Used in) / Flow from Operating Activities (A)	(596.28)	1,742.63
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets including Capital Advances	(1,995.23)	(27.41)
Sale of Fixed Assets	2,332.72	561.52
Sale of Current Investments	4,179.38	2,335.74
Rental Income from Operating Lease	198.82	198.72
Sale of Non-Current Investments	1,310.30	905.54
Purchase of Current Investments	(1,196.09)	(601.03)
Loan Return by / (Given to) Lavgan Dockyard Pvt. Ltd.	-	(830.00)
Interest Received	21.62	35.87
Dividend Received	5.01	18.27
Net Cash flow from Investing Activities (B)	4,856.53	2,597.22
C CASH FLOW FROM FINANCING ACTIVITIES:		
Net (Decrease) / Increase in Cash Credit Balance	(193.26)	31.70
Proceeds from Short Term Borrowings	1,812.80	-
Repayment of Borrowings	(4,598.50)	(3,491.12)
Interest Paid	(1,046.45)	(1,061.64)
Unclaimed Dividend Paid	(8.88)	(6.93)
Net Cash Flow Used in Financing Activities (C)	(4,034.29)	(4,527.99)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	225.96	(188.14)
Cash and Cash Equivalents - Opening Balance	633.98	820.31
Cash and Cash Equivalents - Closing Balance	859.94	632.17
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	859.94	632.17
Effect of Exchange Rate Change - Favourable	22.90	1.81
Cash & Cash Equivalents as Restated	882.84	633.98
Foot Note:		
Cash & Cash Equivalents as above (Refer to Note No. 20)	882.84	633.98
Add: Restricted Bank Balances	24.95	33.83
Cash and Cash Equivalents - Closing Balance	907.79	667.81

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 06, 2016

SUHAS JOSHI
Company Secretary

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
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 prescribed under Section 133 of the Companies Act, 2013. 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' Prescribed under section 133 of the Companies Act, 2013. 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, 2016.
 - 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-2016	31-Mar-2015
Chowgule Steamships Overseas Ltd (CSOL)	Guernsey	100%	100%
Sea Bird LLC	The Marshall Islands	100%	100%
Sea Lord LLC	The Marshall Islands	100%	100%
Sea Green LLC	The Marshall Islands	Company was wound up	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 consolidated 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-2016	31-Mar-2015
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 consolidated 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 consolidated 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 term. Where the Company as a lessor, lease rental under operating lease are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

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

	As at 31-Mar-16 (₹ in lakhs)	As at 31-Mar-15 (₹ in lakhs)
2 SHARE CAPITAL		
AUTHORISED		
50,000,000 Equity Shares of ₹ 10/- each	5,000.00	5,000.00
2,500,000 Redeemable Preference Shares of ₹ 100/- each	2,500.00	2,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
ISSUED, SUBSCRIBED AND PAID-UP		
36,308,425 Equity Shares of ₹10 each, fully paid up	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% of the total Equity Shares:

