



56TH ANNUAL REPORT 2018-19



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

AUDITORS

M/s CNK & Associates LLP

REGISTERED OFFICE

Chowgule House
Mormugao Harbour
Goa - 403 803
Tel : 08322525001
Fax : 08322521011

CORPORATE OFFICE

Bakhtawar, 4th floor
Nariman Point, Mumbai - 400 021
Tel : (022) 6620 2500 Fax : (022) 6620 2545
Email : joshi.csl@chowgule.co.in
Web : www.chowgulesteamships.co.in

SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park, L.B.Shastri Marg,
Vikhroli (West), Mumbai 400 083
Tel.:(022) 4918 6270/FaxL022) 4918 6060
Email : rnt.helpdesk@linkintime.co.in

Corporate Identity Number (CIN)-L63090GA1963PLC000002

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NOTICE

NOTICE is hereby given that the Fifty Sixth Annual General Meeting (AGM) of the Members of CHOWGULE STEAMSHIPS LIMITED (CIN : L63090GA1963PLC000002) will be held on Friday, July 26, 2019 at 10.00 A.M. at the Registered Office of the Company at Chowgule House, Mormugao Harbour, Goa 403 803 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2019 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To pass with or without modification the following resolution as an Ordinary Resolution
“RESOLVED THAT Mr. Nathan Chowgule, who retires by rotation at this Annual General Meeting and who has expressed desire not to seek re-appointment be and is hereby not re-appointed as a Director and that the vacancy caused thereby be not filled up for the present.”
3. To appoint a Director in place of Prof. Rohini Chowgule, who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
“RESOLVED THAT, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Sanjiv N. Shah (DIN 00007211) Director of the Company who was appointed on July 9, 2014 as an Independent Director of the Company for a period of five years and is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Sanjiv Shah (DIN 00007211) as a candidate for the office of Director, be and is hereby reappointed as an Independent Director of the Company, to hold office for another term of five years with effect from July 9, 2019 and whose office shall not be liable to retire by rotation.
RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of Directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard.”
5. To consider, and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
“RESOLVED that, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ravindra Kulkarni (DIN 00059367) Director of the Company who was appointed on July 9, 2014 as an Independent Director of the Company for a period of five years and is eligible for being reappointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Ravindra Kulkarni (DIN 00059367) as a candidate for the office of Director, be and is hereby reappointed as an Independent Director of the Company, to hold office for a term of one year with effect from July 9, 2019 and whose office shall not be liable to retire by rotation.
RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of Directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard.”
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
“RESOLVED that, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Farokh Guzder (DIN 00108856) Director of the Company who was appointed on July 9, 2014 as an Independent Director of the Company for a period of five years and is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Farokh Guzder (DIN 00108856) as a candidate for the office of Director, be and is hereby reappointed as an Independent Director of the Company, to hold office for another term of five years with effect from July 9, 2019 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of Directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard.”

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.

“**RESOLVED THAT** pursuant to the provisions of regulation 24(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provision, if any, consent of the Company be and is hereby accorded respectively to Sea Bird LLC, Sea Lord LLC, Sea King LLC and Sea Link LLC, the step down subsidiaries of the Company, to sale, transfer or dispose off the vessels that each of these companies presently holds or may acquire in the future.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purposes of giving effect to this Resolution.”

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 188 and other applicable provisions if any, of the Companies Act, 2013, in terms of the Rule 15 of the Companies (Meetings of Board and its Powers) Rule 2014 and also Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, members of the Company do hereby confirm, approve and ratify the contract and/or arrangements entered with Chowgule And Company Private Limited for obtaining an unsecured loan from time to time up to US \$ 4 Million or equivalent thereof in Indian currency.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board / Committee be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit within the aforesaid limits and the Board/ Committee is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise with regard to such payment and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board / Committee in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution.”

For Chowgule Steamships Limited

Place: Mumbai,
Date: May 16, 2019

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 appointment/re-appointment at the Annual General Meeting is given hereunder.
- 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 19, 2019 to July 26, 2019, both days inclusive.
- 6) A 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 and Diu.
- 9) Unclaimed Dividends for the years 1995-96, 1996-97, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 have been duly transferred to the Investor Education and Protection Fund.



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- 10) The shares of the Company are listed on BSE Limited. (BSE) and the listing fees in respect thereof for the year 2019-20 have been paid to BSE.
- 11) All enquiries and correspondence regarding transfer of shares, dematerialisation, etc., should be made with the Share Transfer Agents of the Company, M/s. Link Intime India Private Limited (LIPL), C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083.
- 12) Members are requested to note that pursuant to Regulation 39 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 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 (belonging to 161 shareholders) were lying credited to the said share suspense account. 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 Sixth 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 Sixth Annual General Meeting and the Annual Report 2019 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 Link Intime India Private Limited (LIPL).
 - (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 dematerialised form, as on the cut-off date i.e. July 18, 2019, may cast their vote electronically.
 - (d) The e-voting period commences at 9:00 a.m. on Tuesday, July 23, 2019 and ends at 5:00 p.m. on Thursday, July 25, 2019. The e-voting module shall be disabled by LIPL 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 16, 2019 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) **Instructions for shareholders voting electronically are as under:**
 - (i) The voting period begins on July 23, 2019 at 9.00 A.M. and ends on July 25, 2019 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of July 18 , 2019, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.instavote.linkintime.co.in.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.instavote.linkintime.co.in and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed in BOLD along with name and address of sticker affixed on envelope containing the Annual Report.
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 LIPL 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 Event No. 190099 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.instavote.linkintime.co.in and register themselves as Corporate. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to enotices@linkintime.co.in.

* 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 enotices@linkintime.co.in 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 website : www.instavote.linkintime.co.in

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 dematerialised form and not casting their vote electronically, may cast their vote at the Annual General Meeting.



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- 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) SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off-date of April 1, 2019. In view of this members are requested to dematerialise shares held by them in physical form.
- 19) Additional information on Director recommended for reappointment on retirement as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Particulars	Prof. Rohini Chowgule
Date of Birth	11.04.1951
Date of First Appointment on the Board	22.01.2009
Qualifications	M.D.
Expertise in specific functional area	Dr. Rohini Chowgule is renowned Pulmonary Physician based in Mumbai. She has done her MBBS and MD at Grant Medical College in Mumbai and thereafter did a Fellowship in Pulmonary medicine at the Veteran Himes & Loyolo Medical Facility in Chicago. She was associated with the Bombay Hospital and was Professor & Head of Internal Medicine at the Mumbai University. Apart from the above, Prof. Chowgule has got vast experience in general administration of business. Prof. Chowgule presently is a Chairperson of Chowgule Mediconsult, a Healthcare IT Company engaged in providing Customized Healthcare IT Solutions. Dr. Rohini Chowgule is quite active in supporting social cause and has established an NGO called Foundation for Environmental Medicine and has been providing social service through various NGOs and other groups.
Number of Equity Shares held in the Company	665266
Directorship held in other Indian Listed Companies	-
Chairman/Member of Board Committee of listed companies	-
Disclosure of relationships between Directors/KMP inter-se	She is a sister of Mr. Vijay V. Chowgule

- 20) Members holding shares in physical form are requested to submit their PAN and bank account details to the Company or its share transfer agents. Members holding shares in electronic mode are requested to submit their PAN and bank account details to their respective demat participant.
- 21) The route map showing directions to reach the venue of the Fifty Sixth Annual General Meeting is given along with the Annual Report.

By order of the Board
For Chowgule Steamships Limited

Date: May 16, 2019
Place: Mumbai

Suhas Joshi
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 TO THE ACCOMPANYING NOTICE DATED MAY 16, 2019

Item No. 4

Mr. Sanjiv Shah (DIN 00007211) was appointed as an Independent Director for a period of five years by the shareholders at their 51st Annual General Meeting held on July 9, 2014. In terms of the provisions of Section 149 of the Companies Act, 2013 (the Act), the Independent Directors may be re-appointed for a second term of maximum 5 (five) years by obtaining approval of the shareholders by a way of a special resolution. Mr. Sanjiv Shah has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations Disclosure Requirements) Regulations 2015. In the opinion of the Board, Mr. Sanjiv Shah fulfills the conditions provided in the Act and the Rules made thereunder for reappointment as Independent Director and is independent of the management.

Brief background of Mr. Sanjiv Shah is provided herein separately.

The Board recommends the Special Resolution as set out at item No. 4 for the approval of the Shareholders

The Board of Directors of your Company and the Nomination and Remuneration Committee, based on the performance evaluation carried out respectively, are of the opinion that considering the vast experience and knowledge of Mr. Sanjiv Shah (DIN00007211) his continued association with the Company would be immensely beneficial to the Company and hence recommends the resolution for reappointment of Mr. Sanjiv Shah for your approval.

None of the other Directors or Key Managerial Personnel, or their relatives, except Mr, Shah, are, in any way, concerned or interested in passing of the resolution as set out at No 4 of the Notice.

Information pertaining to Director seeking re-appointment as mentioned under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and applicable secretarial standards

Name	Sanjiv Shah
Date of Birth	02.03.1958
Date of first appointment on the Board	25.01.2006
Qualifications	B.A.(Economics), B. Sc. (Econ), Member of the Institute of Chartered Accountants in England and Wales and Member of the Institute of Chartered Accountants of India
Experience in specific functional areas	Mr. Shah has vast experience and expertise in the fields of Finance, accounts and auditing. Presently he is involved in entrepreneurial activity in green technology for the automotive industry and in healthcare.
Number of shares held in equity share capital of the Company	NIL
Directorship held in other Indian listed entities	Bharat Bijlee Limited
Chairman/Member of Committee of Board of Directors of other listed companies	Bharat Bijlee Limited 1. Audit Committee – Chairman 2. Stakeholders Relationship – Member
Disclosure of relationship between Directors / KMP <i>interse</i> .	NIL

Item No. 5

Mr. Ravindra Kulkarni (DIN00059367) was appointed as an Independent Director for a period of five years by the shareholders at their 52st Annual General Meeting held on July 9, 2014. In terms of the provisions of Section 149 of the Companies Act, 2013 (the Act), the Independent Directors may be re-appointed for a second term of maximum 5 (five) years by obtaining approval of the shareholders by a way of a special resolution. Mr. Kulkarni has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations Disclosure Requirements) Regulations 2015. In the opinion of the Board, Mr. Kulkarni fulfills the conditions provided in the Act and the Rules made thereunder for reappointment as Independent Director and is independent of the management.

Brief background of Mr. Ravindra Kulkarni is provided herein separately.

The Board recommends the Special Resolution as set out at item No. 5 for the approval of the Shareholders

The Board of Directors of your Company and the Nomination and Remuneration Committee, based on the performance evaluation carried out respectively, are of the opinion that considering the vast experience and knowledge of Mr. Ravindra Kulkarni (DIN 00059367) his



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continued association with the Company would be immensely beneficial to the Company and therefore recommends the resolution for reappointment of Mr. Ravindra Kulkarni for your approval.

None of the other Directors or Key Managerial Personnel, or their relatives, except Mr. Ravindra Kulkarni, are, in any way, concerned or interested in passing of the resolution as set out at No 5 of the Notice.

Information pertaining to Director seeking re-appointment as mentioned under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and applicable secretarial standards

Name	Ravindra Kulkarni
Date of Birth	23.05.1945
Date of first appointment on the Board	19.10. 2011
Qualifications	B.Sc., LL.M, Solicitor
Experience in specific functional areas	Corporate laws, finance and commercial laws
Number of shares held in equity share capital of the Company	NIL
Directorship held in other Indian listed entities	1. Elantas Beck India Limited 2. Mahindra & Mahindra Ltd. 3. Tech Mahindra Limited 4. Entertainment Network India Ltd
Chairman/Member of Committee of Board of Directors of other listed companies	1. Elantas Beck India Limited Audit Committee- Chairman 2. Mahindra & Mahindra Limited Audit Committee- Member Stakeholder Relationship – Chairman 3. Tech Mahindra Limited Stakeholders Relationship – Member 4. Entertainment Network India Limited Audit Committee- Member Stakeholder Relationship- Member
Disclosure of relationship between Directors / KMP <i>interse</i> .	Nil

Item No. 6

Mr. Farokh Guzder (DIN 00108856) was appointed as an Independent Director for a period of five years by the shareholders at their 51st Annual General Meeting held on July 9, 2014. In terms of the provisions of Section 149 of the Companies Act, 2013 (the Act), the Independent Directors may be re-appointed for a second term of maximum 5 (five) years by obtaining approval of the shareholders by way of a special resolution. Mr. Guzder has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(I)(b) of SEBI (Listing Obligations Disclosure Requirements) Regulations 2015. In the opinion of the Board, Mr. Guzder fulfills the conditions provided in the Act and the Rules made thereunder for reappointment as Independent Director and is independent of the management.

Brief background of Mr. Farokh Guzder is provided herein separately.

The Board recommends the Special Resolution as set out at item No. 6 for the approval of the Shareholders

The Board of Directors of your Company and the Nomination and Remuneration Committee, based on the performance evaluation carried out respectively, are of the opinion that considering the vast experience and knowledge of Mr. Farokh Guzder (DIN 00108856) his continued association with the Company would be immensely beneficial to the Company and therefore recommends the resolution for reappointment of Mr. Farokh Guzder for your approval.

None of the other Directors or Key Managerial Personnel, or their relatives, except Mr. Farokh Guzder, are, in any way, concerned or interested in passing of the resolution as set out at No 6 of the Notice.

Information pertaining to Director seeking re-appointment as mentioned under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and applicable secretarial standards.

Name	Farokh Guzder
Date of Birth	13.10.1950
Date of first appointment on the Board	06.07.2012
Qualifications	B.A.
Experience in specific functional areas	Business development, General Administration and Finance
Number of shares held in equity share capital of the Company	NIL
Directorship held in other Indian listed entities	NIL
Chairman/Member of Committee of Board of Directors of other listed companies	NIL
Disclosure of relationship between Directors / KMP interse.	NIL

Item No. 7

Chowgule Steamships Overseas Limited (CSOL) embarked on fleet expansion plan in 2007-08 and placed orders for several new built vessels. The first vessel was delivered in 2011 and thereafter it has acquired three more vessels under the fleet expansion plan. All these vessels were acquired by CSOL under its wholly owned subsidiaries viz Sea Bird LLC, Sea Lord LLC, Sea King LLC and Sea Link LLC ("Step Down Subsidiaries" / "SDS"). Ever since the acquisition of these vessels the freight markets have remained depressed due to excess tonnage and global economic downturn. As a result of subdued freight markets, the earnings have been even below breakeven levels at times. Considering these market conditions, any of the above mentioned step-down subsidiaries may have to explore in future a possibility of selling the vessel it owns. Simultaneously, it may also explore possibility of buying cheaper second hand vessel(s) with lower capital out go to enable it to keep the standing costs lower in these market conditions. It is therefore essential that any of these step-down subsidiaries be allowed to take decisions of sell/purchase quickly at an opportune moment.

In terms of Regulation 24 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (Listing Regulations), selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary requires prior approval of shareholders by way of special resolution.

In terms of Listing Regulations, "material subsidiary" mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Since the income and/or net worth of each of these step-down subsidiaries exceed more than 10% of the consolidated income /net worth of the Company, each of these step-down subsidiaries is deemed as a material subsidiary.

In order to comply with the above referred requirements of SEBI Regulations, the Company will therefore have to obtain approval of its shareholders to empower these step-down subsidiaries to sell/dispose off the vessels. However, whenever such opportunity is presented, it may not always have sufficient time to approach shareholders of the Company for obtaining approval as mentioned above in order to comply with the above requirements.

It is therefore proposed to obtain approval of shareholders by way of special resolution listed at item No. 7 of the Notice as an enabling resolution authorizing sell of vessels by any of the above mentioned step-down subsidiaries.

The Board commends the Special Resolution as set out at item No. 7 for the approval of the Shareholders.

None of the Directors and/or Key Managerial Personnel of the Company, or their relatives, are, in any way, concerned or interested in passing of the resolution as set out at No 7 of the Notice.

Item No. 8

Chowgule Steamships Overseas Limited (CSOL), the wholly owned subsidiary of the Company has approached the Company for a financial assistance of about US \$ 4 Million to enable it to meet the payment obligations of loan installments/balloon installments of its step down subsidiaries to their respective lenders. Since the Company did not have any surplus funds available, it approached Chowgule And Company Private Limited, the promoter Company of the Group, for temporary financial assistance of up to US \$ 4 Million.

As per the provisions of Section 188 (1) of the Companies Act, 2013 any transactions with a "Related Party" requires prior consent of the Board where transactions proposed to be entered into fall in the list of items referred therein and are within threshold limits prescribed under Rule 15 of the Companies (Meeting of Board and its Power) Rules 2015. In terms of the provisions of Section 2 (76) of the Companies Act 2013, Chowgule And Company Private Limited, falls in the category of a "Related Party" as defined under Section.

Accordingly, the Board of Directors of the Company vide its resolution passed at the meeting held on January 17, 2019 accorded its approval for obtaining loan from Chowgule And Company Private Limited.



CHOWGULE STEAMSHIPS LIMITED

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) deals with related party transactions of listed entities. In terms of Regulation 23 (4), all material related party transactions requires approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:

As per the provisions of the Regulation 23 of Listing Regulations provides that all related party transactions shall be considered as "Material" if the transaction entered with or transactions to be entered individually or taken together with a Related Party along with previous transactions during a Financial Year exceeds 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Financial Statement of the Company.

Since, the Company desires to seek loan of up to US \$ 4 Million equivalent to approximately ₹ 14.20 Crores, the said figure is likely to exceed 10% of the annual consolidated turnover of the Company.

In view of this, vide the resolution set out at Item No. 8 of the accompanying Notice, approval of shareholders is sought for the proposed transaction with Chowgule And Company Private Limited by Ordinary Resolution.

The following are the particulars under Rule 15 of Companies (Meetings of Board and its Power) Rules, 2014:

Sr	Particulars	Description
1	Name of Related Party	Chowgule And Company Private Limited
2	Name of Director or KMP who is related	Mr. Vijay Chowgule Mr. Jaywant Chowgule Mr. Nathan Chowgule Prof. Rohini Chowgule
3	Nature of Relationship	Promoter
4	Nature of material terms monetary value and particulars of contract of arrangements	1. Unsecured Loan 2. Payable on Demand 3. Interest @ 9% p.a. 4. Amount upto US \$ 4 million or equivalent thereof in Indian currency

Mr. Vijay V. Chowgule, being Chairman and Managing Director and Mr. Jaywant Chowgule & Mr. Nathan Chowgule, being Directors of Chowgule And Company Private Limited and Prof. Rohini Chowgule being relative of Mr. Vijay Chowgule, are deemed to be concerned or interested in the transaction entered between the Company and Chowgule And Company Private Limited

Apart from the above, none of the other Directors or Key Managerial Personnel, or their relatives are, in any way, are concerned or interested in the resolution as set out at No 8 of the Notice.

The Board recommends the Ordinary Resolution as set out at item No. 8 for the approval of the Shareholders

All related parties shall abstain from voting on these resolutions.

By order of the Board
For Chowgule Steamships Limited

Date: May 16, 2019
Place: Mumbai

Suhas Joshi
Company Secretary

DIRECTORS' REPORT 2018-19

To
The Shareholders,

Your Directors present the Fifty Sixth Annual Report and the Audited Accounts for the year ended March 31, 2019.