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

	As at 31-Mar-16 (₹ in lakhs)	As at 31-Mar-15 (₹ in lakhs)
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	1,170.60
e) General Reserve		
Balance as per Last Balance Sheet	4,117.52	4,117.52
f) Foreign Currency Translation Reserve		
Balance as per Last Balance Sheet	14,507.48	12,846.86
Additions During the Year	1,633.42	1,660.62
	<u>16,140.90</u>	<u>14,507.48</u>
g) Surplus / (Deficit) in Consolidated Statement of Profit and Loss		
Opening Balance	4,299.80	14,893.99
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. 13)	-	(16.96)
Less : Loss for the Year	(19,557.89)	(10,577.23)
Closing Balance	<u>(15,258.09)</u>	<u>4,299.80</u>
TOTAL	<u>9,134.90</u>	<u>27,059.37</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-16 (₹ in lakhs)	As at 31-Mar-15 (₹ in lakhs)
4 PREFERENCE SHARES ISSUED BY SUBSIDIARY COMPANIES 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	5,932.80	5,599.80
TOTAL	5,932.80	5,599.80
5 LONG-TERM BORROWINGS		
Term Loans from Bank:		
Secured by Mortgage of Vessels Forming Part of Fleet (Refer to Note No. 11)	29,948.38	31,234.66
TOTAL	29,948.38	31,234.66
6 DEFERRED TAX LIABILITIES		
Deferred Tax Liability (Net) :		
Depreciation on Fixed Assets & Exchange Difference	524.13	683.28
	524.13	683.28
Deferred Tax Asset (Net) :		
Provision for Doubtful Debts	(13.78)	(13.78)
Provision for Employees' Benefits	(45.36)	(17.47)
Exchange Fluctuation	-	(16.15)
	(59.14)	(47.40)
TOTAL	464.99	635.88
The Company has Recognised in the Consolidated Statement of Profit and Loss the Net Provision of Deferred Tax Asset of ₹ 170.89 lakhs (2015- ₹ 402.12 lakhs).		
7 OTHER LONG-TERM LIABILITIES		
Trade Payable on Purchase of Fixed Asset	1,800.00	-
Rent Deposit	99.36	99.36
TOTAL	1,899.36	99.36
8 LONG-TERM PROVISIONS		
Provision for employee benefits: Compensated Absences	71.66	36.61
TOTAL	71.66	36.61

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-16 (₹ in lakhs)	As at 31-Mar-15 (₹ in lakhs)
9 SHORT-TERM BORROWINGS		
Secured Borrowings		
Loan Repayable on Demand from Banks :		
Cash Credits (Refer to Note No. 13, 18 & 19)	–	193.26
Secured Against Hypothecation of Book Debts and Stocks / Stores Aboard the Vessel and First Equitable Mortgage on the Company's Office Premises		
Unsecured Borrowings		
From Other Party	1,812.80	–
TOTAL	<u>1,812.80</u>	<u>193.26</u>
10 TRADE PAYABLES		
Shipping Cost Payable	1,088.99	1,132.86
Provision for Other Expenses	77.43	57.91
Payable on Purchase of Fixed Asset	–	6.87
TOTAL	<u>1,166.42</u>	<u>1,197.64</u>
11 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts:		
Secured by Mortgage of Vessels Forming Part of Fleet (Refer to Note No. 5)	3,143.70	4,377.72
Interest Accrued but Not Due:		
On Loans	99.72	84.80
On Other	20.76	–
Charter Hire (Received in Advance)	50.82	32.79
Payable to Gratuity Fund (Refer to Note No. 31)	56.08	8.03
Unclaimed Dividends	24.95	33.83
Other Payables:		
Statutory Remittances	2.12	7.88
Advance from Customer	5.90	–
TOTAL	<u>3,404.05</u>	<u>4,545.05</u>
12 SHORT-TERM PROVISIONS		
Provision for Employee Benefits: Compensated Absences	9.44	8.16
TOTAL	<u>9.44</u>	<u>8.16</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 FIXED ASSETS

(₹ in lakhs)

Particulars	COST				ACCUMULATED DEPRECIATION				W.D.V.			
	Opening as at 1-Apr-2015	Additions during the year	Adjustment during the year	Deductions during the year	Closing as at 31-Mar-2016	Opening as at 1-Apr-2015	For the year on original cost recorded against Surplus balance in Statement of Profit and Loss	Transition adjustment during the year	Impairment during the year	Deductions during the year	Up to 31-Mar-2016	As at 31-Mar-2016
TANGIBLE ASSETS: (See Footnote 8)												
Freehold Land	224.18 (231.92)	-	-	(7.74)	224.18 (224.18)	-	-	-	-	-	-	224.18 (224.18)
Building (See Footnote 3)												
On Leasehold land - Office Premises (See Footnote 1 & 7)	2,086.86 (2,086.86)	-	-	-	2,086.86 (2,086.86)	1,087.77 (968.30)	112.00 (119.47)	-	-	-	1,199.77 (1,087.77)	887.09 (999.09)
On Freehold land - Staff Quarters (See Footnote 2)	110.43 (110.43)	-	-	-	110.43 (110.43)	57.80 (52.79)	4.75 (5.01)	-	-	-	62.55 (57.80)	47.88 (52.63)
Furniture and Fixtures	51.79 (52.75)	-	-	(0.96)	51.79 (51.79)	42.56 (37.95)	3.48 (5.57)	-	-	(0.96)	46.04 (42.56)	5.75 (9.23)
Vehicles	20.13 (16.12)	-	-	-	20.13 (20.13)	7.34 (12.32)	4.07 (2.67)	-	-	-	11.41 (7.34)	8.72 (12.79)
Office Equipments	149.06 (153.61)	0.42 (8.17)	-	-	149.48 (149.06)	127.06 (116.19)	7.81 (10.85)	-	-	-	134.87 (127.06)	14.61 (22.00)
Vessels (See Footnote 4, 5 & 6)	108,475.28 (104,095.79)	2,000.00	5,646.03	(4,379.49)	102,590.97 (108,475.88)	52,078.72 (39,100.83)	3,741.06 (4,297.69)	-	2,452.80 (1,494.97)	8,325.88 (7,255.93)	55,442.46 (52,078.72)	47,148.51 (56,396.56)
TOTAL TANGIBLE ASSETS	111,117.73 (106,747.48)	2,000.42 (20.54)	5,646.03 (4,379.49)	(29.78)	105,233.84 (111,117.73)	53,401.95 (40,288.38)	3,873.17 (4,441.26)	-	(12.74)	8,325.88 (7,255.93)	56,897.10 (53,401.25)	48,336.74 (57,716.48)
Previous Year (Figures in bracket related to previous year)												

FOOTNOTES:

- Includes cost of 5 shares of ₹ 50 each fully paid in Baktiwar Commercial Premises Co-operative Society Limited. Secured also as first equitable mortgage for Cash Credit facility from State Bank of India
- 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.
- 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)		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 (Substituted for original cost) as on 31.03.2002 (₹ in lakhs)	
Leasehold land - Office Premises	24.45	6.49	7.59	2,070.00	2,062.41
Freehold land - Staff Quarters	30.94	6.49	2.76	106.68	103.92
TOTAL			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.

- The Subsidiaries have impaired its vessels due to adverse economic conditions, considering economic life and value in use using similar assumptions including the discount rate as in the past, as appropriate. Accordingly the impairment loss of ₹ 6,325.88 lakhs (2015 - ₹ 7,255.93 lakhs) is computed (Refer to Note no. 30)
- Adjustment in the costs for the year contains ₹ 5,646.03 lakhs (2015 - ₹ 4,379.49 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 ₹ 2,452.80 lakhs (2015 - ₹ 1,494.97 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 (2015 - ₹ 1,391.95) given on lease. Depreciation for the same is ₹ 71.14 lakhs (2015 - ₹ 79.65 lakhs) Future minimum rent receipts are as under

	31-Mar-2016 (₹ in lakhs)	31-Mar-2015 (₹ in lakhs)
Not later than one year	-	158.12
Later than one year and not later than five years	-	-
TOTAL	-	158.12

- In the previous year 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 had 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 had adjusted an amount of ₹ Nil (2015 - ₹ 16.96 lakhs (net of deferred tax of ₹ 4.92 lakhs)) against the opening Surplus balance in the consolidated Statement of Profit and Loss under Reserves and Surplus.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 NON CURRENT INVESTMENTS

Non-Trade Investments

Investment in Equity Shares (Quoted) fully paid up (at Cost):

	No. of Shares	As at 31-Mar-16 (₹ in lakhs)	As at 31-Mar-15 (₹ in lakhs)
Mahindra Lifespace Developers Limited #	16	–	–
ICICI Bank Limited	150	0.05	0.05
GOL Offshore Services Limited	50	0.01	0.01
Essar Ports Limited (Delisted in November 2015)		–	0.02
Essar Shipping Limited	233	0.01	0.01
GOL Offshore Limited #	30	–	–
The Great Eastern Shipping Company Limited	121	0.02	0.02
Varun Shipping Company Limited (Demerged in July 2015)		–	0.02
Shreyas Shipping and Logistics Limited #	100	–	–
The Shipping Corporation of India Limited	75	0.02	0.02
			<u>0.15</u>