1. FINANCIAL RESULTS & APPROPRIATIONS:

	2018-19	2017-18
Loss before Financial Charges, Depreciation, Exceptional Item & Tax	(82.53)	(76.67)
Financial Charges	(72.93)	(149.09)
Depreciation	(131.21)	(161.69)
Loss before Exceptional Item & Tax Impairment	(286.67)	(387.45)
Impairment	NIL	(262.05)
Loss before Deferred Tax Provision	(286.67)	(649.50)
Reversal of Provision for Deferred Tax (Net)	93.28	246.73
Loss after Tax	(193.39)	(402.77)
Other Comprehensive Income	(37.77)	43.53
Total Comprehensive Income	(231.16)	(359.24)
Brought forward from previous year	1,010.60	1369.84
Surplus in Statement of Profit and Loss	779.44	1,010.60

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 ₹ 6.35 Lakhs as against ₹ 12.26 Lakhs during the previous year showing a decrease of about ₹ 6 Lakhs. The BDI which started the year at 1016 in April 2018 was down to 689 by March 2019. The average dry bulk freight earnings increased by 11% year on year during 2018. However, earnings fell sharply in the first quarter of 2019.

The Company had one River-Sea Vessel, which was sold in December 2018. The Company had not been able to get any meaningful business opportunities in coastal trade for this vessel.

INDUSTRY REVIEW & FUTURE OUTLOOK

After growing by about 4% in 2017, seaborne dry bulk trade expanded by 1.7% in 2018 due to firm growth in coal and minor bulk trade, while iron ore and grain volumes remained steady year-on-year.

During the current year, seaborne dry bulk trade is projected to grow by 2.2% although outlook for iron ore may be revised downwards. Dry bulk trade is expected to grow at a rate of 2% in year 2020.

The bulk fleet expanded by 2.9% in dwt terms during 2018. Overall balance of fundamentals in the dry bulk sector appears slightly negative during 2019 with fleet expansion expected at similar level of 2.9%.

Looking further ahead, fleet expansion of 3% is forecast for 2020 potentially allowing for an improvement to the balance of fundamentals in the sector supported in part by number of wild cards relating to IMO 2020 sulphur for scrubber retrofits, slower operating speeds and increased demolition.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has effective systems of internal controls, which are periodically reviewed by the Audit Committee of the Board of Directors. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), our audit committee has concluded that, as of March 31, 2019, our internal financial controls were adequate and operating effectively.

GOVERNMENT POLICIES

The Indian economy and many developed countries continue to make effort for speedy economic recovery. As part of overall strategy however, the Governments in various countries continue to give priority for development of overall infrastructure. This bodes well for overall trade.



CHOWGULE STEAMSHIPS LIMITED

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, at group level, 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 Group'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.

At the Company stand alone level, the Company is engaged in coastal trade, where income as well as expenses mostly is in rupee term. As such there is very limited forex risk for the Company.

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 obtained an unsecured loan of ₹ 1,420 Lakhs from Chowgule And Company Private Limited, which was utilized for providing financial assistance to Chowgule Steamships Overseas Limited for its working capital requirements and payment of loan installments. The total outstanding loan at year end was ₹ 1,420 Lakhs.

4. DEFERRED TAX LIABILITY

In terms of the Accounting Standard AS-12 of the Companies (Accounting Standards) Rules 2016, there is a reversal of Deferred Tax liabilities amounting to ₹ 93.28 Lakhs for the Financial Year 2018-2019, which is reflected in the Statement of Profit & Loss. The net Deferred Tax Asset of ₹ 97.39 Lakhs as at March 31, 2019 is reflected in the Balance Sheet.

5. SUBSIDIARIES

The Company has five overseas subsidiaries including one wholly owned subsidiary and four step-down subsidiaries. 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 2016, 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:

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

	2018-19 (In US \$ million)	2017-18 (In US \$ million)
Income	12.902	10.201
Gross Profit before depreciation	1.964	0.985
Depreciation	(4.395)	(4.378)
Reversal of Impairment/ (Impairment)	—	4.637
Loss on sale of vessels	(10.279)	—
Net Profit / (Loss)	(12.711)	1.244

6. INSURANCE

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

7. DIRECTORS

Prof. Rohini Chowgule retires by rotation at the ensuing Annual General Meeting and being eligible will be re-appointed. Mr. Nathan Chowgule, who also retires by rotation, has expressed desire not to seek re-appointment. The Board of Directors has, at its meeting held on May 16, 2019, decided not fill up the vacancy caused by retirement of Mr. Nathan Chowgule. The Board places on record its sincere appreciation for the services rendered by Mr. Nathan Chowgule during his tenure as a Director of the Company.

Mr. Mangesh Sawant, Managing Director and CFO, having attained the age of superannuation, has expressed desire to relinquish office as Director after the ensuing Annual General Meeting. Mr. Sawant has been with the Company for more than three decades and has served the Company at various levels. The Board places on record its sincere appreciation for the services rendered by Mr. Sawant during his tenure as Managing Director & CFO of the Company.

8. INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149 of the Companies Act, 2013 the Independent Directors hold office for a term up to five consecutive years on the Board of a company from the date of their appointment. Accordingly, the term of the Independent Directors will expire on July 8, 2019. In terms of the provisions of Section 149 of the Companies Act, 2013 (the Act), the Independent Directors may be re-appointed for a second term of maximum 5 (five) years by obtaining approval of the shareholders by a way of a special resolution.

Mr. Dhananjay Mungale and Admiral Arun Prakash (Retd) have expressed desire not to seek re-appointment and accordingly they will cease to be Directors on expiry of their term as Independent Directors. The Board places on record its deepest sense of gratitude for the services rendered by Mr. Mungale and Admiral Arun Prakash as Directors/Independent Directors of the Company.

Mr. Sanjiv Shah, Mr. Ravindra Kulkarni and Mr. Farokh Guzder are proposed to be re-appointed as Independent Directors at the ensuing Annual General Meeting for another term of five years. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149 of the Act.

Pursuant to the provisions of Listing Regulations, the background of the Directors proposed to be appointed / re-appointed at the Annual General Meeting is given in the Notice calling the Fifty Sixth Annual General Meeting of the Company.

9. INDUCTION AND TRAINING OF THE BOARD MEMBERS

Directors are issued a detailed appointment letter which inter alia sets out terms of appointment, duties, responsibilities etc. of such director. Each independent director of the Company on appointment is given such letter of appointment and also briefed by the Managing Director/Executive Director about the nature of business of the Company, its finances, operations etc. The Company Secretary also assists the Independent Director in understanding their statutory duties, obligations and responsibilities as a Director/Independent Director of the Company. The appointment letter of independent directors 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, attendance of directors at meetings, contribution at the meetings, qualifications, experience and competencies, performance of specific duties etc.

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

11. CORPORATE GOVERNANCE

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

12. CODE OF CONDUCT

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



13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors state: "That

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.

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 Fourth Annual General Meeting held on July 21, 2017 approved appointment of M/s CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W) for a term of consecutive five years from conclusion of 55th Annual General Meeting to conclusion of the 59th Annual General Meeting. The Auditors, being eligible, have given their consent for appointment.

During the year, the Auditors have been paid remuneration as under:

Description	Amount (₹ in Lakhs)
Audit Fees	4.70
Other services	2.63
Reimbursements	NIL

The notes on financial statement referred to in Auditors Report are self explanatory and do not call for any further comments. The Auditors report does not contain any qualification, reservation or adverse comment.

Secretarial Auditors

M/S V.N. Deodhar & CO., Company Secretaries were appointed to conduct the secretarial audit of the Company for the Financial year 2018-19 as required under Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report for financial year 2018-19 forms part of the Annual Report.

15. 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).

16. 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.

17. The Directors confirm that the revised Secretarial Standards issued by the Institute of Company Secretaries of India have been complied with.
18. The policy on appointment /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. During the year, four meetings of the Board of Directors of the Company were held viz. on May 9, 2018, July 20, 2018, October 25, 2018 and January 17, 2019.
21. Loans, Investment and Guarantees etc – During the year the Company has given a loan of about US \$ 2 million to its subsidiary company viz. Chowgule Steamships Overseas Limited, which is outstanding.
22. The Company has formulated a policy on materiality of Related Party Transactions for dealing with such transactions in line with the requirements of Listing Regulations. The policy on Related Party Transactions is available on the Company's website

viz. chowgulesteamships.co.in. Particulars of Contract or arrangement with related parties as referred to in Section 188 of the Companies Act 2013 in the format AOC 2 is enclosed as Annexure 3.

- 23.** The Risk Management Policy of the Company evaluates various risks surrounding the business of the Company and its subsidiaries and seeks to review and upgrade its risk management process. The Board of Directors formulates strategies and takes necessary steps in mitigating these risks.
- 24.** The Company has not accepted /renewed any Fixed Deposits during the year ended March 31, 2019.

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

Information pursuant to Rule 5 (1) of the above mentioned Rules:

Name of Director	Designation	% Increase compared to previous year	Ratio to median remuneration of employees
Mr. Vijay Chowgule	Chairman- Non Executive	NIL	0.09
Mr. Dhananjay Mungale	Independent Director	NIL	0.09
Mr. Jaywant Chowgule	Non Executive Director	NIL	0.03
Mr. Sanjiv Shah	Independent Director	NIL	0.05
Mr. Nathan Chowgule	Non Executive Director	NIL	0.04
Prof. Rohini Chowgule	Non Executive Director	NIL	0.05
Mr. Ravindra Kulkarni	Independent Director	50%*	0.06
Mr. Farokh Guzder	Independent Director	NIL	0.07
Admiral Arun Prakash	Independent Director	NIL	0.05
Mr. Mangesh Sawant	Managing Director & CFO	36.40	7.41

* Increase in sitting fees was due to appointment of Mr. Kulkarni as a Member in the Audit Committee during the year.

Non Executive Directors and Independent Directors are paid Sitting Fees for attending meetings of the Board of Directors and Committees thereof.

Information pursuant to Rule 5 (2) of the above mentioned Rules in respect of Mr. Mangesh Sawant, Managing Director & CFO

Name	Mangesh Sawant
Remuneration	109.41 lakhs
Designation	Managing Director & CFO
Nature of Employment	Contractual
Qualification and experience	B.Com., LI.B. ACA, member CMA,
Date of Commencement	22.09.1986
Age of employee	60
Last employment held	A.F. Ferguson & Co., Chartered Accountant
Percentage of equity shares held	0.0003 (133 equity shares)
Whether relative of any Director/ Manager	No

Sr.	Requirements	Disclosure
1	Percentage increase in remuneration of Managing Director & CFO	36.40
2	Percentage increase in remuneration of Company Secretary	9.03
3	Percentage increase in median remuneration of employees in the financial year	10.20
4	Number of permanent employees	7 employees
5	average percentile increase in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	The increase in remuneration of the employees excluding Managerial Personnel for the financial year ended on March 31, 2019 was about 10%. The Managing Director & CFO was reappointed w.e.f. April 1, 2018. Accordingly the remuneration of the Managing Director & CFO was revised. In view of this the remuneration stood increased by 36.40%. The revision in the



CHOWGULE STEAMSHIPS LIMITED

Sr.	Requirements	Disclosure
		remuneration can not be effectively compared to the annual increment in the salaries of employees. The remuneration of Managing Director & CFO is commensurate with the market condition and the experience and expertise of incumbent.
6	Remuneration as per Policy	The Remuneration paid to Directors/ senior management personnel was as per the Remuneration policy of the Company.

Details of remuneration of Employee pursuant to Rule 5 of the Companies (appointment and Remuneration of Managerial Personnel) Rules 2014

Sr.	Employee Name	Designation	Educational Qualification	Age	Experience in years	Date of joining	Gross Remuneration	Previous employment
1	M.S. Sawant	Managing Director & CFO	B.Com; CA, ICWA, LLB	60	33	22.09.1986	109.41 lakhs	A.F.Ferguson & Co, Chartered Accountants
2	Suhas Joshi	Company Secretary	B. Com; LLB, ACS	53	11	10.01.2008	27.99 lakhs	Consultancy Services by forming own company
3	Capt. Suresh Verlekar	Vice President - Commercial	B.Sc;Master Mariner, MICCS, EMBA	51	12	01.02.2007	33.07 lakhs	Petronet LNG Limited

26. CEO / CFO Certification

The CEO/CFO has issued a certificate pursuant to the provisions of the Listing Regulations 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.

27. Corporate Social Responsibility.

As the Company does not fulfill criteria laid down in Section 135 of the Companies Act, 2013 the provisions of Corporate Social Responsibility are not applicable to the Company.

28. Extract of Annual Return

In accordance with Section 134 (3) (a) of the Companies Act 2013, an extract of annual return in form is available on the Company's website www.chowgulesteamships.in in the 'Investor Information' section.

29. 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 16, 2019

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, 2019.

Place : Mumbai,
Date : May 16, 2019

MANGESH SAWANT
Managing Director & CFO

CORPORATE GOVERNANCE REPORT

COMPLIANCE OF REGULATIONS 17 TO 27 OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS 2015

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 Statutory Audit. CSL continues to follow procedures and practices in conformity with the Principles of Corporate Governance as enunciated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. 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) None of the Directors on the Board hold Directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2019 have been made by the Directors. None of the Directors are related to each other except Mr. Vijay Chowgule and Prof. Rohini Chowgule, who are brother and sister.

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

In all, four Board Meetings were held during the financial year 2018-2019 on 09.05.2018, 20.07.2018, 25.10.2018 and 17.01.2019. The attendance of the Directors at the Board Meetings held during 2018-19 and at the last Annual General Meeting is as under:

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

P: Present A: Absent



CHOWGULE STEAMSHIPS LIMITED

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

Name of the Director	**No. of other 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	1 - 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	6 - CM	2 – CC
Mr. Farokh J. Guzder	0 – 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.

** Excludes Directorships in private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act 2013.

For considering the limit of committee membership/chairmanship of a Director, membership / chairmanship of only audit and Stakeholder relationship Committees have been considered.

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Dhananjay N. Mungale, as its Chairman and Mr. Vijay V. Chowgule, Mr. Sanjiv N. Shah, Mr. Farokh Guzder and Mr. Ravindra Kulkarni as members. During the year, Mr. Kulkarni was appointed as a member of Audit Committee. Mr. Dhananjay N. Mungale and Mr. Sanjiv N. Shah have the requisite financial and accounting background. During the financial year, the members of Audit Committee met on four occasions and the attendance details of the Committee members are as under:

NAME	NO. OF MEETINGS ATTENDED
Mr. Dhananjay N. Mungale	4
Mr. Sanjiv N. Shah	2
Mr. Vijay V. Chowgule	4
Mr. Farokh Guzder	3
Mr. Ravindra Kulkarni	1

Mr. Mangesh Sawant, Managing Director & CFO attended all the meetings of the Audit Committee as invitee. The representatives of Statutory Auditors attended all the four meetings. At all the Audit Committee meetings a detailed report of the Internal Auditors was presented to the Chairman of the Committee. The Company Secretary of the Company assumes the role of Secretary to the Audit Committee.

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

Terms of Reference – Audit Committee

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 statement to be included in the board's report in terms

- of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. 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. Review of utilization of loans and/or advances from/investment by the Holding Company in the subsidiary Company exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
 11. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 12. Evaluation of internal financial controls and risk management systems;
 13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 14. 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;
 15. Discussion with internal auditors of any significant findings and follow up there on;
 16. 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;
 17. 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;
 18. 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;
 19. To review the functioning of the whistle blower mechanism;
 20. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 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).



B. NOMINATION AND 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 Mungale as its Chairman and Mr. Vijay V. Chowgule, Mr. Ravindra Kulkarni and Mr. Farokh Guzder as its members. The committee met once on 29th March 2019 during the year 2018-19.

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/Independent Directors/Key managerial Personnel in the Company.
- c. Support the Board of Directors for formulating policies for evaluation of performance of Directors.
- d. Recommend to the board all remuneration, in whatever form, payable to the Executive Directors, Non Executive Directors and Senior Managerial Personnel.
- e. Devising a policy on diversity of board of Directors to ensure a larger, varied talent pool is available for deliberations.
- f. Quorum – The quorum for a meeting of the Nomination and Remuneration Committee shall be at least 1/3rd of total members or two members of which at least one should be an Independent Director member, whichever is higher.
- g. Meetings- At least one meeting of the Nomination and Remuneration Committee should be held in a year.

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 Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014
 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.
 - v. The Committee shall ensure that succession planning is considered for all positions at Senior Management level. The Senior Management Personnel shall include employees who are one level below the Chief Executive Officer/ Managing Director/ Manager, Whole-time Director and shall include Company Secretary and Chief Financial Officer,
- 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 member etc.
 - iv. In case of Directors and independent Directors, Independence of judgment, independent from the Management.
- f. Criteria for Evaluation of Directors

The Committee shall devise the criteria for evaluation of Directors, board and committees thereof. While evaluating performance of the Directors /or selecting candidate for appointment/re-appointment as a Director/Independent Director the Committee considers the following factors/traits:

Qualification, Experience, expertise, knowledge and competency, ability to function as a team, Availability and attendance, Initiative, Commitment, Contribution and integrity. Further, while evaluating the Independent Directors, it also considers additionally the traits of Independence of judgment and Independent from the Management.

3. 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 shall not exceed the fees prescribed under Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

b. Managing/Executive Directors

The remuneration payable to Executive Directors is determined by the Board of Directors on the basis of recommendations received from Nomination & Remuneration 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, 2018 to March 31, 2019 are as under:

Name	- Mangesh Sawant
Designation	- Managing Director & CFO
All elements of remuneration package	- ₹ 109.41 Lacs
Inclusive of Salary and benefits such as Provident Fund Gratuity, Pension, superannuation etc.	
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 spouse)

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	1,40,000	15,34,466
Mr. Dhananjay N. Mungale	1,30,000	-
Mr. Jaywant Y. Chowgule	40,000	64,750



Non-Executive Directors	Sitting Fees paid during the financial year	No. of Shares held in the Company
Mr. Sanjiv N. Shah	80,000	–
Mr. Nathan R. Chowgule	60,000	–
Prof. Rohini V. Chowgule	80,000	665,266
Mr. Ravindra Kulkarni	90,000	–
Mr. Farokh J. Guzder	1,00,000	–
Admiral Arun Prakash (Retd)	70,000	–
	7,90,000	

There were no other pecuniary relationships or transactions with any of the Non-executive Directors of the Company.

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

In terms of provisions of listing regulations the Company already has 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 1st April 2018 and 31st March, 2019, the Company received 24 complaints / queries from shareholders. As at March 31, 2019, all the complaints / queries were resolved. There were no shares pending for transfer from the shareholders as at March 31, 2019. During the year, the Committee met on two occasions on 9th May, 2018 and 13th July 2018 to transact the business.

Terms of Reference of Stakeholders Relationship Committee/Shareholders' / Investors' Grievances Committee

1. Resolving the grievances of security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely payment.
5. To monitor the redressal of shareholders' grievances and to look into various aspects of interests of shareholders, debenture holders and other security holders.
6. To consider and approve issue of share certificates on requests for duplicate certificates, consolidation of folios etc.
7. To do all such acts, deeds, matters and things as may be necessary or expedient for performing any of the above acts.
8. At least one meeting of the Committee should be held in a year.