Investment in Equity Shares (Unquoted) fully paid up (at Cost):

Essar Ports Limited	466	0.02	–
Varun Global Limited #	150	–	–
Varun Resources Limited	600	0.02	–
			<u>–</u>

Unquoted (at Cost):

Others

Northern Shipping Fund I LLC	–	740.79	1,220.32
Sisters Maritime LLC		–	439.16
4.75% European Medium Term - Notes Syndicate Bank Ltd.		–	257.72
Less : Current Portion of Long Term Investment		–	(257.72)
			<u>0.04</u>

TOTAL

740.79 1,659.48

740.94 1,659.63

Aggregate Amount of Quoted Investments 0.11 0.15

Aggregate Amount of Unquoted Investments 740.83 1,659.48

Aggregate Market Value of Quoted Investments 2.69 4.29

Value Less Than ₹ 500

15 LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Advance Income Tax (Net of Provision for Tax ₹ 819.00 lakhs [2015 - ₹ 819.00 lakhs])		151.60	166.08
MAT Credit Entitlement		74.07	74.07
Capital Advances		5,096.07	8,933.49
Security Deposits (Refer to Note No. 23)		434.70	6.43
Disputed Sales Tax Deposit (Refer to Note No. 23)		47.40	47.40
			<u>47.40</u>
TOTAL		5,803.84	9,227.47

16 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
Accrued Interest on Fixed Deposits with Bank		–	0.01
			<u>0.01</u>

TOTAL

– 0.51

Footnote:

During the previous year 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

17 CURRENT INVESTMENTS

Investment in Mutual Funds:

Unquoted (at Lower of Cost and Fair Value, Unless Otherwise Stated):

	Face Value in (₹)	No. of units	As at 31-Mar-16 (₹ in lakhs)	No. of units	As at 31-Mar-15 (₹ in lakhs)
Birla Sun Life Dynamic Bond Fund - Retail - Growth-Regular Plan	10	53,573	9.19	53,573	9.19
DHFL Pramerica Short Term Floating Rate Fund - Growth (Earlier - DWS Treasury Fund Investment Regular Plan-Growth)	10	21,259	2.98	1,763,942	247.00
IDFC Banking Debt Fund-Regular Plan-Growth	10	28,839	3.13	2,268,599	246.61
Franklin India Low Duration Fund - Growth	10	1,217,711	200.00	-	-
Religare Invesco Credit Opportunities Fund- Institutional Growth	10	14,600	247.13	-	-
Kimco Japan Long / Short Fund Ltd			-	2,019	156.39
Persistent Edge Asia Partners Ltd			-	350	218.92
Alkeon Growth Offshore Fund Ltd			-	4,000	250.19
Blackrock Global Funds. - Euro Market Fund Capitalisation			-	12,403	250.13
Credit Suisse Nova (Lux) - Global Senior Loan Fund Distribution			-	9,477	622.18
Goldman Sachs Fund -Goldman Sachs Global Startegic Income Bond			-	6,493	468.98
AXA IM Fixed Income Investment Startegies FCP-US Short Duration High Yield Capitalisation			-	5,385	468.98

Current Portion of Long Term Investment (At Cost)

4.75% European Medium Term- Notes Syndicate Bank Ltd			-	4,000	257.72
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			462.43		3,196.29
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Less: Provision for Diminution in Value of the Current Investments			-		(64.18)
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TOTAL

			462.43		3,132.11
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Aggregate Net Asset Value of Units in Mutual Funds			477.91		3,212.79
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18 INVENTORIES

(At Lower of Cost and Net Realisable Value)

Paints			-		2.88
Fuel Oil and Lube Oil on Ships			111.92		171.82

TOTAL

			111.92		174.70
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Secured for Cash Credit Facility Taken from Bank (Refer to Note No. 9)

19 TRADE RECEIVABLES

(Unsecured)

Considered Good

More than Six Months from the date they were due for Payment			-		-
Other Trade Receivables			71.94		612.28

			71.94		612.28
--	--	--	-------	--	--------

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

			-		-
			71.94		612.28

Secured for Cash Credit Facility Taken from Bank (Refer to Note No. 9)

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-16 (₹ in lakhs)	As at 31-Mar-15 (₹ in lakhs)
20 CASH AND BANK BALANCES		
a) Cash and Cash Equivalents:		
Cash on Hand	2.64	2.49
In Current Accounts	16.58	12.77
In Foreign Currency Accounts	863.62	618.72
	<u>882.84</u>	<u>633.98</u>
b) Other Balances:		
In Unpaid Dividend Accounts	24.95	33.83
TOTAL	<u><u>907.79</u></u>	<u><u>667.81</u></u>
21 SHORT-TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Prepaid Expenses	45.77	58.11
Loan to Lavgan Dockyard Pvt. Ltd. (See Footnote Below)	830.00	830.00
Advance for Expenses	31.34	35.15
TOTAL	<u><u>907.11</u></u>	<u><u>923.26</u></u>
Footnote:		
The Company has given an Unsecured Loan of ₹ 830.00 lakhs (2015- ₹ 830.00 lakhs) @ 10.50% p.a. Repayable on Demand to Facilitate Completion of Project.		
22 OTHER CURRENT ASSETS		
Accrued Interest:		
On Investments	-	4.76
On Loan Given to Lavgan Dockyard Pvt. Ltd.	128.97	55.91
Other Receivable	3.96	-
Claim Receivable	-	65.71
TOTAL	<u><u>132.93</u></u>	<u><u>126.38</u></u>
23 CONTINGENT LIABILITIES & COMMITMENTS		
i) Contingent Liabilities		
a) Sales Tax Demand not Provided For: (Refer to Note No. 15) 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. 15) (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.	237.00	237.00
b) Income Tax Demand not provided For: 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.	42.61	479.71
c) One of the Vessel was arrested under "meritime lien" in relation to Non-Payment of Bunker Stemmed by Charterers. The CSOL has paid ₹ 428.48 lakhs (USD 0.650 Million) to North of England P & I Club as Security Deposit (Refer Note No. 15) for the undertaking given by them for Lifting the Arrest of Vessel. The CSOL does not expect any Liability to devolve on it in respect of the above and therefore no provision is held.	428.48	-
ii) Commitments		
d) 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	6,592.00	6,222.00
e) Estimated amount of Contracts remaining to be executed on Capital Account not provided for the group has a Commitment for the Construction of two (2015 - three) Hulls	24,938.18	61,683.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31-Mar-16 (₹ in lakhs)	For the year ended 31-Mar-15 (₹ in lakhs)
24 REVENUE FROM OPERATIONS		
Sale of Service:		
Charter Hire Receipts	5,219.97	8,520.46
Other Operating Revenue:		
Claims Received	209.37	106.03
TOTAL	5,429.34	8,626.49
25 OTHER INCOME		
Interest on:		
Loan to Lavgan Dockyard Pvt. Ltd.	87.39	55.91
Bank Deposit	0.06	0.05
Income Tax Refund	1.80	–
Others	0.66	33.73
Rental Income	202.78	198.72
Dividends:		
On Long Term Investments	0.07	0.05
On Current Investments	4.94	18.22
Profit on Sale of Non-Current Investments - (Net)	292.92	100.34
Profit on Sale of Current Investments - (Net)	89.20	–
Profit on Sale of Asset- Car	–	0.31
Sundry Balances Written Back (Net)	0.71	45.48
Reversal of Provision for Diminution in the Value of Investment	67.99	–
TOTAL	748.52	452.81
26 OPERATING EXPENSES		
Fuel, Oil and Water	773.09	1,284.59
Stores and Spare Parts Consumed	281.58	588.38
Port Disbursement, Stevedorage, Light Dues etc.	1.80	42.83
Ship Repairs and Survey Charges	181.55	233.30
Dry Docking Charges	399.45	702.78
Insurance & Protection Club Dues	379.50	436.06
Brokerage and Agency Fees	188.43	207.03
Claims Paid	0.53	3.11
Claims Written Off	65.71	–
Ship Management Fees	409.10	399.33
Crew Expenses	346.15	406.78
Quality & Safety Facilities	41.51	53.80
Handling & Transport	22.31	30.99
TOTAL	3,090.71	4,388.98