B. RISK MANAGEMENT COMMITTEE

Though not mandatory as per the Listing Regulations, the Board of Directors has formed a Risk Management Committee comprising of three Non-Executive Directors with the Chairman being an Independent Director. 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.
2. Shall ensure that the Company is taking appropriate measures to ensure the 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.
7. Shall ensure that adequate fire wall / antivirus shields in place to protect it from cyber attacks

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 from time to time as it may deem necessary to review the position.

4. BOARD EVALUATION PROCESS

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board is required to ensure that adequate framework for performance evaluation is in place for monitoring and reviewing the performance of the board, its members and committees. In accordance with the Corporate Governance Guidelines, Annual Performance Evaluation is conducted for entire Board as such, its Members as well its committees. The Nomination and Remuneration committee is tasked to lay down evaluation criteria for the performance of executive/non executive and independent Directors through a peer evaluation, excluding the Director being evaluated through a Board effectiveness survey. The questionnaire of the survey forms an integral part of reviewing the functioning and effectiveness of the Board, its members and committees. Each Board member is required to evaluate the effectiveness of the Board and its committees on various parameters and feedback on each Director is part of the survey.

The result of the survey questionnaire circulated for evaluation of the board members and committees for the financial year 2018-19 was discussed by the Board at their meeting held on 16th May 2019.

5. 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

6. 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 Regulations with the Stock Exchange. There have been no materially significant related party transactions entered into by the Company with the promoters, Directors and Key Managerial Personnel, which may have potential conflict with the interest of the Company at large.

In accordance with the requirements of Listing Regulations, 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. viz. <http://www.chowgulesteamships.co.in>.

7. DIRECTORS

Prof. Rohini Chowgule retires by rotation at the ensuing Annual General Meeting and being eligible will be re-appointed.

Mr. Nathan Chowgule who also retires by rotation has expressed desire not to seek re-appointment. The Board of Directors has, at its Meeting held on May 16, 2019, decided not to fill up the vacancy caused by retirement of Mr. Nathan Chowgule.

In terms of the provisions of Section 149 of the Companies Act, 2013 (the Act), the shareholders at the 51st Annual General Meeting of the Company held on July 9, 2014, appointed all the five independent Directors of the Company as Independent Directors pursuant to Section 149 of the Act for a period of five years. Accordingly, the Independent Directors would cease to hold office upon expiry of five years. The said Section further provides that the Independent Directors could be re-appointed for another term of five years by obtaining approval of shareholders by way of Special Resolution. Mr. Dhananjay Mungale and Admiral Arun Prakash, Independent Directors, have expressed their intention not to seek re-appointment. Accordingly, they will cease to be Directors upon expiry of their present term.

The Board of Directors, at its meeting held on 16th May, 2019, have accorded their approval for appointment of Mr. Sanjiv Shah, Mr. Ravindra Kulkarni and Mr. Farokh Guzder as Independent Directors for another term subject to approval of shareholders by way of special resolution at the ensuing Annual General meeting. The Company has received the necessary declaration from the Independent Directors under Section 149(7) of the Companies Act 2013 and they have met the criteria of Independence as laid



CHOWGULE STEAMSHIPS LIMITED

down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management.

Mr. Mangesh Sawant as Managing Director & CFO has expressed desire to relinquish office as Managing Director & CFO and Director of the Company w.e.f July 31, 2019. Mr. Sawant has been with the Company for about 33 years and has performed varied duties at senior level in the Management.

A brief resume of Directors who are being appointed/re-appointed at the Annual General Meeting together with matrix of competency is given in the Statement pursuant to Section 102 of the Companies Act 2013 annexed to the Notice of the Annual General Meeting.

Details of Directorships held by Directors in listed entities with category of Directorship is as under:

Sr	Name of Director	Names of listed companies where Director is a Director and Category of Directorship
1	Mr. Vijay V. Chowgule	Chowgule Steamships Ltd – Non Executive –Non Independent Director
2	Mr. Dhananjay N. Mungale	1. Chowgule Steamships Limited – Independent Director 2. Tamilnadu Petroproducts Ltd- Non Executive Director 3. Mahindra CIE Automotive Ltd- Non Executive Director 4. NOCIL Ltd- Non Executive Director 5. Mahindra & Mahindra Financial Services Limited- Non Executive Director
3	Mr. Jaywant Chowgule	1. Chowgule Steamships Limited – Non Executive –Non Independent Director
4	Mr. Sanjiv Shah	1. Chowgule Steamships Limited – Independent Director 2. Bharat Bijlee Limited – Non Executive Director
5	Mr. Nathan Chowgule	1. Chowgule Steamships Limited – Non Executive –Non Independent Director
6	Prof. Rohini Chowgule	1. Chowgule Steamships Limited – Non Executive –Non Independent Director
7	Mr. Ravindra Kulkarni	1. Chowgule Steamships Limited – Independent Director 2. Elantas Beck India Limited– Independent Director 3. Mahindra & Mahindra Ltd. – Independent Director 4. Tech Mahindra Limited – Independent Director 5. Entertainment Network India Ltd– Independent Director
8	Mr. Farokh Guzder	1. Chowgule Steamships Limited- Independent Director
9	Admiral Arun Prakash	1. Chowgule Steamships Limited- Independent Director
10	Mr. Mangesh Sawant	1. Chowgule Steamships Limited – Executive Director /Non Independent Director

8. SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's and its subsidiaries businesses, policies and values, major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- Behavioral skills - attributes and competencies to use their knowledge, expertise and skills to contribute effectively to the growth of the Company
- Business Strategy, Corporate Governance, Administration, Decision Making,
- Financial and Management skills
- Technical / Professional skills and specialized knowledge in relation to Company's business

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 20, 2018#	10.00 a.m.
Friday	July 21, 2017	11.00 a.m.
Friday	July 29, 2016	11.00 a.m.

(#) One resolution pertaining to appointment of Mr. Mangesh Sawant as Managing Director & CFO was passed by way of special resolution. No resolutions were passed last year through postal ballot.

10. 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.

11. COMPLIANCE

The Company has complied with the requirements of Regulations 17 to 27 and Regulation 46 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and other applicable provisions relating to the Corporate Governance. During the year 2018-19, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration. The Company has not adopted discretionary requirement as specified in Part E of Schedule II of the LODR. The Company has not appointed any new Directors during the year hence no Director's familiarization programme was held.

12. CEO / CFO CERTIFICATION

The CEO/CFO has issued a certificate pursuant to the provisions of the Listing Regulations 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. The provisions of corporate social responsibility are applicable to the Company however due to occurrence of net losses for preceding three years, contribution towards CSR activities during the year is Nil.

The declaration given by the Managing Director & CFO confirming affirmation to Code of Conduct by the Board of Directors and Senior Management is given separately as part of the Board of Directors' Report.

13. SECRETARIAL AUDIT REPORT

V.N. Deodhar, Practicing Company Secretaries, were appointed to conduct the secretarial audit of the Company for the financial year 2018-19 as required under Section 204 of the Companies Act 2013 and Rules made there under. The Secretarial Audit Report for Financial Year 2018-19 forms part of the Annual Report.

14. DISCLOSURES

There were no materially significant related party transactions save as disclosed above and/or 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. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company as it does not have any women employees. Hence, disclosures pertaining to this are not given.

15. GENERAL SHAREHOLDER INFORMATION

56th Annual General Meeting

Date & Time	: Friday, July 26, 2019 at 10.00 a.m.
Venue	: Chowgule House, Mormugao Harbour, Goa- 403803
Financial Year	: 2018-2019
Book Closure Date	: July 19, 2019 – July 26, 2019 (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) and the Annual Listing Fees have been paid for the year 2018-19.



CHOWGULE STEAMSHIPS LIMITED

MARKET CLOSING PRICE DATA DURING APRIL 2018 MARCH 2019 (BSE)

Month	High (₹)	Low (₹)
April	14.20	12.75
May	13.24	11.63
June	12.40	9.50
July	10.45	9.26
August	9.95	8.12
September	11.65	9.00
October	13.95	11.25
November	15.22	10.35
December	9.84	8.12
January	9.25	6.90
February	8.00	7.25
March	8.40	7.65

PERFORMANCE IN COMPARISON WITH SENSEX IS GIVEN BELOW:

DATE	CLOSING SENSEX	% MOVEMENT OF SENSEX MONTH TO MONTH	CSL CLOSING SHARE PRICE (₹)	% MOVEMENT OF SHARE PRICES MONTH TO MONTH
Apr-18	35,160.36	6.65	13.30	4.72
May-18	35,322.38	0.46	12.60	-5.26
Jun-18	35,423.48	0.29	10.00	-20.63
Jul-18	37,606.58	6.16	9.50	-5.00
Aug-18	38,645.07	2.76	8.80	-7.37
Sep-18	36,227.14	-6.26	11.65	32.39
Oct-18	34,442.05	-4.93	13.00	11.59
Nov-18	36,194.30	5.09	10.35	-20.38
Dec-18	36,068.33	-0.35	8.36	-19.23
Jan-19	36,256.69	0.52	7.51	-10.17
Feb-19	35,867.44	-1.07	7.63	1.60
Mar-19	38,672.91	7.82	8.03	5.24

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2019 IS GIVEN BELOW:

Number of shares held		Shareholders		Share Amount	
		Number	% to Total	In Rupees	% to Total
Upto 500		19506	90.5403	22680170	6.2465
501	1000	1,071	4.9712	8699760	2.3961
1001	2000	449	2.0841	6842820	1.8846
2001	3000	154	0.7148	3948310	1.0874
3001	4000	61	0.2831	2157800	0.5943
4001	5000	59	0.2739	2824440	0.7779
5001	10000	106	0.4920	7671150	2.1128
10001	And above	138	0.6406	308259800	84.9004
Total		21544	100.00	363084250	100.00

Category	No. of Shares	% Shareholding
Promoters/Person acting in concert	25928700	71.41
Banks, Financial Institution, Insurance Cos. etc	9314	0.03
Private Corporate Bodies /Trusts	718935	1.98
NRIs / OCBs	225313	0.62
Mutual Funds	10249	0.03
Indian Public	9415914	25.93
TOTAL	36308425	100

About 88.50% (9501 shareholders) of the equity shares have been dematerialized as at March 31, 2019. Balance 11.50% (12043 shareholders) shares are in physical form. The total public shareholding is around 28.59% with about 21502 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 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- 101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083.
Email : rnt.helpdesk@linkintime.co.in

For and on behalf of the Board

Place : Mumbai,
Date : May 16, 2019

Vijay V. Chowgule
Chairman
(DIN: 00018903)



INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 13th March, 2019
2. This report contains details of compliance of conditions of Corporate Governance by Chowgule Steamships Limited ('the Company') for the year ended 31 March 2019, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March 2019.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations for the year ended 31st March, 2019
9. We 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.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **C N K And Associates LLP**

Chartered Accountants

Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala

Partner

Membership No: 37391

UDIN : 19037391 AAAAAR3137

Mumbai

Date: 16th May, 2019

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

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

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

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

Based on our verification of the Chowgule Steamships Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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, 2019 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit period**),
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the Audit period**),
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit period**),
 - (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 (**Not applicable to the Company during the Audit period**);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit period**); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws as identified by the Company as applicable specifically to the Company.
 - (a) Merchant Shipping Act, 1958 and Rules, Notifications/Orders made there under,
 - (b) Applicable Laws and Regulations of the country wherever vessels call,
 - (c) Other applicable Notifications/Orders issued from time to time by the Indian Maritime Administration concerning the Business and Affairs of the Company.



CHOWGULE STEAMSHIPS LIMITED

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;

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.

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.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board as case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and its operations 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: 16th May, 2019

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this Report.

ANNEXURE A

To,
The members,
Chowgule Steamships Limited.

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of Laws, Rules & Regulations and happening of events, etc.
5. The Compliance of provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

V.N.DEODHAR

PROP.

FCS NO.1880

C.P. No. 898

Place: Mumbai

Date: 16th May, 2019

Secretarial compliance report of CHOWGULE STEAMSHIPS LIMITED for the year ended 31st March, 2019

We have examined:

- (a) all the documents and records made available to us and explanation provided by Chowgule Steamships Limited,
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2019 in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder,
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) No actions were taken against Chowgule Steamships Limited, the listed entity/ its promoters/ Directors/ material subsidiaries either by SEBI or by Stock Exchanges.

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

V.N.DEODHAR

PROP.

FCS NO.1880

C.P. No. 898

Place: Mumbai

Date: 16th May, 2019



CHOWGULE STEAMSHIPS LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Chowgule Steamships Limited
Chowgule House,
Marmugao Harbour
Goa – 403 803.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Chowgule Steamships Limited having CIN L63090GA1963PLC000002 and having registered office at Chowgule House, Marmugao Harbour, Goa – 403 803, (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(4) read with Schedule V Para C- sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identifications Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanation furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
01	MR. MANGESH SITARAM SAWANT	00007197	07/05/2015
02	MR. SANJIV NEMISH SHAH	00007211	25/01/2006
03	MR. DHANANJAY NARENDRA MUNGALE	00007563	26/08/2000
04	MR. VIJAY VISHWASRAO CHOWGULE	00018903	23/09/1991
05	MR. JAYWANT YESHWANTRAO CHOWGULE	00019008	22/10/2005
06	MS. ROHINI VISHWASRAO CHOWGULE	00019057	22/01/2009
07	MR. NATHAN RAMESH CHOWGULE	00029130	25/01/2006
08	MR. RAVINDRA KRISHNA KULKARNI	00059367	19/11/2011
09	MR. FAROKH JAMSHED GUZDER	00108856	06/07/2012
10	ADMIRAL ARUN PRAKASH	06414499	23/01/2014

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

V.N.DEODHAR
PROP.
FCS NO.1880
C.P. No. 898

Place: Mumbai
Date: 16th May, 2019

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) capital investment on energy conservation equipments	NIL
B Technology Absorption	Not Applicable
(i) the efforts made towards technology absorption;	
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) the expenditure incurred on Research and Development	
C Foreign Exchange Earnings & Outgo	
(i) Used (including loan repayments, interest, etc.)	₹ 1.89 lakhs
(ii) Earned	₹ Nil

For and on behalf of the Board

VIJAY V. CHOWGULE
Chairman

Date : May 16, 2018
Place : Mumbai,



ANNEXURE 2

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES AS ON 31ST MARCH, 2019

[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 (WOS) (100% subsidiary of CSL)		SEA BIRD LLC (100% subsidiary of WOS)		SEA KING LLC (100% subsidiary of WOS)		SEA LORD LLC (100% subsidiary of WOS)		SEA LINK LLC (100% subsidiary of WOS)	
	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	6,363.76	0.001	0.69	0.001	0.69	0.001	0.69	0.001	0.69
Reserve	(12.714)	(8,794.27)	(0.352)	(243.70)	2.708	1,873.47	3.622	2,505.40	2.673	1,849.01
Total Assets	3.023	2,091.04	10.863	7,514.43	12.898	8,921.40	15.988	11,058.83	13.361	9,241.72
Total Liabilities	6.537	4,521.54	11.215	7,757.43	10.188	7,047.24	12.365	8,552.73	10.687	7,392.02
Details of Investments	-	-	-	-	-	-	-	-	-	-
Total Income	-	-	3.355	2,321.03	3.030	2,096.17	3.371	2,331.46	3.146	2,175.84
Loss Before taxation	(102.745)	(71,807.48)	17.494	12,100.83	26.096	18,051.28	22.496	15,560.97	23.947	16,564.68
Provision For Tax	-	-	-	-	-	-	-	-	-	-
Profit after Taxation	(102.745)	(71,807.48)	17.494	12,100.83	26.096	18,051.28	22.496	15,560.97	23.947	16,564.68
Proposed Dividend	-	-	-	-	-	-	-	-	-	-

Notes:

- For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, USD 1 = 69.1713
- 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.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
(DIN : 00018903)
Chairman

D. N. MUNGALE
(DIN : 00007563)
Director

MANGESH SAWANT
(DIN : 00007197)
Managing Director & CFO

SUHAS JOSHI
Company Secretary

Place: Mumbai
Date : 16th May, 2019

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	Short term unsecured loan upto US\$ 4 million or indian currency equivalent thereof
c)	Duration of the contracts / Arrangements/transactions	Ongoing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	1. Unsecured loan 2. Payable on Demand 3. Interest at 9% p.a.
e)	Date(s) of approval by the Board, if any:	17-01-2019
f)	Amount paid as advances, if any:	Not Applicable

For and on behalf of the Board of Directors

Place: Mumbai
Date: 16th May, 2019

Vijay V. Chowgule
Chairman



INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
CHOWGULE STEAMSHIPS LIMITED**

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of **Chowgule Steamships Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr no	Key audit matter	Auditor's response
1	<p>Transactions with related parties:</p> <p>The Company in its course of operations has entered into several transactions with related parties. The identification of these related parties, transactions entered into with them and the determination of arm's length price involves significant judgement and estimates.</p> <p>(Refer Note no. 34 to the standalone financial statements.)</p>	<p>Principal audit procedures</p> <p>Our Audit approach included the following:</p> <ul style="list-style-type: none"> • Confirming the regulatory requirements for the identification of related parties and reporting of transactions with these related parties, • Evaluation and testing of the design of internal controls and the secretarial process followed for identification of related parties, transactions with them; • Evaluating management judgments regarding determination of arm's length price for transactions with related parties; • Review of relevant agreements / contracts evaluate the business rationale for the related party transaction and evaluating whether such evidence is consistent with management's explanations.

Sr no	Key audit matter	Auditor's response
2	<p>Impairment of financial assets</p> <p>The Company has significant investments in Equity and Preference shares of its Wholly owned subsidiary ("WOS") as well as receivables against loan and sale of assets. The management has tested the same for impairment and concluded that there is no provision necessary in respect of the above.</p> <p>(Refer Note no. 5, 6 & 14 to standalone financial statements)</p>	<p>Principal audit approach.</p> <p>Our audit approach included the following:</p> <ul style="list-style-type: none"> • Perusal of the Audited financial statements of the subsidiary companies and inquiry with the management regarding the possibility of impairment of the same; • Obtained an understanding of the valuation of the subsidiaries based on future cash flows of the subsidiaries; • Obtained an understanding of the nature of arrangements having regard to the remedies available to the Company in case of default;
3	<p>Evaluation of uncertain tax positions</p> <p>The Company has uncertain tax positions including matters under long litigations</p> <p>(Refer Note no. 26 to the standalone financial statements)</p>	<p>Principal audit approaches</p> <p>Our Audit approach included the following:</p> <ul style="list-style-type: none"> • Obtained the status of all the direct and indirect tax litigations including pending assessments and demands; • Analysed the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes

Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including its annexures and Corporate Governance and Shareholders information, but does not include the financial statements and our auditor's report thereon. The Directors' report including its annexures and Corporate Governance and Shareholders information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

Responsibilities of management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of



assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our audit work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the Key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosures about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 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 B"**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act;

- (h) 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 26 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W / W – 100036

Himanshu Kishnadwala

Partner

Membership No: 37391

Place: Mumbai

Date: 16th May, 2019



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under “Report on other Legal and Regulatory requirements” in the Independent Auditor’s Report of even date to the members of CHOWGULE STEAMSHIPS LIMITED (“the Company”) on the financial statements for the year ended 31st March, 2019)

- (i) In respect of the Company’s fixed assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets;
 - (b) Fixed assets were physically verified by the Management during the year and no material discrepancies were noticed during such verification;
 - (c) According to the information and explanations given to us and the record examined by us and based on the examination of the agreement for sale, and confirmations from the Banks 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) The inventory has been physically verified by the Management at reasonable intervals during the year and no material discrepancies have been noticed on such verification. The Company does not have inventory as at 31st March, 2019;
- (iii) During the year, the Company has granted a short-term unsecured loan to a party, covered in the register maintained under Section 189 of the Companies Act, 2013.
 - a. In our opinion, the rate of interest and other terms and conditions of the grant of such loans are not, prima facie, prejudicial to the Company’s interest;
 - b. The above loan is repayable on demand;
 - c. In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, in respect of the loans given by the Company during the year, the provisions of section 185 and 186 have been complied with. The Company has not made any investments or given any guarantees or provided any security during the year;
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified;
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2016, and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013;
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, income-tax, duty of customs, goods and service tax, cess, professional tax and any other material statutory dues, as applicable, with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March, 2019, for a period of more than six months from the date they become payable; Employee State insurance is not applicable to the Company;
- (b) According to the information and explanations given to us, the statutory dues not deposited on account of disputes pending before appropriate authorities are as under:

(Amounts in lakhs)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the matter is pending
The Tamil Nadu General Sales Tax Act, 1959	Sales Tax	*237.00	FY 1995-96	High Court of Madras

* ₹ 47.40 lakhs paid as deposit

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from Banks. The Company neither has borrowings from any Financial Institution, nor, Government as at the balance sheet date. The Company has not issued any debentures;
- (ix) According to the records of the Company examined by us and the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not raised any term loans during the year;

- (x) According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit;
- (xi) In our opinion and according to Information and explanations given to us, the managerial remuneration has been paid in accordance with 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 therefore the provisions of clause 3 (xii) of the Order are not applicable to the Company;
- (xiii) In our opinion and according to information and explanations given to us, the Company is in compliance with the provisions of 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) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore clause 3(xiv) is not applicable to the Company;
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company during the year, the Company has not entered into non cash transactions with Directors or persons connected with him. Accordingly, clause 3(xv) of the order is not applicable to the Company;
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W / W – 100036

Himanshu Kishnadwala

Partner

Membership No: 37391

Place: Mumbai

Date: 16th May, 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls 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, 2019 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 Board of Directors of the 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 internal financial controls with reference to financial statements of the Company 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.

Auditors’ 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”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 internal financial controls with reference to financial statements of the Company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements of the Company 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 judgment, 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 Company has, in all material respects, an internal financial controls with reference to financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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 **C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W / W – 100036

Himanshu Kishnadwala

Partner

Membership No: 37391

Place: Mumbai

Date: 16th May, 2019



CHOWGULE STEAMSHIPS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2019

	Note no.	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4	897.54	2,165.03
(b) Capital work-in-progress		—	—
(c) Investment property		—	—
(d) Goodwill		—	—
(e) Other intangible assets		—	—
(f) Intangible assets under development		—	—
(g) Biological assets other than bearer plants		—	—
(h) Financial assets			
i) Investments	5	9,549.59	9,549.59
ii) Trade receivables		—	—
iii) Loans		—	—
iv) Other financial assets	6	762.64	1.80
(i) Deferred tax assets (net)	7	338.84	241.45
(j) Other non-current assets	8	230.70	299.50
		<u>11,779.31</u>	<u>12,257.37</u>
2 Current assets			
(a) Inventories	9	—	8.64
(b) Financial assets			
i) Investments	10	138.75	126.15
ii) Trade receivables	11	—	—
iii) Cash and cash equivalents	12.1	38.10	32.37
iv) Bank balances other than (iii) above	12.2	—	6.67
v) Loans	13	1,383.43	830.00
vi) Other financial assets	14	177.00	285.84
(c) Current tax assets (net)		—	—
(d) Other current assets	15	19.37	27.87
Assets classified as held for sale	4	18.54	—
		<u>1,775.19</u>	<u>1,317.54</u>
		<u>13,554.50</u>	<u>13,574.91</u>
	TOTAL ASSETS		
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	3,630.84	3,630.84
(b) Other equity	17	7,860.93	8,092.09
		<u>11,491.77</u>	<u>11,722.93</u>
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
i) Borrowings		—	—
ii) Trade payables		—	—
Due to micro and small enterprises		—	—
Due to others		—	—
iii) Other financial liabilities	18	513.60	1,737.41
(b) Provisions	19	40.56	38.01
(c) Deferred tax liabilities (net)		—	—
(d) Other non-current liabilities	20	4.49	10.09
		<u>558.65</u>	<u>1,785.51</u>
2 Current liabilities			
(a) Financial liabilities			
i) Borrowings	21	1,420.00	—
ii) Trade payables		—	—
Due to micro and small enterprises		—	—
Due to others	22	1.20	8.04
iii) Other financial liabilities	23	11.87	13.01
(b) Other current liabilities	24	55.45	33.71
(c) Provisions	25	15.56	11.71
(d) Current tax liabilities (net)		—	—
Liability classified as held for sale/liability included in disposal of Group held for sale		—	—
		<u>1,504.08</u>	<u>66.47</u>
		<u>13,554.50</u>	<u>13,574.91</u>
	TOTAL EQUITY AND LIABILITIES		

See accompanying notes to the financial statements

In terms of our report attached
For **C N K & ASSOCIATES LLP**
Chartered Accountants
FRN: 101961W/W-100036

HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Place: Mumbai
Date: 16th May, 2019

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
(DIN : 00018903)
Chairman

D. N. MUNGALE
(DIN : 00007563)
Director

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
(DIN : 00007197)
Managing Director & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

		₹ in lakhs	
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
I. Income			
Revenue from operations	27	6.35	12.26
Other income	28	443.20	335.95
III. Total income (I + II)		449.55	348.21
IV. Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-trade		-	-
Changes in inventories of finished goods, Stock-in-trade and work-in-progress		-	-
Employee benefits expense	29	220.35	166.62
Finance costs	30	72.93	149.09
Depreciation and amortisation expense	31	131.21	161.69
Impairment of asset	4	-	262.05
Other expenses	32	311.73	258.26
Total expenses (IV)		736.22	997.71
V. Profit/(loss) before exceptional items and tax (III-IV)		(286.67)	(649.50)
VI. Exceptional items		-	-
VII. Profit/(loss) before tax (V-VI)		(286.67)	(649.50)
VIII. Tax expense:			
Current tax		-	-
Deferred tax	7	93.28	246.73
TOTAL		93.28	246.73
IX. Profit/(Loss) for the year from continuing operations (VII-III)		(193.39)	(402.77)
X. Profit/(Loss) from discontinued operations		-	-
XI. Tax expense of discontinued operations		-	-
XII. Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII. Profit/(Loss) for the year (IX+XII)		(193.39)	(402.77)
XIV. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plan		(41.88)	48.81
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.11	(5.28)
TOTAL	7	(37.77)	43.53
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
TOTAL		-	-
XV. Total comprehensive income for the year (XIII+XIV) (comprising loss and other comprehensive income for the year)		(231.16)	(359.24)
XVI. Earnings per equity share (for continuing operation):			
(i) Basic	36	(0.53)	(1.11)
(ii) Diluted	36	(0.53)	(1.11)
XVII. Earnings per equity share (for discontinued operation):			
(i) Basic		-	-
(ii) Diluted		-	-
XVIII. Earnings per equity share (for discontinued & continuing operation):			
(i) Basic	36	(0.53)	(1.11)
(ii) Diluted	36	(0.53)	(1.11)
See accompanying notes to the financial statements			

In terms of our report attached

For **C N K & ASSOCIATES LLP**

Chartered Accountants
FRN: 101961W/W-100036

HIMANSHU KISHNADWALA

Partner
Membership No. 37391

Place: Mumbai

Date: 16th May, 2019

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE

(DIN : 00018903)
Chairman

D. N. MUNGALE

(DIN : 00007563)
Director

SUHAS JOSHI

Company Secretary

MANGESH SAWANT

(DIN : 00007197)
Managing Director & CFO



CHOWGULE STEAMSHIPS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

A. Equity share capital

	₹ in lakhs
	As at
	<u>31st March, 2019</u>
Balance as at 31st March, 2018	3,630.84
Changes in equity share capital during the period	—
Balance as at 31st March, 2019	<u><u>3,630.84</u></u>

B Other equity

	Reserve and surplus					
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings	Total equity
As at 31st March, 2018	11.96	30.00	2,922.01	4,117.52	1,010.60	8,092.09
Profit /(loss) for the year 2018-19	—	—	—	—	(193.39)	(193.39)
Other comprehensive income	—	—	—	—	(37.77)	(37.77)
Total comprehensive income for the year	—	—	—	—	(231.16)	(231.16)
As at 31st March, 2019	<u>11.96</u>	<u>30.00</u>	<u>2,922.01</u>	<u>4,117.52</u>	<u>779.44</u>	<u>7,860.93</u>

See accompanying notes to the financial statements

In terms of our report attached

For **C N K & ASSOCIATES LLP**
Chartered Accountants
FRN: 101961W/W-100036

HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Place: Mumbai
Date: 16th May, 2019

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
(DIN : 00018903)
Chairman

D. N. MUNGALE
(DIN : 00007563)
Director

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
(DIN : 00007197)
Managing Director & CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
	₹ in lakhs	₹ in lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(193.39)	(402.77)
Adjustments for:		
Depreciation	131.21	161.69
Impairment	—	262.05
Income tax expenses	(93.28)	(246.73)
Provision for employee benefits	21.92	(20.47)
Sundry balance written off / (back)	9.68	(3.26)
Foreign exchange translation differences	(1.81)	(0.52)
Interest income	(218.93)	(89.26)
Dividend income	(0.02)	(0.03)
Rent income	(215.37)	(224.58)
Balances written off	—	0.11
Gain arising on financial assets designated as at FVTPL	(8.60)	(16.23)
Fixed assets written off	—	1.64
Loss on sale of fixed asset	53.96	—
Finance cost	72.93	149.09
Operating loss before working capital changes	(441.70)	(429.27)
Changes in Working Capital		
Adjustments for:		
Decrease / (Increase) in other current assets	8.51	(2.37)
Decrease / (Increase) in other non current assets	90.72	(8.40)
(Decrease)/ Increase in other current liabilities	(9.80)	0.92
Movement in restricted Bank balances	6.67	9.36
Decrease / (Increase) in inventories	8.64	1.44
(Decrease)/ Increase in trade payables	(13.18)	(3.61)
Cash generated from operations	(350.14)	(431.93)
Less: net income tax refund	34.12	31.20
Net cash flow used in operating activities	(A) (316.02)	(400.73)
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(0.26)	(0.59)
Proceeds from disposal of property, plant & equipment	99.85	—
Rental income from operating lease	194.57	202.72
Sale of current investments	90.00	150.00
Purchase of current investments	(94.00)	—
Dividend received	0.02	0.03
Net cash flow from investing activities	(B) 290.18	352.16
C CASH FLOW FROM FINANCING ACTIVITIES		
Loan from related party	1,420.00	—
Loan return given to subsidiary Company	(1,383.43)	—
Unclaimed dividend paid	(6.67)	(9.36)
Net cash flow used in financing activities	(C) 29.90	(9.36)
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C) 4.06	(57.93)
Cash and cash equivalents - opening balance	32.37	89.79
Cash and cash equivalents - closing balance	38.10	32.37
Effect of exchange rate changes on cash and cash equivalents		
Cash on hand and balances with Banks	36.42	31.86
Effect of exchange rate changes on the balance held in foreign currency	1.68	0.51
Cash & cash equivalents as restated (Refer to note no 12.1)	38.10	32.37

Notes :

- The statement of cash flow is prepared in accordance with the format prescribed as per Ind-AS 7
 - In Part-A of the cash flow statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
- See accompanying notes to the financial statements

In terms of our report attached
For **C N K & ASSOCIATES LLP**
Chartered Accountants
FRN: 101961W/W-100036

HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Place: Mumbai

Date: 16th May, 2019

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
(DIN : 00018903)
Chairman

D. N. MUNGALE
(DIN : 00007563)
Director

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
(DIN : 00007197)
Managing Director & CFO



NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

Chowgule Steamships Limited (CSL) ("the Company") is a limited Company incorporated and domiciled in India, whose shares are publically traded on Bombay Stock Exchange. CSL is a shipping Company which presently owns and operates a fleet of 4 vessels (including that of its wholly owned subsidiaries) for seaborne transportation of bulk cargo. 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.

The Company's registered office address is at Chowgule House, Mormugao Harbour, Goa – 403 803 and the principal place of business is 4th Floor, Bakhtawar, Nariman Point, Mumbai 400 021.

2. Significant accounting policies :

2.1 Statement of compliance:

A. Basis of preparation and Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (herein after referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended; and the other relevant provisions of the Act.

The Company's presentation and functional currency is Indian rupees. All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in lakhs.

B. Authorisation of Financial Statements:

The Financial statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 16th May, 2019.

C. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans where plan assets measured at fair value.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the year. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to property, plant and equipment, impairment of assets, current asset provisions, deferred tax, retirement benefits and provisions. The detailed accounting policies, including underlying judgments and methods of estimations for each of these items are discussed below.

2.3 Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of activities of the Company and the time between the acquisition of assets for processing and their realization 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.

2.4 Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment (PPE) are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Depreciation:

Depreciation is recognized to write off the cost of assets (other than freehold land) less their residual values over their useful lives. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives, residual values and depreciation method are determined and reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis. When significant parts of PPE are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives.



NOTES TO THE FINANCIAL STATEMENTS

Depreciation on PPE is provided as per the useful life prescribed in Schedule II of the Companies Act, 2013 except in case of the following category of PPE in whose case the life of the items of PPE has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support etc.

Depreciation on Property, plant and equipment has been provided on the basis as indicated below.

<u>Assets</u>	<u>Basis</u>
Vessel	Straight line method
Other assets	Written down value method

Estimated useful lives of the Property, plant and equipment are as follows:

Vessel	25 years
Buildings	60 years
Furniture & fixtures	10 years
Office equipment	3-6 years
Vehicles	8 years
Computers	3 years

Advances paid towards acquisition of property, plant and equipment outstanding at the year-end are classified as capital advances under other non-current assets.

2.5 Investment in subsidiaries

Investment in subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.7 Leasing:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals Income from operating leases is generally recognised in the statement of profit and loss on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2.8 Impairment of non financial assets :

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that the carrying amounts of those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of asset (or cash-generating unit) is estimated to be less than carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

2.9 Foreign currency transactions and translation:

The financial statements of the Company are presented in INR, which is the functional currency of the Company.

In preparing the financial statements of the Company, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period. Exchange differences arising on retranslation on non-monetary items carried at fair value are included in statement of profit and loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.

2.10 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

2.11 Employee benefits:

2.11.1 Short term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company. These benefits include compensated absences such as paid annual leave.

2.11.2 Retirement benefit costs

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

2.11.2.1 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 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.

2.11.2.2 Defined-benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment cost. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.



NOTES TO THE FINANCIAL STATEMENTS

2.11.3 Other long-term 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.

2.12 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company, or the counterparty.

2.13 Taxation:

Income Tax expense represents the sum of tax currently payable and deferred tax.

2.13.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.13.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward losses and allowances can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.14 Cash and cash equivalents:

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS

2.15 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on Contingent Liability is disclosed in the notes to the financial statements.

Contingent assets are not recognized but disclosed when the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

2.16 Revenue recognition:

The Company earns revenues from contracts with customers for below streams of revenue (also refer Note no. 27)

Charter hire earnings, demurrage & freight earnings.

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted as the effect on adoption of Ind AS 115 is insignificant.

Significant judgements or changes in the judgements in applying Ind AS 115 - Revenue from contracts with customers:

The Company has not made any significant changes in the judgements in applying this Standard as compared to Ind AS 18 on Revenue from Operations.

2.16.1 Determining the timing of satisfaction of performance obligations:

The Company recognises revenue when the entity satisfies the performance obligation by transferring promised goods or services to a customer. An asset is transferred when the customer obtains control of that asset. The typical timing of payment coincides with the issue of invoice for satisfaction of performance obligations or are within the normal credit period extended by the Company. The contract assets as at the year end pertain to the balance receivables in case of revenues of the Company.

Nature of income	Timing for satisfaction of performance obligation
Time Charter Hire	Time Charter Hire earnings represent the value of charter hire earnings, demurrage, freight earnings and are accounted on accrual basis. Freight earnings are recognised on a pro-rata basis for voyages in progress at balance sheet date after loading of the cargo is completed. Revenues and related expenses for voyages where cargo has not been loaded as on the balance sheet date are deferred and recognised in the following year.

Revenue is net of trade discounts and exclude goods and service taxes or duties collected on behalf of the government.

Determining the transaction price and the amounts allocated to performance obligations

The transaction price is normally fixed as per the terms of contract and there are no significant judgements involved in allocating the same to the performance obligations as the prices are standalone for separate performance obligations.



NOTES TO THE FINANCIAL STATEMENTS

As a practical expedient, the Company has not disclosed the information for a transaction price allocated to performance obligation which are unsatisfied as of the end of the reporting period for performance obligation which is part of a contract that has an original expected duration of one year or less.

Trade receivables and contract balances:

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as Customer advances.

2.16.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably)

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.16.3 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2.7 above

2.16.4 Other income

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

2.16.5 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.17 Operating expenses

All expenses relating to the operation of the vessel including crewing, insurance, stores, bunkers, charter hire and special survey costs are expensed under operating expenses on accrual basis. Dry-docking expenses are amortised over 30 months.

2.18 Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liability, as appropriate, on initial recognition. The transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.19 Financial assets:

All regular way purchase or sale of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sale of financial assets, which require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at their amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

2.19.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.19.2 Financial assets at fair value through other comprehensive income

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.19.3 Financial assets at fair value through profit or loss

Financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

2.19.4 Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

2.19.5 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

2.20 Financial liabilities and equity instruments:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, issued debts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expires.



NOTES TO THE FINANCIAL STATEMENTS

2.21 Earnings per equity share:

Basic earnings per equity share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the profit after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to dilutive potential equity shares attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.22 Segment reporting

Operating segments are defined as components of an enterprise for which available discrete financial information is evaluated based on the a single operating segment 'Shipping', regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

2.23 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.

3. Recent accounting pronouncements

Ind AS 116: Leases

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The Company is in process of evaluating the impact of the same.