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)
27 EMPLOYEE BENEFITS EXPENSES		
Manning Cost	2,587.70	2,668.43
Salaries, Wages and Other Benefits (Refer to Note No. 31)	185.87	139.39
Contributions to Provident and Other Funds (Refer to Note No. 31)	100.67	29.01
Staff Welfare Expenses	2.85	2.00
TOTAL	<u>2,877.09</u>	<u>2,838.83</u>
28 FINANCE COSTS		
Interest on Borrowings		
- Term Loan	1,065.45	1,044.02
- Cash Credit	16.68	13.84
- Other Borrowing Costs	-	1.20
TOTAL	<u>1,082.13</u>	<u>1,059.06</u>
29 OTHER EXPENSES		
Power and Fuel	8.31	8.61
Legal and Professional Expenses	110.54	245.90
Postage, Telephone, Telexes etc.	20.02	20.60
Rent	0.49	0.49
Rates and Taxes	30.31	27.76
Auditors' Remuneration		
For Statutory Audit	23.59	18.33
For Tax Audit	0.80	0.80
For Other Services	3.70	3.70
For Reimbursement of Expenses	-	0.42
Service Tax on above	1.25	1.10
	<u>29.34</u>	<u>24.35</u>
Directors' Sitting Fees	8.77	10.34
Travelling Expenses (Including Foreign Travelling)	67.55	45.28
Repairs to Building	42.95	34.51
Provision for Diminution in the Value of Investment	-	55.75
Loss on Sale of Non Current Investment	-	2.64
Net Foreign Currency Translation Differences	42.10	2.53
Miscellaneous Expenses	95.84	104.68
TOTAL	<u>456.22</u>	<u>583.44</u>
30 EXCEPTIONAL ITEMS		
Loss on Sale of Vessel	(41.65)	-
Loss on Foreign Currency Translation Difference on Borrowing	-	(48.83)
Advances Written Off	(6,159.79)	-
Profit on Sale of Assets	-	552.76
Impairment Loss (Refer to Note No. 13)	(8,325.88)	(7,255.23)
TOTAL	<u>(14,527.32)</u>	<u>(6,751.30)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 EMPLOYEE BENEFITS OBLIGATIONS

Staff Costs for the year ended 31st March, 2016, 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: -

	2015-16 (₹ in lakhs)	2014-15 (₹ in lakhs)
(a) The Company has recognised the following Amounts in the Consolidated Statement of Profit and Loss as Contribution under Defined Contribution Schemes		
i) Provident Fund	11.64	9.67
ii) Superannuation Fund	13.69	12.15
(b) Details of Gratuity Plan are as follows: (Refer to Note No. 11 & 27)		
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 Consolidated Balance Sheet are as follows:		
i) Present Value of Funded Obligations	188.98	101.84
ii) Fair Value of Plan Assets	132.90	93.81
iii) Amounts in the Consolidated Balance Sheet		
Liabilities under Other Current Liabilities (Refer to Note No. 11)	56.08	8.03
The Amounts Recognised in the Consolidated Statement of Profit and Loss are as follows:		
i) Current Service Cost	9.94	14.60
ii) Interest Cost	7.94	8.09
iii) Expected Return on Plan Assets	(8.94)	(7.65)
iv) Net Actuarial Losses / (Gains) Recognised in Year	70.70	(4.08)
v) Past Service Cost	-	-
vi) Expenses Recognised in the Consolidated Statement of Profit and Loss under Contribution to Provident & Other Funds (Refer to Note No. 27)	79.64	10.96
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	101.84	88.41
ii) Current Service Cost	9.94	14.60
iii) Interest Cost	7.94	8.09
iv) Actuarial Losses / (Gains)	69.26	(6.52)
v) Past Service Cost	-	-
vi) Benefits Paid	-	(2.74)
vii) Closing Defined Benefit Obligation	188.98	101.84