NOTES TO THE FINANCIAL STATEMENTS

- 4) During the year, the Company has sold its sole vessel Chowgule-7 having a WDV of ₹ 1,140.86 lakhs as on the date of sale, for a total consideration of ₹ 1,087 lakhs. Out of the above, an amount of ₹ 61.68 lakhs has been received from the buyer upto 31st March, 2019 and the remaining amount is receivable in 45 installments upto 2024. Interest on the above is receivable at 12% p.a. in 65 installments. The amount receivable within 1 year is ₹ 165.91 lakhs, within 1-5 years is ₹ 657.92 lakhs. and beyond 5 years is ₹ 102.92 lakhs. (Refer note 6 & 14)
- 5) Office Premises are on land which is on a long term lease from Government
- 6) Office premises includes an amount of ₹ 466.06 lakhs given on lease. Depreciation for the same is ₹ 52.27 lakhs (2018 - ₹ 58.87 lakhs) Future minimum rent receipts are as under:

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	209.76	209.76
Later than one year and not later than five years	209.76	-
TOTAL	419.52	209.76

5 Investments

	No. of Shares	As at 31st March, 2019	As at 31st March, 2018
Investments in Subsidiary at cost (unquoted)			
a) Equity			
Chowgule Steamships Overseas Ltd. (100% Wholly Owned Subsidiary) (Equity Shares of USD 1 each fully paid)	92,00,000	4,191.79	4,191.79
b) Convertible redeemable preference shares (CRPS)			
Chowgule Steamships Overseas Limited- (CRPS of USD 1 each fully paid)	95,00,000	5,357.80	5,357.80
TOTAL		9,549.59	9,549.59
Aggregate value of unquoted investments		9,549.59	9,549.59

6 Other financial assets

Security deposits (Unsecured, considered good unless otherwise stated)	1.80	1.80
Receivable on sale of Property plant & equipment (Refer to note no 4 & 14)	760.84	-
TOTAL	762.64	1.80

NOTES TO THE FINANCIAL STATEMENTS

7 Deferred tax assets (net)

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets (refer foot note below)	582.85	728.56
Deferred tax liabilities	(244.01)	(487.11)
TOTAL	338.84	241.45

Foot note :

Components of net deferred tax assets / (liabilities) as at the end of the year is as follows

2018-19

₹ in lakhs

Deferred tax assets /(liabilities) in relation to:	Opening balance	On transactions recognised in statement of profit and loss	On transactions recognised in other comprehensive income	Closing balance
Allowance for doubtful debts	11.60	–	–	11.60
Defined benefit obligations	13.84	1.78	4.11	19.73
Unused tax losses	629.05	(129.32)	–	499.73
Unused MAT credit	74.07	(22.28)	–	51.79
Security deposits	(0.02)	(0.07)	–	(0.09)
Property, plant and equipment	(437.91)	267.18	–	(170.73)
Trade payable for property, plant and equipment	(42.21)	(26.67)	–	(68.88)
Investments	(6.97)	2.66	–	(4.31)
TOTAL	241.45	93.28	4.11	338.84

2017-18

Deferred tax assets /(liabilities) in relation to:	Opening balance	On transactions recognised in statement of profit and loss	On transactions recognised in other comprehensive income	Closing balance
Allowance for doubtful debts	11.48	0.12	–	11.60
Defined benefit obligations	24.26	(5.14)	(5.28)	13.84
Unused tax losses	534.53	94.52	–	629.05
Unused MAT credit	74.07	–	–	74.07
Security deposit	(0.31)	0.29	–	(0.02)
Property, plant and equipment	(555.13)	117.22	–	(437.91)
Trade payable for property, plant and equipment	(80.45)	38.24	–	(42.21)
Investments	(8.45)	1.48	–	(6.97)
TOTAL	–	246.73	(5.28)	241.45

Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Loss before tax	(328.54)	(600.69)
Enacted Tax rates in India	27.82%	27.82%
Computed expected Tax expense	(91.40)	(167.11)
Effect of Income that is exempt from taxation	(0.01)	(0.01)
Effect of expenses that are not deductible in determining taxable profit	0.02	0.04
Effect of previously unrecognized deferred tax assets	(4.11)	(74.37)
Others	(1.89)	–
Income tax expense recognised in Statement of Profit and Loss	(97.39)	(241.45)



NOTES TO THE FINANCIAL STATEMENTS

8 Other non current assets

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good unless otherwise stated		
Advance payment of taxes (Refer note no 26)	179.79	185.07
Disputed sales tax deposit (Refer note no 26)	47.40	47.40
Security deposits	3.51	3.51
Reversal of Employee Benefit Provision (Refer note no 33)	–	30.98
Capital advance for purchase of property, plant and equipment	–	32.54
TOTAL	230.70	299.50

Note : During the year out of Capital work in progress of ₹ 32.54 lakhs ₹ 22.86 lakhs has been capitalised and balance ₹ 9.68 lakhs was written off.

9 Inventories

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Lower of cost and net realisable value (Refer foot notes 1 to 3)		
Lube oil	–	0.80
Fuel oil	–	7.84
TOTAL	–	8.64

Foot notes:

- 1 On sale of coastal vessel "Chowgule 7" during the year entire inventory was sold and resultant income recognised in statement of Profit & Loss was ₹ 3.99 lakhs (2018 Expense : ₹ 3.44 lakhs)
- 2 Inventory is expected to be utilised within 12 months
- 3 The mode of valuation of inventories has been stated in significant accounting policies note 2.6

10 Investments

	₹ in lakhs			
	No. of shares / units	As at 31st March, 2019	No. of shares / units	As at 31st March, 2018
Investments in equity instruments carried at fair value through profit or loss(FVTPL)				
Equity shares (quoted) of ₹ 10 each fully paid up :				
Mahindra Lifespace Developers Limited	16	0.06	16	0.07
ICICI Bank Limited	825	3.29	825	2.30
Global Offshore Services Limited	50	0.01	50	0.01
Essar Shipping Limited	233	0.02	233	0.05
GOL Offshore Limited #	30	–	30	–
The Great Eastern Shipping Company Limited	121	0.34	121	0.40
Shreyas Shipping and Logistics Limited	100	0.20	100	0.51
The Shipping Corporation of India Limited	75	0.03	75	0.05

NOTES TO THE FINANCIAL STATEMENTS

	₹ in lakhs			
	No. of shares / units	As at 31st March, 2019	No. of shares / units	As at 31st March, 2018
Equity shares (unquoted) of ₹ 10 each fully paid up :				
Hazira Cargo Terminal Limited #	69	-	69	-
Salaya Bulk Terminal Limited #	23	-	23	-
Vadinar Oil Terminal Limited #	349	-	349	-
Investment in Mutual Funds (unquoted) carried at fair value through profit or loss (FVTPL)				
Franklin India Low Duration Fund - Growth	1,64,518	35.77	6,02,035	120.26
Franklin India Ultra Short Bond Fund -Super Institutional Plan Growth	3,66,758	96.34	-	-
Invesco India Money Market Fund - Institutional Growth # Value less than ₹ 500	126	2.69	126	2.50
TOTAL		<u>138.75</u>		<u>126.15</u>
Aggregate book value of quoted investments		3.95		3.39
Aggregate market value of quoted investments		3.95		3.39
Aggregate carrying value of unquoted investments		134.80		122.76

11 Trade receivables

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured (Refer foot note below)	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	41.67	41.67
Less : Loss allowance	(41.67)	(41.67)
TOTAL	<u>-</u>	<u>-</u>

Foot notes :

11.1 Credit policy & ageing

Before accepting any new customer, the Company assesses potential customers credit quality and defines credit limits for the customer. The Company receives time charter receipts periodically in advance. No interest is charged on trade receivables. All the receivables are from one customer.

11.2 Ageing of receivables

	2018-19	2017-18
Within the credit period		
1-30 days past due	-	-
more than 180 days past due	41.67	41.67



NOTES TO THE FINANCIAL STATEMENTS

12 Cash and Bank balances

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
12.1 Cash and cash equivalents		
a) Balance with Banks in current accounts	13.77	9.72
b) Balance with Banks in foreign currency accounts	24.33	22.65
Total Cash & cash equivalents	38.10	32.37
12.2 Other Bank balances		
Earmarked balances for unpaid dividend with Bank	-	6.67
12.3 Cash on hand	-	-
TOTAL	38.10	39.04

13 Loans

Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured (Refer foot note below)	-	-
Loan to related party (Refer to note 14)	-	830.00
Loan to Wholly Owned Subsidiary (Refer to note 14 and 39)	1,383.43	-
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Less : Expected credit loss on above (Refer foot note below)	-	-
TOTAL	1,383.43	830.00

Foot note :

- The balance amount due from related party of ₹ 830 lakhs and accrued interest of ₹ 285.84 lakhs was adjusted with the payables to another related party for purchase of Property Plant and Equipment on account of its merger with the related party, (Refer note 14)
- The Company has given an unsecured loan to its wholly owned subsidiary of ₹ 1,383.43 lakhs @ 9% p.a. to facilitate its operations. The same is receivable on demand.

14 Other financial assets

Accrued interest (Refer to note 13)	11.09	285.84
Receivable on sale of property plant & equipment (Refer to note no 4 & 6)	165.91	-
TOTAL	177.00	285.84

15 Other current assets

Prepaid expenses	15.61	13.45
Goods & Service Tax	2.15	7.06
Deposit Receivable	-	5.52
Other Receivables	1.61	1.84
TOTAL	19.37	27.87

NOTES TO THE FINANCIAL STATEMENTS

16 Equity share capital

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Authorised		
(i) 50,000,000 Equity shares of ₹ 10/- each	5,000.00	5,000.00
(ii) 2,500,000 Redeemable preference shares of ₹ 10/- 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>

(I) 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.

(II) 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.

(III) Details of shares held by each shareholders holding more than 5 % shares:

Name of the equity shareholders	Number of shares	
	As at 31st March, 2019	As at 31st March, 2018
Chowgule and Company Private Limited	1,74,50,333	1,74,50,333
	48.06%	48.06%
Quail Investments Limited	22,60,843	22,60,843
	6.23%	6.23%

17 Other equity

Balances at the end of year		
(a) Capital reserve	11.96	11.96
(b) Capital redemption reserve	30.00	30.00
(c) Securities premium reserve	2,922.01	2,922.01
(d) General reserve	4,117.52	4,117.52
(e) Retained earnings		
Balance at beginning of year	1,010.60	1,369.84
Add : Profit /(loss) for the year	<u>(231.16)</u>	<u>(359.24)</u>
Balance at end of year	779.44	1,010.60
TOTAL	<u>7,860.93</u>	<u>8,092.09</u>



NOTES TO THE FINANCIAL STATEMENTS

Foot notes:

Nature of reserves

Capital reserve:

Capital reserve includes profit on forfeiture of shares.

Capital redemption reserve:

Capital redemption reserve is created out of profits on redemption of preference share capital.

Securities premium reserve:

Amount received on issue of shares in excess of the par value has been classified as securities premium.

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Retained earnings:

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

18 Other financial liabilities

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
Security deposit	94.64	89.12
Payable on purchase of property, plant and equipment (Refer to note no 14)	418.96	1,648.29
TOTAL	513.60	1,737.41

19 Provisions

Provision for employee benefits	40.56	38.01
TOTAL	40.56	38.01

20 Other non current liabilities

Advance rent received	4.49	10.09
TOTAL	4.49	10.09

21 Borrowings

Loan from Related Party (Refer to note 34)	1,420.00	-
TOTAL	1,420.00	-

The Company has taken unsecured loan from Related party of ₹ 1,420 lakhs (2018- NIL) @9% p.a. repayable on demand to facilitate operations.

NOTES TO THE FINANCIAL STATEMENTS

22 Trade payables

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues of micro enterprises & small enterprises (Refer foot notes below)	–	1.06
Total outstanding dues of other than micro enterprises & small enterprises: Shipping cost payable	1.20	6.98
TOTAL	1.20	8.04

Foot notes:

The average credit period on purchases of goods and services are within 60 days. No interest is charged by the vendors.

Details relating to Micro, Small and Medium enterprises

a) Amount remaining unpaid to any supplier at the end of the year:		
– Principal	–	1.06
– Interest	–	–
b) The amount of interest paid by the buyer as per Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year	–	–
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	–	–
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
e) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	–	–

Note:

(The above information is given on the basis of intimation received by the Company.)

TOTAL	–	1.06
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The Company has not received any intimation from its vendors regarding the status under the Micro, Small and Medium Enterprise Development Act, 2006. Except as stated above. The above information is based on the information compiled by the Company and relied upon by the auditors.

23 Other financial liabilities

Unsecured		
Current maturities of long-term debt	–	–
Interest accrued not due (Refer to note 34)	10.23	–
Others	1.64	6.34
Unpaid dividends	–	6.67
TOTAL	11.87	13.01

NOTES TO THE FINANCIAL STATEMENTS

27 Revenue from operations

	₹ in lakhs	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of service:		
– Charter hire receipts	6.35	12.26
TOTAL	6.35	12.96

28 Other income

Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
– Interest on Loans / Receivable on sale of property, plant & equipment.	216.55	87.15
– Income tax refund	2.38	2.11
– Operating lease rental income	215.37	224.58
Dividend income	0.02	0.03
Net gain arising on financial assets designated as at FVTPL (Refer foot note)	8.60	16.23
Sundry receipts	0.28	2.04
Foreign exchange fluctuation (Net)	–	0.55
Sundry balance written back	–	3.26
TOTAL	443.20	335.95

Foot note:

The amount represents a net gain on financial assets designated as at FVTPL which are mandatorily measured at fair value and comprises a loss on fair valuation of ₹ 9.54 lakhs (2018: ₹ 5.62 lakhs).

29 Employee benefits expenses

Salaries, wages and other benefits (Refer note no 33)	186.26	127.39
Contributions to provident and other funds (Refer note no 33)		
– Superannuation contribution	15.44	15.10
– Gratuity (LIC contribution)	3.97	10.09
– Contribution to Provident Fund @ 12%	13.62	11.41
Staff welfare expenses	1.06	2.63
TOTAL	220.35	166.62

30 Finance costs

Interest on loan from related party	11.38	–
Interest others	61.55	149.09
TOTAL	72.93	149.09



NOTES TO THE FINANCIAL STATEMENTS

31 Depreciation and amortisation expenses

₹ in lakhs

Depreciation on property, plant and equipment pertaining to continuing operations (Refer note no 4)

	Year ended 31st March, 2019	Year ended 31st March, 2018
	131.21	161.69
TOTAL	131.21	161.69

32 Other expenses

Operating expenses

Manning cost	14.88	20.32
Fuel and oil	(3.99)	3.44
Stores and spare parts consumed	3.30	4.10
Ship repairs and survey charges	5.16	5.09
Insurance & protection club dues	5.83	8.36
Brokerage and agency fees	9.51	1.09
Ship management fees	4.50	6.73
Crew expenses	0.88	1.35
Quality & safety facilities	0.45	2.32
Port disbursement expenses	0.09	–
Handling & transport	0.37	0.71

Other expenses

Power and fuel	4.29	5.03
Legal and professional expenses	18.35	19.09
Postage, telephone, telexes etc.	11.99	10.43
Rent	0.50	0.49
Rates and taxes	16.31	16.51
Auditors' remuneration		
For statutory audit	4.00	4.00
For tax audit	0.70	0.70
For other services	2.63	4.84
Directors' sitting fees	7.90	9.21
Sundry balance written - off	9.68	–
Net foreign currency translation differences	26.51	–
Travelling expenses (including foreign travelling)	26.69	32.35
Repairs to building	29.57	36.27
Subscriptions	16.20	19.29
Assets written off	–	1.64
Loss on sale of vessel	53.96	–
Miscellaneous expenses	41.47	44.90

TOTAL	311.73	258.26
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NOTES TO THE FINANCIAL STATEMENTS

33 Employee benefit plans

a) Defined contribution plans

Provident Fund :

The Company makes contributions to Provident Fund which is defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The fund is administered by the Trustees. The contributions payable by the Company are at rates specified in the rules of the schemes. The Company has recognised amount in the statement of profit and loss under the head "Employee Benefit Expenses" as mentioned in the following table.

Superannuation Fund :

All eligible employees are entitled to benefits under superannuation, a defined contribution plan. The Company makes yearly contribution until retirement or resignation of the employee. The Company recognises such contributions an expense. The Company has no further obligation beyond yearly contribution.

The Company has recognised the following amounts in the Statement of Profit and Loss as contribution under defined contribution plans

	2018-19	2017-18
i) Provident fund	13.62	11.41
ii) Superannuation fund	15.44	15.10

(₹ in lakhs)

b) Defined benefit plan

The Company makes annual contributions to the Chowgule Steamships Limited Shore Employees Gratuity Fund (Income tax approved irrevocable trust), 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 Company offers its employees defined benefit plan in the form of a gratuity scheme (a lump sum amount). For gratuity scheme the Company contributes funds to Gratuity Trust, which is irrevocable. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method. These plans typically expose the Company to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially off set by an increase in the plan assets.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal actuarial assumptions are as follows:

	2018-19	2017-18
i) Discount rate at 31st March	7.59% p.a.	7.65% p.a.
ii) Rate of increase in compensation	5.00% p.a.	5.00% p.a.
iii) Attrition rate	0.50% p.a.	0.50% p.a.
vi) Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)



NOTES TO THE FINANCIAL STATEMENTS

Foot notes:

- The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- The estimate of future salary increase considered, takes into account the inflation, seniority, promotion, increments and other relevant factors, such as supply and demand in the employment market.
- 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.
- 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.

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:

(₹ in lakhs)

	2018-19	2017-18
Service cost		
Current service cost	6.21	8.71
Past service cost and (gain) / loss from settlements	–	–
Adjustment to opening balance	0.13	(0.86)
Net interest expense	(2.36)	0.97
	<u>3.98</u>	<u>8.82</u>
Components of defined benefit costs recognised in the Statement of profit and loss		
Remeasurement on the net defined benefit liability :		
Return on the plan assets (excluding amount included in net interest expenses)	13.41	(0.68)
Actuarial (Gains)/losses arising from changes in demographic assumptions	–	–
Actuarial (Gains)/losses arising from changes in financial assumptions	0.13	(29.34)
Actuarial (Gains)/losses arising from experience adjustments	28.33	(18.79)
Others (describe)	–	–
Adjustments for restrictions on the defined benefit asset	–	–
	<u>41.87</u>	<u>(48.81)</u>
Components of defined benefit costs recognised in other comprehensive income		
	<u>45.85</u>	<u>(39.99)</u>
TOTAL	<u>45.85</u>	<u>(39.99)</u>

The current service cost and the net interest expense for the year are included in the “Employee benefits expense” line item in the statement of profit and loss. The remeasurement of the net defined liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the entity’s obligation in respect of its defined benefit plan is as follows :

Present value of funded defined benefit obligations	190.16	144.45
Fair value of plan assets	175.41	175.43
Funded status [deficit/(surplus)]	<u>14.75</u>	<u>(30.98)</u>
Restrictions on assets recognised	–	–
Net liability arising from defined benefit obligation	<u>14.75</u>	<u>(30.98)</u>

NOTES TO THE FINANCIAL STATEMENTS

Movements in the present value of the defined benefit obligations are as follows:

	₹ in lakhs	
	2018-19	2017-18
Opening defined benefit obligations	144.45	171.34
Current service cost	6.21	8.71
Interest cost	11.05	12.52
Remeasurement (gains)/loss:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	0.13	(29.34)
Actuarial (gains) / losses arising from experience adjustments	28.33	(18.79)
Benefits paid	-	-
Closing defined benefit obligation	190.17	144.44

Movements in fair value of the plan assets are as follows:

Opening fair value of plan assets	175.43	152.17
Adjustment to opening fair value of plan asset	(0.13)	0.86
Interest income	13.41	11.56
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expenses)	(13.41)	0.68
Contribution from the employer	0.11	10.16
Benefits paid	-	-
Closing defined benefit obligation	175.41	175.43

Key management personnel liability as on 31st March, 2019, is ₹ 165 lakhs (2018: ₹ 124.83 lakhs)

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

		Present value of obligation (PVO)	
		2018-19	2017-18
Discount rate (DR)	PVO DR + 1%	188.12	141.58
	PVO DR - 1%	192.46	147.55
Expected salary escalation rate	PVO ER + 1%	192.48	147.58
	PVO ER - 1%	188.07	141.50

Expected payout

Year	Expected outgo first	Expected outgo second	Expected outgo third	Expected outgo fourth	Expected outgo fifth	Expected outgo six to tenth
PVO payouts	165.18	0.20	0.22	0.25	0.29	31.39

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.



NOTES TO THE FINANCIAL STATEMENTS

The contribution expected to be made by the Company during the financial year 2019 is ₹ 1.20 lakhs (2018 - NIL).

Experience adjustments

	2014-15	2015-16	2016-17	2017-18	2018-19
Present value of the obligation	101.84	188.98	171.34	144.45	190.17
Fair value of the plan assets	93.81	132.90	152.17	175.43	175.41
Surplus / (deficit)	(8.03)	(56.08)	(19.17)	30.98	(14.75)
Experience adjustment on plan liabilities	(14.84)	33.06	(27.73)	(18.78)	28.33
Experience adjustment on plan assets	(2.56)	(1.21)	(0.38)	0.68	(13.41)

(₹ in lakhs)

34 Related party disclosures, as required by Ind AS 24 "Related Party Disclosures" are given below

I List of related parties (as identified and certified by the Management)

Name of the Company	Country of Incorporation	% Holding	
		31st March, 2019	31st March, 2018
a. Substantial investor			
Chowgule and Company Private Limited	India	48.06%	48.06%
The Person or close member of such person's family who have control of the Company			
a) Vijay Chowgule			
b) Rohini Chowgule			
c) Padma Chowgule			
d) Sarita Chowgule			
e) Ashok Chowgule			
f) Umaji Chowgule			
g) Deepa Chowgule			
Entities controlled by above person's			
a) Chowgule And Company Private Limited			
b) Chowgule Mediconsult Private Limited			
b. Subsidiaries:			
Chowgule Steamships Overseas Limited	Guernsey	100%	100%
c. Step down subsidiaries:			
Sea Bird LLC	The Marshall Islands	100%	100%
Sea Lord LLC	The Marshall Islands	100%	100%
Sea King LLC	The Marshall Islands	100%	100%
Sea Link LLC	The Marshall Islands	100%	100%
d. Key managerial personnel:			
Mr. Mangesh Sawant	: Managing Director, Chief Financial Officer		
Mr. Suhas Joshi	: Company Secretary		
e. Entities in which Directors are able to exercise significant control:			
Chowgule and Company Private Limited			
Lavgan Dockyard Private Limited (Upto 22.06.2018)			

NOTES TO THE FINANCIAL STATEMENTS

II Related party transactions:

(₹ in lakhs)

Nature of Transaction	Subsidiary Companies		Enterprises over which Key Management Personnel exercise significant control		Enterprises over which Directors/ Relative of Directors/ Key Management Personnel/Relative of Key Management Personnel exercise significant influence.		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1. Transactions during the year								
a. Services rendered								
Chowgule and Company Private Limited	–	–	6.35	12.96	–	–	6.35	12.96
b. Interest income								
Lavgan Dockyard Private Limited	–	–	19.58	87.15	–	–	19.58	87.15
Chowgule Steamship Overseas Limited	11.09	–	–	–	–	–	11.09	–
c. Interest expenses								
Chowgule & Company Private Limited	–	–	11.08	–	–	–	11.08	–
d. Loans given during the year								
Chowgule Steamship Overseas Limited	1,383.43	–	–	–	–	–	1,383.43	–
e. Loans accepted during the year								
Chowgule & Company Private Limited	–	–	1420.00	–	–	–	1,420.00	–
f. Investment in subsidiaries								
Chowgule Steamships Overseas Limited	9549.59	9,549.59	–	–	–	–	9,549.59	9,549.59
2. Outstanding Balances as on 31.03.2019								
a. Loans								
Chowgule & Company Private Limited	–	–	1430.23	–	–	–	1,430.23	–
Lavgan Dockyard Private Limited	–	–	–	830.00	–	–	–	830.00
Chowgule Steamship Overseas Limited *	1,383.43	–	–	–	–	–	1,383.43	–
b. Trade and other receivables								
Chowgule & Company Private Limited	–	–	–	–	–	–	–	–
c. Trade and other payables								
Chowgule & Company Private Limited	–	–	666.54	1,800.00	–	–	666.54	1,800.00
Chowgule Steamship Overseas Limited *	11.09	–	–	–	–	–	11.09	–

* Balance of Foreign currency loans have been adjusted for exchange fluctuations.

III Compensation to key management personnel

(₹ in lakhs)

The remuneration of key management personnel during the year was as follows :

	31st March, 2019	31st March, 2018
Short-term employee benefits	137.40	105.70
Post employment benefits (refer note no. 32)	197.69	152.19
Termination benefits	–	–
Share-based payments	–	–
Total compensation paid to key management personnel	335.09	257.89

IV Sitting fees paid to Non-Executive Directors

Director sitting fees	7.90	8.70
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NOTES TO THE FINANCIAL STATEMENTS

35 Segment reporting

The Company treats 'Shipping' as single reportable segment. All other activities of the Company revolve around its main business. Therefore there are no separate reportable segment. Given the nature of the business there are no Geographic Segments either. The segment information has been provided in consolidated financial statements.

36 As per Ind AS 33 on 'Earnings per share' (basic and diluted), the earning per share of the Company is as under

	2018-19	2017-18
a. Profit/(Loss) for the year (₹ in lakhs)	(193.39)	(402.77)
b. Weighted average number of equity shares outstanding during the financial year (in nos.)	3,63,08,425	3,63,08,425
c. Basic and diluted earnings per equity share (for continuing operation) (in ₹)	(0.53)	(1.11)
d. Basic and diluted earnings per equity share (for discontinued operation) (in ₹)	–	–
e. Basic and diluted earnings per equity share (for continuing & discontinued operation) (in ₹)	(0.53)	(1.11)

37 Financial instruments

37.1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholder through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 17 and off set by cash and Bank balance) and total equity of the Company.

37.1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	As at 31st March, 2019	As at 31st March, 2018
Debt (Refer foot note (i) below)	1,420.00	–
Cash and Bank balances	(38.10)	(39.04)
Net debt	1,381.90	(39.04)
Equity (Refer foot note (ii) below)	11,491.77	11,722.93
Net debt to equity ratio	0.12	–

Notes:

- (i) Debt is defined as short-term borrowings and current maturities of long term borrowings
- (ii) Equity is defined as equity share capital and other equity (Refer to note no 16 and 17)

37.2 Categories of financial instruments

Financial Assets

Measured at Amortised cost

(a) Cash and bank balances	38.10	39.04
(b) Other financial assets at amortised cost		
(i) Other Financial assets	939.63	287.64
(ii) Other loans	1,383.43	830.00
(iii) Trade receivables	–	–

Measured at fair value through profit or loss

(a) Investments	138.75	126.15
TOTAL	2,499.91	1,282.83

NOTES TO THE FINANCIAL STATEMENTS

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Financial liabilities		
Measured at amortised cost		
(i) Other Financial liabilities	525.47	1,750.41
(ii) Borrowings	1,420.00	–
(iii) Trade Payables	1.20	8.04
TOTAL	1,946.67	1,758.45

The above excludes investment in subsidiary.

In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

37.3 Financial risk management objectives

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that generates directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes is undertaken. The Company's risk management committee, an independent body, monitors risk and policies implemented by the Company to mitigate risk exposures.

37.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, trade and other receivables and investments.

37.5 Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and lendings when transactions are denominated in a different currency from the Company's functional currency. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company's policy is not to hedge transactions and to buy and sell currency at spot rate where applicable. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

	2018-19		2017-18	
	(₹ in lakhs)	USD in Million	(₹ in lakhs)	USD in Million
Receivables				
Other current assets	0.81	# -	1.04	# -
Other financial assets	1,383.43	2.00	–	–
Cash & cash equivalents	24.33	0.04	22.65	0.04
Payables				
Trade payables	–	–	–	–

Note : USD = US Dollar

Value less than USD 10,000

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity analysis

A 5% strengthening / weakening of Indian rupee against key currencies to which the Company is exposed (net of hedge, if any), with all other variables being held constant, would have led to approximately a gain / loss as below.

₹ in lakhs

	Liability	Impact (in %)
Closing Liability as per financials	1,383.43	–
Increase in exchange rate by 5%	1,452.60	69.17
Decrease in exchange rate by 5%	1,314.25	(69.17)

37.6 Interest risk

Interest risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of the changes in the market rate risk, the Company performs a comprehensive corporate interest rate risk management. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section.

37.7 Price risk

The Company is affected by the price volatility. The Company's operating activities comprise of employment of ships on time charter contracts. Due to the cyclical nature of shipping industry, the revenue from shipping operations are subjected to price risk. To mitigate the impact of price risk the Company adopts mixture of short, medium and long term employment contract for its fleet.

37.8 Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers taking into account the financial conditions, current economic trends and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date on initial recognition. Financial assets are written off when there is no reasonable expectation of recovery. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss. The Companies operations involves employment of the vessels on time charter contracts where receivables are collected periodically in advance and therefore credit risk is minimal.

37.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium - term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

37.9.1 Expected maturity for non-derivative financial liability

The following table details the Company's remaining contractual maturity for the non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company may be required to pay. The table includes both interest and principal cash flows.

NOTES TO THE FINANCIAL STATEMENTS

						₹ in lakhs	
	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	Carrying amount	
March 31, 2019							
Non-interest bearing							
- Trade payables		1.20	-	-	1.20	1.20	
- Other financial liabilities		-	-	-	-	-	
Fixed interest rate instruments							
- Payable on purchase of property, plant and equipment	8.70%	-	66.54	600.00	666.54	418.96	
- Security deposit	6.00%	-	104.88	-	104.88	94.64	
- Borrowings	9.00%	1,420.00	-	-	1,420.00	1,420.00	
- Other financial liabilities	9.00%	11.87	-	-	11.87	11.87	
March 31, 2018							
Non-interest bearing							
- Trade payables		39.89	-	-	39.89	39.89	
- Other financial liabilities		6.67	-	-	6.67	6.67	
Fixed interest rate instruments							
- Payable on purchase of property, plant and equipment	9.30%	-	1,800.00	-	1,800.00	1,648.29	
- Security deposit	6.00%	-	104.88	-	104.88	89.12	



NOTES TO THE FINANCIAL STATEMENTS

37.9.2 Expected maturity for non-derivative financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial asset is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

						₹ in lakhs	
	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	Carrying amount	
March 31, 2019							
Non-interest bearing							
– Other financial assets		1.80	–	–	1.80	1.80	
– Investments		148.29	–	–	148.29	138.75	
– Cash and Bank balance		38.10	–	–	38.10	38.10	
– Other financial assets		11.09	–	–	11.09	11.09	
Fixed interest rate instruments							
– Other financial assets	12.00%	165.91	657.92	102.92	926.75	926.75	
– Financial assets - loan to WOS	9.00%	1,383.43	–	–	1,383.43	1,383.43	
March 31, 2018							
Non-interest bearing							
– Other financial assets		1.80	–	–	1.80	1.80	
– Investments		131.77	–	–	131.77	126.15	
– Trade receivable		–	–	–	–	–	
– Cash and Bank balance		39.04	–	–	39.04	39.04	
– Other financial assets		285.84	–	–	285.84	285.84	
Fixed interest rate instruments							
– Loans	10.50%	–	830.00	–	830.00	830.00	

The amount included above for variable interest instruments for both non-derivatives financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The Company do not enjoy working capital facility. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

NOTES TO THE FINANCIAL STATEMENTS

37.9.3 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Companies financial assets and financial liabilities that are measured at fair value or where fair value disclosure is required as at **31st March, 2019:**

	Fair value measurement using			Total
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
₹ in lakhs				
Financial assets				
Measured at amortised cost				
(a) Cash and Bank balances	–	–	38.10	38.10
(b) Other financial assets at amortised cost				
(i) Other financial assets	–	–	939.63	939.63
(ii) Other loans	–	–	1,383.43	1,383.43
Measured at fair value through profit or loss				
(a) Investments in equity shares (quoted)	3.95	–	–	3.95
(b) Investments in mutual funds (unquoted)	134.80	–	–	134.80
Financial liabilities				
Financial liabilities held at amortised cost:				
(i) Borrowings	–	–	1,420.00	1,420.00
(ii) Other financial liabilities	–	–	525.47	525.47
(iii) Trade payables	–	–	1.20	1.20

There have been no transfers of amount between Level 1, Level 2 and Level 3 during the year.

The following table provides the fair value measurement hierarchy of the Companies financial assets and financial liabilities that are measured at fair value or where fair value disclosure is required as at **31st March, 2018:**

	Fair value measurement using			Total
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets				
Measured at amortised cost				
(a) Cash and Bank balances	–	–	39.04	39.04
(b) Other financial assets at amortised cost				
(i) Other financial assets	–	–	287.64	287.64
(ii) Other loans	–	–	830.00	830.00
(iii) Trade receivables	–	–	–	–
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	3.39	–	–	3.39
Investments in equity shares (unquoted)	–	–	–	–
Investments in mutual funds (unquoted)	122.76	–	–	122.76
Financial liabilities				
Financial liabilities held at amortised cost:				
(i) Other financial liabilities	–	–	1,750.41	1,750.41
(ii) Trade payables	–	–	8.04	8.04

There have been no transfers of amount between Level 1, Level 2 and Level 3 during the year.



NOTES TO THE FINANCIAL STATEMENTS

38 Expenditure on corporate social responsibility (CSR)

In pursuance of the provisions of the Companies Act, 2013. The Company is required to spend two percent of the average net profits for the three immediately preceding financial years towards CSR activities. Due to the occurrence of net losses in the three preceding financial years, the Company is not required to spend any amount on Corporate Social Responsibility.

39 Disclosure pursuant to section 186(4) of The Companies Act, 2013.

During the year 2018-19, the Company has given an unsecured loan of ₹ 1,383.43 lakhs (US\$ 20 lakhs) at the rate of 9% p.a. to Chowgule Steamships Overseas Limited the wholly owned subsidiary inter alia to facilitate its shipping operation. (Refer note no 13).

The particulars of Company's investment in wholly owned subsidiary are disclosed in note no. 5 which are at cost.

40 Events after the reporting period

There are no events after the balance sheet date that needs to be reported.

41 Previous year figures

Previous year figures have been regrouped /reclassified wherever necessary to confirm to the current year classification / disclosure

For **C N K & ASSOCIATES LLP**
Chartered Accountants
FRN: 101961W/W-100036

HIMANSHU KISHNADWALA
Partner
Membership No. 37391
Place: Mumbai
Date: 16th May, 2019

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
(DIN : 00018903)
Chairman

D. N. MUNGALE
(DIN : 00007563)
Director

MANGESH SAWANT
(DIN : 00007197)
Managing Director & CFO

SUHAS JOSHI
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
CHOWGULE STEAMSHIPS LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Chowgule Steamships Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the Statement of consolidated Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "consolidated financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Holding Company as at 31st March, 2019, the consolidated loss and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

- a. The auditors of the respective subsidiary companies have stated in their report regarding the preparation of Financial Statements on a going concern basis in view of the representations by the management that the financial support from the ultimate holding Company will be available as and when required.
- b. As at the year-end, the current liabilities as on 31st March, 2019 on a consolidated basis far exceed the current assets on that date. The Holding Company has represented that the required refinancing will be secured to reduce the mismatch for the current assets and current Liabilities of the group.

Our report is not modified in respect of the above.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditor's Response
1	<p>Transactions with Related Parties:</p> <p>The Company in its course of operations has entered into several transactions with related parties. The identification of these related parties, transactions entered into with them and the determination of arm's length price involves significant judgement and estimates.</p> <p>(Refer Note No. 35 to the Consolidated Financial Statements.)</p>	<p>Principal Audit Approach</p> <p>Our Audit approach included the following:</p> <ul style="list-style-type: none"> • Confirming the regulatory requirements for the identification of related parties and reporting of transactions with these related parties, • Evaluation and testing of the design of internal controls and the secretarial process followed for identification of related parties, transactions with them; • Evaluating management judgments regarding determination of Arm's Length Price for transactions with related parties;



Sr No	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> Review of relevant agreements / contracts evaluate the business rationale for the related party transaction and evaluating whether such evidence is consistent with management's explanations.
2	<p>Impairment of financial assets</p> <p>The Company has significant investments in Equity and Preference shares of its Wholly owned subsidiary ("WOS") as well as receivables against loan and sale of assets. The management has tested the same for impairment and concluded that there is no provision necessary in respect of the above.</p> <p>(Refer Note 5 & 13 to consolidated financial statements)</p>	<p>Principal audit procedures</p> <p>Our Audit approach included the following:</p> <ul style="list-style-type: none"> Perusal of the Audited financial Statements of the Subsidiary companies and inquiry with the management regarding the possibility of impairment of the same; Obtained an understanding of the valuation of the subsidiaries based on future cash flows of the subsidiaries;
3	<p>Evaluation of uncertain tax positions</p> <p>The Company has uncertain tax positions including matters under long litigations</p> <p>(Refer Note 27 to the consolidated financial statements)</p>	<p>Principal audit approaches</p> <p>Our Audit approach included the following:</p> <ul style="list-style-type: none"> Obtained the status of all the direct and indirect tax litigations including pending assessments and demands; Analysed the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including its annexures and Corporate Governance and Shareholders information., but does not include the financial statements and our auditor's report thereon. The Directors' report including its annexures and Corporate Governance and Shareholders information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

Responsibilities of Management and those charged with Governance for the consolidated financial statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, specified under Section 133 of the Act. The respective Board of Directors of the Company included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated 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.

In preparing the financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.
- We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities, included in the consolidated financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our audit work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of consolidated financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 38,823.54 lakhs as at 31st March, 2019 and total revenues of ₹ 9,017.53 lakhs for the year ended on that date, as considered in the consolidated financial statements.



CHOWGULE STEAMSHIPS LIMITED

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as relates to the amounts and disclosures included in respect of these aforesaid subsidiaries and our report in terms of subsections 3 and 11 of section 143 of the Act in so far as it related to the aforesaid subsidiaries is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements above and our report on the 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 reports of the auditor and the financial statements/financial information certified by the Management.

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 reports of the other auditors.
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including consolidated other comprehensive income, Consolidated statement of changes in equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these Consolidated Financial Statements
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2019 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, 2019 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 group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (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 Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note 27 to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were 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 Holding Company.

For **C N K And Associates LLP**

Chartered Accountants

Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala

Partner

Membership No: 37391

Place: Mumbai

Date: 16th May, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls 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 Holding Company”) as of 31st March, 2019 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

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 Holding 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 internal financial controls with reference to financial statements of the Company that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding 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.

Auditors’ responsibility

Our responsibility is to express an opinion on the Holding 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”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 internal financial controls with reference to financial statements of the Company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements of the Company 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 judgment, 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 Holding 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 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.