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2015-16 (₹ in lakhs)	2014-15 (₹ in lakhs)
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	93.81	74.82
ii) Adjustment to Opening Balance	4.29	3.77
iii) Expected Return	8.94	7.64
iv) Actuarial Losses	(1.44)	(2.43)
v) Contribution by Employer	27.30	12.75
vi) Benefits Paid	-	(2.74)
vii) Closing Fair Value of Plan Assets	132.90	93.81

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.

	2015-16	2014-15
Principal Actuarial Assumptions are as follows:		
i) Discount Rate at 31st March	7.97% p.a.	7.80% p.a.
ii) Expected Return on Plan Assets at 31st March	8.00% p.a.	9.15% p.a.
iii) Rate of Increase in Compensation	15.00% 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 2016-17 is ₹ 7.20 lakhs (2015-16 is ₹ 7.50 lakhs).

Experience Adjustments	2011-12 (₹ in lakhs)	2012-13 (₹ in lakhs)	2013-14 (₹ in lakhs)	2014-15 (₹ in lakhs)	2015-16 (₹ in lakhs)
Present Value of the Obligation	63.80	74.75	88.41	101.84	188.98
Fair Value of the Plan Assets	23.66	55.43	74.82	93.81	132.90
Surplus / (Deficit)	(40.14)	(19.32)	(13.59)	(8.03)	(56.08)
Experience Adjustment on Plan Liabilities	(4.59)	7.14	(0.96)	(14.84)	33.06
Experience Adjustment on Plan Assets	(1.62)	0.32	(5.98)	(2.43)	(1.44)

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.

32 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

- Chowgule Steamships Overseas Limited (CSOL) - Wholly owned subsidiary
- Sea Bird LLC - Wholly owned subsidiary of CSOL
- Sea Lord LLC - Wholly owned subsidiary of CSOL
- Sea Green LLC - Wholly owned subsidiary of CSOL (Company was wound up)
- Sea King LLC - Wholly owned subsidiary of CSOL
- Sea Link LLC - Wholly owned subsidiary of CSOL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ii. Name of Related Party	Nature of Relationship	Nature of Transactions	31-Mar-16 (₹ in lakhs)	31-Mar-15 (₹ in lakhs)
Key Management Personnel				
Mr. Mangesh Sawant	Managing Director & CFO	Remuneration for the year	81.20	51.08

33 SEGMENT REPORTING

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

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

	2015-16	2014-15
a. Net Loss for the Year (₹ in lakhs)	(19,557.89)	(10,577.23)
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 (₹)	(53.87)	(29.13)

35 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	2015-16		2014-15	
	(₹ in lakhs)	USD Million	(₹ in lakhs)	USD Million
Receivables				
Trade Receivables & Other Assets	1.35	-	174.21	0.28
Cash & Bank Balances	71.05	0.11	6.51	0.01
Payables				
Term Loan form Foreign Bank	-	-	1,198.14	1.90
Trade Payables & Other Liabilities	12.47	0.02	392.85	0.63

Note : USD = US Dollar # Value less than USD 10,000

36 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of Loss	
	As % of consolidated net assets	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)
Parent				
Chowgule Steamships Ltd.	42.44%	11,989.46	4.00%	782.21
Foreign Subsidiary				
Chowgule Steamships Overseas Limited	57.56%	16,258.71	96.00%	18,775.68
		28,248.17		19,557.89
Less : Consolidation Adjustments / Eliminations		(9,549.63)		-
	100.00%	18,698.54	100.00%	19,557.89

37 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

D. N. MUNGALE

Director

Place : Mumbai,
Date : May 06, 2016

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
Managing Director & CFO

ROUTE MAP
For ANNUAL GENERAL MEETING



Fleet Profile

CHOWGULE STEAMSHIPS LIMITED

	Name	Year Built	DWT (M.T.)
1.	Chowgule 07	2014	1553

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