CHOWGULE STEAMSHIPS LIMITED

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 internal financial controls with reference to financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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 **C N K And Associates LLP**

Chartered Accountants

Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala

Partner

Membership No: 37391

Place: Mumbai

Date: 16th May, 2019

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Chowgule Steamships Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 13th March, 2019
2. This report contains details of compliance of conditions of Corporate Governance by Chowgule Steamships Limited ('the Company') for the year ended 31 March 2019, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's responsibility for compliance with the conditions of SEBI Listing Regulations

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Auditor's responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31st March, 2019.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations for the year ended 31st March, 2019
9. We 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.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **C N K And Associates LLP**

Chartered Accountants

Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala

Partner

Membership No: 37391

Place: Mumbai

Date: 16th May, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Note no.	Year ended 31st March, 2019	Year ended 31st March, 2018
₹ in lakhs			
I. Income:			
I. Revenue from operations	28	9,023.43	6,647.66
II. Other income	29	432.58	409.07
III. Total income (I + II)		9,456.01	7,056.73
IV. Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
Employee benefits expense	30	220.35	166.62
Finance costs	31	2,695.94	1,513.72
Depreciation and amortisation expense	32	3,202.89	3,009.20
Impairment of assets	4	-	(2,754.32)
Other expenses	33	12,506.99	4,961.44
Total expenses (IV)		18,626.17	6,896.66
V. Profit/(loss) before exceptional items and tax (III-IV)		(9,170.16)	160.07
VI. Exceptional items		-	-
VII. Profit/(loss) before tax (V-VI)		(9,170.16)	160.07
VIII. Tax expense:			
Current tax		-	-
Deferred tax	6	93.28	246.73
TOTAL		93.28	246.73
IX. Profit/(Loss) for the year from continuing operations (VII-VIII)		(9,076.88)	406.80
X. Profit/(Loss) from discontinued operations		-	-
XI. Tax expense of discontinued operations		-	-
XII. Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII. Profit/(Loss) for the year (IX+XII)		(9,076.88)	406.80
XIV. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plan		(41.88)	48.81
(ii) Income tax relating to items that will not be reclassified to profit or loss	6	4.11	(5.28)
TOTAL		(37.77)	43.53
B (i) Items that will be reclassified to profit or loss			
- Investments carried at fair value through other comprehensive income		-	270.34
- Exchange differences on translation of financial statements of foreign operation		338.23	(172.46)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
TOTAL		338.23	97.88
XV. Total comprehensive income for the year (XIII+XIV)			
(comprising loss and other comprehensive income for the year)		(8,776.42)	548.21
XVI. Earnings per equity share (for continuing operation):			
(i) Basic	37	(25.00)	1.12
(ii) Diluted	37	(25.00)	1.12
XVII. Earnings per equity share (for discontinued operation):			
(i) Basic		-	-
(ii) Diluted		-	-
XVIII. Earnings per equity share (for discontinued & continuing operation):			
(i) Basic	37	(25.00)	1.12
(ii) Diluted	37	(25.00)	1.12

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **C N K & ASSOCIATES LLP**

Chartered Accountants

FRN: 101961W/W-100036

HIMANSHU KISHNADWALA

Partner

Membership No. 37391

Place: Mumbai

Date: 16th May, 2019

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE

(DIN : 00018903)

Chairman

D. N. MUNGALE

(DIN : 00007563)

Director

SUHAS JOSHI

Company Secretary

MANGESH SAWANT

(DIN : 00007197)

Managing Director & CFO



CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity share capital

₹ in lakhs

Balance as at 31st March, 2018

As at
31st March, 2019

3,630.84

Changes in equity share capital during the period

—

Balance as at 31st March, 2019

3,630.84

B Other equity

₹ in lakhs

	Reserve and surplus					Other comprehensive income		Total equity
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve	
As at 31st March, 2018	11.96	30.00	2,922.01	4,117.52	(5,828.64)	1,183.39	—	2,436.25
Profit /(loss) for the year 2018-19	—	—	—	—	(9,076.88)	—	—	(9,076.88)
Other Comprehensive Income	—	—	—	—	(37.77)	338.23	—	300.46
Total Comprehensive income for the year	—	—	—	—	(9,114.65)	338.23	—	(8,776.42)
As at 31st March, 2019	11.96	30.00	2,922.01	4,117.52	(14,943.29)	1,521.62	—	(6,340.17)

See accompanying notes to the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **C N K & ASSOCIATES LLP**
Chartered Accountants
FRN: 101961W/W-100036

VIJAY V. CHOWGULE
(DIN : 00018903)
Chairman

HIMANSHU KISHNADWALA
Partner
Membership No. 37391

D. N. MUNGALE
(DIN : 00007563)
Director

Place: Mumbai
Date: 16th May, 2019

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
(DIN : 00007197)
Managing Director & CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	For the year ended 31st March, 2019 ₹ in lakhs	For the year ended 31st March, 2018 ₹ in lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(9,114.77)	406.80
Adjustments for:		
Depreciation	3,202.89	3,009.90
Provision / (reversal) for impairment of vessel	—	(2,754.32)
Income tax expenses	(97.39)	(246.73)
Provision for employee benefits	52.13	(90.47)
Sundry balance written back	23.50	(12.12)
Foreign exchange translation differences	(1,915.40)	(235.72)
Interest income	(55.74)	(94.54)
Dividend income	(0.02)	(0.03)
Rent income	(215.57)	(224.58)
Fixed assets written off	—	1.64
Sundry balances written off	—	0.11
Loss / (Gain) arising on financial assets designated as at FVTPL	(8.60)	36.99
Loss/(Profit) on sale of property plant & equipment	7,237.77	—
Finance cost	2,696.09	1,513.72
	1,804.90	1,379.95
Operating loss before working capital changes		
Changes in Working Capital		
Adjustments for:		
Decrease / (Increase) in trade receivables	(60.86)	120.06
(Increase) / Decrease in non current financial assets others	90.72	—
Decrease / (Increase) in other current assets	(391.69)	4.75
Decrease / (Increase) in other non current assets	—	(7.32)
(Decrease)/ Increase in other current liabilities	(248.62)	129.41
Movement in restricted Bank balances	6.67	9.36
Decrease / (Increase) in inventories	5.86	(6.88)
(Decrease)/ Increase in trade payables	(339.63)	256.24
	867.35	1,885.57
Cash generated from operations		
Less: net income tax refund	34.12	31.20
	901.46	1,916.77
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(36,576.76)	(0.59)
Proceeds from disposal of property, plant & equipment	35,752.39	—
Sale of non current investments	—	545.04
Rental income from operating lease	194.57	202.72
Sale of current investments	90.00	150.00
Purchase of current investments	(94.00)	—
Loan from Chowgule and Company Pvt Ltd	1,420.00	—
Dividend received	0.02	0.03
	786.22	897.20
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from restructuring	25,907.93	325.22
Proceeds from short term sale and lease back	1,901.19	—
Proceeds from short term borrowings	604.82	—
Repayment of borrowings	(29,151.88)	(1,494.22)
Interest paid	(1,084.37)	(1,151.40)
Unclaimed dividend paid	(6.67)	(9.36)
	(1,828.98)	(2,329.76)
Net cash flow used in financing activities		
Net Increase/(Decrease) in cash and cash equivalents	(141.29)	484.21
Cash and cash equivalents - opening balance	971.55	487.34
Cash and cash equivalents - closing balance	830.25	971.55
Effect of exchange rate changes on cash and cash equivalents		
Cash on hand and balances with Banks	828.57	971.04
Effect of exchange rate changes on the balance held in foreign currency	1.68	0.51
Cash & cash equivalents as restated (Refer to note no 12.1)	830.25	971.55

Notes : 1. The statement of cash flow is prepared in accordance with the format prescribed as per Ind-AS 7
2. In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
See accompanying notes to the consolidated financial statements

In terms of our report attached

For **C N K & ASSOCIATES LLP**
Chartered Accountants
FRN: 101961W/W-100036

HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Place: Mumbai

Date: 16th May, 2019

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
(DIN : 00018903)
Chairman

SUHAS JOSHI
Company Secretary

D. N. MUNGALE
(DIN : 00007563)
Director

MANGESH SAWANT
(DIN : 00007197)
Managing Director & CFO



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. 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 4 vessels for seaborne transportation of bulk cargo. CSL is a limited Company incorporated & domiciled in India, whose shares are publically traded on Bombay Stock Exchange. The Group is principally engaged in the carriage of goods by sea and is committed to serve its customers to their at satisfaction and mutual optimum benefits.

The Company's registered office address is at Chowgule House, Mormugao Harbour, Goa – 403 803 and principal place of business is 4th Floor, Bakhtawar, Nariman Point, Mumbai 400 021.

2. Significant accounting policies:

2.1 A. Basis of preparation and presentation:

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (herein after referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended; and the other relevant provisions of the Act.

The Group's presentation and functional currency is Indian rupees. All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in lakhs.

B. Authorisation of Financial Statements:

The Consolidated financial statements for the year ended 31st March, 2019 were approved by the board of Directors and authorised for issue on 16th May, 2019.

C. Historical cost convention

The Consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans where plan assets measured at fair value.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.2.1 Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The consolidated financial statements have been prepared in accordance with the requirements of Ind AS 110, 'Consolidated Financial Statements' on the following basis:

1. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e 31st March, 2019. These have been consolidated based on latest available financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. The 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, incomes and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses, unless cost cannot be recovered.
3. Control is achieved when the Company:
 - Has power over the investee;
 - Is exposed, or has rights, to variable returns from its involvement with the investee; and
 - Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decision need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The proportion of profit or loss and changes in equity allocated to the owners of the Company and non controlling interest in preparing consolidated financial statements is determined solely on the basis of existing ownership interest and does not reflect the possible exercise or conversion of potential equity.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

4. Following subsidiary companies have been considered in the preparation of consolidated financial statements:

Name of the Entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				31st March, 2019	31st March, 2018
Chowgule Steamships Overseas Ltd (CSOL)	Subsidiary	Guernsey	CSL	100%	100%
Sea Bird LLC	Step-down subsidiary	The Marshall Islands	CSOL	100%	100%
Sea Lord LLC	Step-down subsidiary	The Marshall Islands	CSOL	100%	100%
Sea King LLC	Step-down subsidiary	The Marshall Islands	CSOL	100%	100%
Sea Link LLC	Step-down subsidiary	The Marshall Islands	CSOL	100%	100%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.3 Use of estimates:

The Preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the year. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to property, plant and equipment, impairment of assets, current asset provisions, deferred tax, retirement benefits and provisions. The detailed accounting policies, including underlying judgments and methods of estimations for each of these items are discussed below.

2.4 Current versus non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of activities of the Company and the time between the acquisition of assets for processing and their realization 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.

2.5 Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment (PPE) are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Depreciation

Depreciation is recognised to write off the cost of assets (other than freehold land) less their residual values over their useful lives. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives, residual values and depreciation method are determined and reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis. When significant parts of property, plant and equipments are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives

Depreciation on Property, plant and equipment has been provided on the basis as indicated below.

<u>Assets</u>	<u>Basis</u>
Vessel	Straight line method
Other assets	Written down value method

Estimated useful lives of the Property, plant and equipment are as follows:

Vessel	20-25 years
Buildings	60 years
Furniture & fixtures	10 years
Office equipment	3-6 years
Vehicles	8 years
Computers	3 years

Depreciation on property, plant and equipments is provided as per the useful life prescribed in Schedule II of the Companies Act, 2013.

The subsidiary companies, also based on technical assessment made by technical expert and management estimate, depreciates vessels over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the vessels are likely to be used.

Advances paid towards acquisition of property, plant and equipment outstanding at the year-end are classified as capital advances under other non-current assets.

2.6 Inventories:

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.7 Impairment of tangible assets:

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that the carrying amounts of those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of asset (or cash-generating unit) is estimated to be less than carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

2.8 Foreign currency transactions and translation:

The consolidated financial statements of the Group are presented in INR, which is the functional currency of the Company and the presentation currency for the consolidated financial statement.

In preparing the individual financial statements of the Companies transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on re-translation of monetary items are included in the statement of profit and loss for the period. Exchange differences arising on re-translation on non-monetary items carried at fair value are included in statement of profit and loss for the period except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statement, the assets & liabilities of the Group's foreign operations are expressed in INR using exchange rate prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rate for the period. Exchange differences arising if any, are recognised in other comprehensive income and accumulated in the separate component of equity. On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributes to the Group are reclassified to the consolidated statement of profit and loss.

2.9 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

2.9.1 Bare boat hire purchase / Sale and lease back

As per Ind AS 17 Leases, the Group measures right-of-use assets as property, plant and equipment and lease liabilities as other financial liabilities. As a consequence, the Company recognises depreciation of the right-of-use asset and interest on the lease liability. The depreciation is recognised on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. The initial lease asset equals the lease liability.

The lease asset is the right to use the underlying asset and is presented in the statement of financial position as part of property, plant and equipment.

2.10 Employee benefits:

2.10.1 Short term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company. These benefits include compensated absences such as paid annual leave.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.10.2 Retirement benefit costs

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 Group and in the case of some defined contribution plans by the Company along with its employees.

2.10.2.1 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 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.

2.10.2.2 Defined-benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment cost. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

2.10.3 Other long-term 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.

2.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company, or the counter party.

2.12 Taxation:

Income tax expense represents the sum of tax currently payable and deferred tax.

2.12.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, carry forward losses and allowances can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither taxable profit nor the accounting profit.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to cover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.13 Cash and cash equivalents:

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in Consolidated Balance Sheet.

2.14 Provisions:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on Contingent Liability is disclosed in the Notes to the Consolidated Financial Statements.

Contingent assets are not recognized but disclosed when the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

2.15 Revenue recognition:

The Company earns revenues from contracts with customers for below streams of revenue (also refer Note no. 28)

- a) Charter hire earnings, demurrage & freight earnings.

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted as the effect on adoption of Ind AS 115 is insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant judgments or changes in the judgments in applying Ind AS 115 - Revenue from contracts with customers:

The Company has not made any significant changes in the judgments in applying this Standard as compared to Ind AS 18 on Revenue from Operations.

Determining the timing of satisfaction of performance obligations:

The Company recognises revenue when the entity satisfies the performance obligation by transferring promised goods or services to a customer. An asset is transferred when the customer obtains control of that asset the typical timing of payment coincides with the issue of invoice for satisfaction of performance obligations or is within the normal credit period extended by the Company. The contract assets as at the year end pertain to the balance receivables in case of revenues of the Company.

Nature of income	Timing for satisfaction of performance obligation
Time Charter Hire	Time Charter Hire earnings represent the value of charter hire earnings, demurrage, freight earnings and are accounted on accrual basis. Freight earnings are recognised on a pro-rata basis for voyages in progress at balance sheet date after loading of the cargo is completed. Revenues and related expenses for voyages where cargo has not been loaded as on the balance sheet date are deferred and recognised in the following year.

Revenue is net of trade discounts and excludes goods and service taxes or duties collected on behalf of the government.

Determining the transaction price and the amounts allocated to performance obligations

The transaction price is normally fixed as per the terms of contract and there are no significant judgments involved in allocating the same to the performance obligations as the prices are standalone for separate performance obligations.

As a practical expedient, the Company has not disclosed the information for a transaction price allocated to performance obligations which are unsatisfied as of the end of the reporting period for performance obligation which is part of a contract that has an original expected duration of one year or less.

Trade receivables and contract balances:

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as Customer advances.

2.15.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.15.3 Rental income

The Group's policy for recognition of revenue from operating leases is described in note 2.7 above

2.15.4 Other income

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

2.15.5 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.16 Operating expenses

All expenses relating to the operation of the vessel including crewing, insurance, stores, bunkers, charter hire and special survey costs are expensed under operating expenses on accrual basis. Dry-docking expenses are amortised over 30 months.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.17 Financial instruments:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liability, as appropriate, on initial recognition. The transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.18 Financial assets:

All regular way purchase or sale of financial assets are recognised and de-recognized on a trade date basis. Regular way purchases or sale of financial assets, which require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at their amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

Derecognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

2.19 Financial liabilities and equity instruments:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans issued debts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Derecognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.20 Earnings per equity share:

Basic earnings per equity share is computed by dividing the profit/ (loss) after tax (including the post-tax effect of extraordinary items, if any) attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the profit after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to dilutive potential equity shares attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.21 Segment reporting

Operating segments are defined as components of an enterprise for which available discrete financial information is evaluated based on the a single operating segment 'Shipping', regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

2.22 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.

3. Recent accounting pronouncements

Ind AS 116: Leases

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The Company is in process of evaluating the impact of the same.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Property, plant and equipment

	As at 31st March, 2019	As at 31st March, 2018
Carrying amounts of		
Free hold land	247.04	224.18
Free hold building		
Staff quarters (see foot note 1 & 2)	17.57	39.66
Office premises (see fote note 3,5&6)	620.95	699.35
Furniture & fixture	2.56	2.61
Vehicles	2.88	4.07
Office equipments	6.54	7.40
Vessel (see fote note 4 & 7)	35,359.27	43,113.75
TOTAL	36,256.81	44,091.02

	Free hold land	Free hold buildings Staff quarters Office premises	Furniture & fixtures	Vehicles	Office equipments	Vessels	Total
Deemed cost							
Balance at 31st March, 2018	224.18	52.63 999.09	9.23	12.79	22.18	58,038.06	59,358.16
Additions	22.86	– –	–	–	0.26	36,576.50	36,599.62
Disposals	–	(25.27) –	–	–	–	(58,038.06)	(58,063.33)
Effect of foreign currency exchange differences	–	– –	–	–	–	–	–
Balance at 31st March, 2019	247.04	27.36 999.09	9.23	12.79	22.44	36,576.50	37,894.45
Accumulated depreciation and impairment							
Balance at 31st March, 2018	–	12.97 299.74	6.62	8.72	14.78	14,924.31	15,267.14
Depreciation expenses	–	3.55 78.40	0.05	1.19	1.12	3,118.58	3,202.89
Eliminated on disposals of assets	–	(6.73) –	–	–	–	(16,685.34)	(16,692.07)
Effect of foreign currency exchange differences	–	– –	–	–	–	(140.31)	(140.31)
Balance at 31st March, 2019	–	9.79 378.14	6.67	9.91	15.90	1,217.24	1,637.65
Carrying value of assets							
Balance at 31st March, 2018	224.18	39.66 699.35	2.61	4.07	7.40	43,113.75	44,091.02
Additions	22.86	– –	–	–	0.26	36,576.50	36,599.62
Held for sale	–	(18.54) –	–	–	–	–	(18.54)
Disposals	–	– –	–	–	–	(41,352.72)	(41,352.72)
Depreciation expenses	–	(3.55) (78.40)	(0.05)	(1.19)	(1.12)	(3,118.58)	(3,202.89)
Impairment reversals	–	– –	–	–	–	–	–
Effect of foreign currency exchange differences	–	– –	–	–	–	140.32	140.32
Balance at 31st March, 2019	247.04	17.57 620.95	2.56	2.88	6.54	35,359.27	36,256.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foot notes:

- 1) Includes cost of 5 shares of ₹ 50 each fully paid in Dadar Paschim Apartments Co-operative Housing Society Limited
- 2) Includes cost of 5 shares of ₹ 50 each fully paid in Olympus Co-operative Housing Society Limited. The flat has been classified as held for sale as at 31st March, 2019.
- 3) Includes cost of 5 shares of ₹ 50 each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited.
- 4) During the year, the Company has sold its sole vessel Chowgule-7 having a WDV of ₹ 1,140.86 lakhs as on the date of sale, for a total consideration of ₹ 1,087 lakhs. Out of the above, an amount of ₹ 61.68 lakhs has been received from the buyer upto 31st March, 2019 and the remaining amount is receivable in 45 installments upto 2024. Interest on the above is receivable at 12% pa in 65 installments. The amount receivable within 1 year is ₹ 165.91 lakhs, within 1-5 years is ₹ 657.92 lakhs. and beyond 5 years is ₹ 102.92 lakhs (Refer note 5 & 13)
- 5) Office Premises are on land which is on a long term lease from the Government.
- 6) Office premises includes an amount of ₹ 466.06 lakhs given on lease. Depreciation for the same is ₹ 52.27 lakhs (2018 - ₹ 58.87 lakhs) Future minimum rent receipts are as under:

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	209.76	209.76
Later than one year and not later than five years	209.76	-
TOTAL	419.52	209.76

- 7) During the year all foreign going vessels were sold and taken back on lease. Refer note. No 19

5 Other financial assets

Security deposits (Unsecured, considered good unless otherwise stated)	1.80	1.80
Receivable on sale of Property plant & equipment (Refer to note no 4 & 13)	760.84	-
TOTAL	762.64	1.80

6 Deferred tax liabilities (net)

Deferred tax assets (Refer foot note below)	582.85	728.56
Deferred tax liabilities	(244.01)	(487.11)
TOTAL	338.84	241.45

Foot note :

Components of net deferred tax assets/ (liabilities) as at the end of the year is as follows



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2018-19

₹ in lakhs

Deferred tax assets /(liabilities) in relation to:	Opening balance	On transactions recognised in statement of profit and loss	On transactions recognised in other comprehensive income	Closing balance
Allowance for doubtful debts	11.60	–	–	11.60
Defined benefit obligations	13.84	1.78	4.11	19.73
Unused tax losses	629.05	(129.32)	–	499.73
Unused MAT credit	74.07	(22.28)	–	51.79
Security deposit	(0.02)	(0.07)	–	(0.09)
Property, plant and equipment	(437.91)	267.18	–	(170.73)
Trade payable for property, plant and equipment	(42.21)	(26.67)	–	(68.88)
Investments	(6.97)	2.66	–	(4.31)
TOTAL	241.45	93.28	4.11	338.84

2017-18

₹ in lakhs

Deferred tax assets /(liabilities) in relation to:	Opening balance	On transactions recognised in statement of profit and loss	On transactions recognised in other comprehensive income	Closing balance
Allowance for doubtful debts	11.48	0.12	–	11.60
Defined benefit obligations	24.26	(5.14)	(5.28)	13.84
Unused tax losses	534.53	94.52	–	629.05
Unused MAT credit	74.07	–	–	74.07
Security deposit	(0.31)	0.29	–	(0.02)
Property, plant and equipment	(555.13)	117.22	–	(437.91)
Trade payable for property, plant and equipment	(80.45)	38.24	–	(42.21)
Investments	(8.45)	1.48	–	(6.97)
TOTAL	–	246.73	(5.28)	241.45

Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
Loss before tax	(328.55)	(600.69)
Enacted tax rates in India	27.82%	27.82%
Computed expected tax expense	(91.40)	(167.11)
Effect of Income that is exempt from taxation	(0.01)	(0.01)
Effect of expenses that are not deductible in determining taxable profit	0.02	0.04
Effect of previously unrecognised deferred tax assets	(4.11)	(74.37)
Others	(1.89)	–
Income tax expense recognised in Statement of Profit and Loss	(97.39)	(241.45)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 Other non current assets

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good unless otherwise stated		
Advance payment of taxes (Refer note no 27)	179.79	185.07
Disputed sales tax deposit (Refer note no 27)	47.40	47.40
Security deposits	3.51	3.51
Reversal of Employee Benefit Provision (Refer note no 34)	–	30.98
Capital advance for purchase of property, plant and equipment	1,718.57	1,648.64
TOTAL	<u>1,949.27</u>	<u>1,915.60</u>

Note : During the year out of capital work in progress of ₹ 32.54 lakhs ₹ 22.86 lakhs has been capitalised and balance ₹ 9.68 lakhs was written off.

8 Inventories

Lower of cost and net realisable value (Refer foot notes 1 to 3)		
Lube oil	133.33	131.35
Fuel oil	–	7.84
Paints	–	–
TOTAL	<u>133.33</u>	<u>139.19</u>

Foot notes:

1. The cost of inventories recognised as an expense during the year was ₹ 145.86 lakhs (2018 : ₹ 188.96 lakhs). Includes gain on sale of inventory of Chowgule ₹ 3.99 lakhs (2018 Expense : ₹ 3.44 lakhs)
2. Inventory is expected to be utilised within 12 months
3. The mode of valuation of inventories has been stated in significant accounting policies note 2.6



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Investments

₹ in lakhs

	No of shares / units	As at 31st March, 2019	No of shares / units	As at 31st March, 2018
Investments in equity instruments carried at fair value through profit or loss (FVTPL)				
Equity shares (quoted) of ₹ 10 each fully paid up :				
Mahindra Lifespace Developers Limited	16	0.06	16	0.07
ICICI Bank Limited	825	3.29	825	2.30
Global Offshore Services Limited	50	0.01	50	0.01
Essar Shipping Limited	233	0.02	233	0.05
GOL Offshore Limited #	30	0.00	30	0.00
The Great Eastern Shipping Company Limited	121	0.34	121	0.40
Shreyas Shipping and Logistics Limited	100	0.20	100	0.51
The Shipping Corporation of India Limited	75	0.03	75	0.05
Equity shares (unquoted) of ₹ 10 each fully paid up :				
Hazira Cargo Terminal Limited #	69	–	69	–
Salaya Bulk Terminal Limited #	23	–	23	–
Vadinar Oil Terminal Limited #	349	–	349	–
Investment in Mutual Funds (Unquoted) carried at fair value through profit or loss (FVTPL)				
Franklin India Low Duration Fund - growth	1,64,518	35.77	6,02,035	120.26
Franklin India Ultra Short Bond Fund -super Inst. Plan	3,66,758	96.34	–	–
Invesco India Money Market Fund - institutional growth	126	2.69	126	2.50
# Value less than ₹ 500				
TOTAL		<u>138.75</u>		<u>126.15</u>
Aggregate book value of quoted investments		3.95		3.39
Aggregate market value of quoted investments		3.95		3.39
Aggregate carrying value of unquoted investments		134.80		122.76

10 Trade receivables

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
Trade receivables considered good - Secured	–	–
Trade receivables considered good - unsecured (Refer foot note below)	60.86	–
Trade receivables which have significant increase in credit risk	–	–
Trade receivables - credit impaired	41.67	41.67
Less : Loss allowances	(41.67)	(41.67)
TOTAL	<u>60.86</u>	<u>–</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foot notes :

10.1.1. Credit policy & ageing

Before accepting any new customer, the group assesses potential customers credit quality and defines credit limits for the customer. The Group receives time charter receipts periodically in advance. No interest is charged on trade receivables. Of the trade receivables balance as at 2019: ₹ 60.86 lakhs was due (2018: ₹ Nil). There are three customers who represent more than 5% of the total balance of trade receivables.

		₹ in lakhs	
10.2	<u>Ageing of receivables</u>	2018-19	2017-18
	Within the credit period		
	1-30 days past due	60.86	-
	31-60 days past due	-	-
	61-90 days past due	-	-
	More than 90 days past due	-	-
	More than 180 days past due	41.67	41.67

11 Cash and bank balances

		₹ in lakhs	
11.1	Cash & cash equivalents	As at 31st March, 2019	As at 31st March, 2018
	a) Cash on hand	2.08	1.95
	b) Balance with Banks in current accounts	13.77	9.72
	c) Balance with Banks in foreign currency accounts	814.40	959.88
		830.25	971.55
11.2	Other Bank balances		
	Earmarked balances for unpaid dividend with bank	-	6.67
	TOTAL	830.25	978.92

12 Loans

	Loans receivables considered good - secured		
	Loans receivables considered good - unsecured (Refer foot note below)	-	-
	Loans to related party (Refer to note below)(Refer foot note 13)	-	830.00
	Loan to other party	138.34	130.09
	With Significant increase in credit risk	-	-
	Loans receivables which have significant increase in credit risk	-	-
	Loans receivables - credit impaired	-	-
	TOTAL	138.34	960.09

Foot notes :

- The balance amount due from related party ₹ 830 lakhs and accrued interest of ₹ 285.84 lakhs was adjusted with the payables to another related party for purchase of Property Plant and Equipment on account of its merger with the related party;
- The subsidiary has given an unsecured loan of ₹ 138.34 lakhs repayable on demand.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 Other financial assets

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Accrued interest		
On loan to related party (Refer note no 12)	–	285.84
On loan to other party (Refer note no 4 & 5)	–	6.62
Receivable on sale of Property plant & equipment (Refer to note no 4 & 5)	165.91	–
Other receivables		
Claims receivable	154.52	–
TOTAL	320.43	292.46

14 Other current assets

Prepaid expenses	33.95	31.26
Deposit receivable	–	5.52
Goods & service tax	2.15	7.06
Advance bareboat	246.23	–
Other receivables	30.64	31.96
Commission receivables	172.93	162.61
TOTAL	485.90	238.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 Equity share capital

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Authorised		
i) 50,000,000 Equity shares of ₹ 10/- each	5,000.00	5,000.00
ii) 2,500,000 Redeemable preference shares of ₹ 10/- each	2,500.00	2,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
Issued, subscribed and fully 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>

(I) 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.

(II) 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.

(III) Details of shares held by each shareholders holding more than 5 % shares

Name of the equity shareholders	Numbers of shares	
	As at 31st March, 2019	As at 31st March, 2018
Chowgule and Company Private Limited	1,74,50,333	1,74,50,333
	48.06%	48.06%
Quail Investments Limited	22,60,843	22,60,843
	6.23%	6.23%

16 Other equity

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Balances at the end of year		
(a) Capital reserve	11.96	11.96
(b) Capital redemption reserve	30.00	30.00
(c) Securities premium reserve	2,922.01	2,922.01
(d) General reserve	4,117.52	4,117.52
(e) Investment revaluation reserve		
Balance at beginning of year	-	(270.34)
Less : Loss on fair value of investment	-	-
Less : Loss on sale of investment	-	270.34
Balance at end of year	-	-
(f) Foreign currency translation reserve		
Balance at beginning of year	1,183.39	1,355.85
Add / (less) : Exchange difference arising on translating the foreign operation	338.23	(172.46)
Balance at end of year	<u>1,521.62</u>	<u>1,183.39</u>
(g) Retained earnings		
Balance at beginning of year	(5,828.64)	(6,278.95)
Add : Profit / (loss) for the year	(9,114.64)	450.31
Balance at end of year	<u>(14,943.29)</u>	<u>(5,828.64)</u>
TOTAL	<u>(6,340.17)</u>	<u>2,436.24</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foot notes:

Nature of reserves

Capital reserve:

Capital reserve includes profit on forfeiture of shares.

Capital redemption reserve:

Capital redemption reserve is created out of profits on redemption of preference capital.

Securities premium reserve:

Amount received on issue of shares in excess of the par value has been classified as securities premium.

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Foreign currency translation reserve :

Exchange differences relating to the translation of the results and net assets of the Group's foreign operation from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in the foreign currency translation reserve.

Investment revaluation reserve

Investment Revaluation Reserve includes Profits/(Loss) on fair valuation of investments.

Retained earnings:

The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the separate financial statements of the Companies in the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

17 Non - controlling interest

₹ in lakhs

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). CSOL also has an option to redeem these shares after the tenth anniversary of issue for cash at USD 1.10 per share

	As at 31st March, 2019	As at 31st March, 2018
	6,225.42	5,853.97
TOTAL	<u>6,225.42</u>	<u>5,853.97</u>

18 Borrowings

Term loan from banks (refer note 24)(refer foot note below)

Secured by mortgage of vessels forming part of the fleet

	-	22,327.02
TOTAL	<u>-</u>	<u>22,327.02</u>

Foot note:

Note:- During previous year & part of current year The bank loan was secured over the following vessels for the total amount due including current maturities included in note no. 24

The Maratha Pride

The Maratha Paramount

The Maratha Promise

The Maratha Prudence

The Bank Loans were fully repaid during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 Other financial liabilities

	As at 31st March, 2019	As at 31st March, 2018
Security deposit	94.64	89.12
Payable on purchase of property, plant and equipment (Refer foot note below)	27,751.96	1,648.29
TOTAL	27,846.60	1,737.41

Note :

- 1) Payable on purchase of property, plant and equipment includes an amount of ₹ 418.96 lakhs (2018: ₹ 1,648.29 lakhs) payable to related party.
- 2) The amount payable on purchase of property, plant & equipments represent amounts repayable on lease back of vessels as per below chart ;

Terms of repayment of secured term loans for the year 2018-19

Particulars	Maratha Pride NCN Coporation	Maratha Paramount Northern Shipping Fund III	Maratha Promise ABO Shoten Ltd	Maratha Prudence Northern Shipping Fund III
1. Amount of installment in USD	Fixed Bareboat @ \$ 79,375 per month Variable Bareboat @ 1 month Libor + 4.25%	For first 12 months - \$ 3,250/ day Balance 48 months - \$ 4,250/ day	Fixed Bareboat @ \$ 114,796 per month Variable Bareboat @ 1 month ICE Libor + 3%	For first 12 months - \$ 3,250/ day Balance 48 months - \$ 4,250/ day
2. Option Premium -Non Refundable	-	\$ 3,100,000	\$ 3750000	\$ 3,100,000
3. Purchase price Option	3 months LIBOR + 2.50%	3 months LIBOR + 2.40%	3 months LIBOR + 3.50%	3 months LIBOR + 3.50%
End of Year 2	-	\$ 9,400,000	-	\$ 10,200,000
End of Year 3	\$ 7,892,500	\$ 9,000,000	\$ 7,117,347 + \$ 500,000	\$ 9,700,000
End of Year 4	\$ 6,930,000	\$ 8,600,000	\$ 5,739,796 + \$ 600,000	\$ 9,200,000
End of Year 5	\$ 5,967,500	\$ 8,200,000	\$ 4,362,245 + \$ 700,000	\$ 8,700,000
End of Year 6	\$ 5,005,000	-	\$ 2,984,694 + \$ 800,000	-
End of Year 7	\$ 4,042,500	-	\$ 1,607,143 + \$ 900,000	-
End of Year 8	\$ 3,080,000	-	\$ 229,592 + \$ 1,000,000	-
End of charter period	-	-	\$ 1,000,000	-
Put option at end of period	-	\$ 8,200,000	-	\$ 8,700,000
4. No. of monthly installments outstanding	95	51	96	51

20 Provisions

	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits	40.56	38.01
TOTAL	40.56	38.01

21 Other non current liabilities

Advance rent received	4.49	10.09
TOTAL	4.49	10.09



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 Borrowings

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
Unsecured borrowing		
From Other party (refer foot note 1 below)	4,409.23	3,577.43
From Related party (refer foot note 2 below) (Refer to note 35)	1,420.00	–
TOTAL	5,829.23	3,577.43

Foot note

- The loan outstanding as on 31st March, 2019 is ₹ 4,409.24 lakhs i.e. USD 6.374 million (2018 : ₹ 3,577.43 lakhs i.e. USD 5.5 million) repayable with interest @ 4% per annum in full or part without penalty on or before 30th Sept; 2021 (2018 - payable on or before 30th Sept 2018)
- The Company has taken unsecured loan from related party of ₹ 1,420 lakhs (2018- NIL) @9% p.a. repayable on demand to facilitate operations.

23 Trade payables

Total Outstanding dues of micro enterprises & small enterprises (Refer foot notes below)	–	1.06
Total Outstanding dues of other than micro enterprises & small enterprises		
– Shipping cost payable	1,425.86	1,651.55
TOTAL	1,425.86	1,652.62

Foot note:

The average credit period on purchases of goods and services are within 60 days. No interest is charged by the vendors.

Details relating to Micro, Small and Medium enterprises

a) Amount remaining unpaid to any supplier at the end of the year:		
– Principal	–	1.06
– Interest	–	–
b) The amount of interest paid by the buyer as per Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year	–	–
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	–	–
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
e) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	–	–

Note: (The above information is given on the basis of intimation received by the Company.)

TOTAL	–	1.06
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The Group has not received any intimation from its vendors regarding the status under the Micro, Small and Medium Enterprise Development Act, 2006. Except as stated above the above information is based on the information compiled by the Company and relied upon by the auditors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 Other financial liabilities

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Secured		
Current maturities of long term debt (Refer note no 18)	–	–
Secured by mortgage of vessels forming part of fleet (Refer note no 18)	–	6,824.86
Current maturities of long-term debt	–	–
Interest accrued but not due on borrowings	–	–
On loans	473.47	382.06
On other	214.15	147.97
Unpaid dividends	–	6.67
Other current liabilities	7.71	6.34
Payable on purchase of property plant & equipments	1,901.19	–
TOTAL	<u>2,596.52</u>	<u>7,367.90</u>

25 Other current liabilities

Advance rent received	5.61	7.72
Advance for sale of property plant & equipments	1.00	–
Charter hire (received in advance)	22.36	265.63
Advance received from customers	–	–
Payable to gratuity fund (refer note no 34)	14.75	–
Statutory dues	1.62	0.48
Provision for other expenses	113.71	67.31
TOTAL	<u>159.05</u>	<u>341.14</u>

26 Provisions

Provision for employee benefits	15.56	11.71
TOTAL	<u>15.56</u>	<u>11.71</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 Contingent liabilities & commitments

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
i) Contingent liabilities		
a) Sales Tax demand not provided for: (Refer note no 7)	237.00	237.00
<p>The Company had contested the above claims against the Order of the Appellate Assistant Commissioner, Chennai, confirming the Order of the Commercial Tax Officer for the Year 1995-96 in respect of charter hire of the vessel, 'm.v. Maratha Prudence'. The Company had already deposited ₹ 47.40 lakhs (refer to note no 7) (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.</p>		
b) Income tax demand not provided for		
<p>The Company has filed appeal in respect of the same.</p>		
	32.72	32.72
<p>Note : Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.</p>		
ii) Commitments		
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	–	6,504.41
Estimated amount of contracts remaining to be executed on capital account not provided for - The group has a commitment for the construction of one (2018 - one) hull	15,978.57	15,025.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 Revenue from operations

	₹ in lakhs	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of service		
– Charter hire receipts	9,023.43	6,647.66
TOTAL	9,023.43	6,647.66

29 Other income

Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
– Interest on loans	205.46	92.43
Income tax refund	2.38	2.11
Operating lease rental income	215.37	224.58
Dividend income	0.02	0.03
Net gain arising on financial assets designated as at FVTPL (Refer foot note below)	8.60	16.23
Sundry receipts	0.75	44.28
Sundry balance written back	–	12.11
Net foreign currency translation differences	–	17.30
TOTAL	432.58	409.07

Foot note:

The amount represents a net gain on financial assets designated as at FVTPL which are mandatorily measured at fair value and comprises a loss on fair valuation of ₹ 9.54 lakhs (2018: ₹ 5.62 lakhs).

30 Employee benefit expenses

Salaries, wages and other benefits (Refer note no 34)	186.26	127.39
Contributions to provident and other funds (Refer note no 34)	–	
Superannuation contribution	15.44	15.10
Gratuity (LIC contribution)	3.97	10.09
Contribution to provident fund @ 12%	13.62	11.41
Staff welfare expenses	1.06	2.63
TOTAL	220.35	166.62

31 Finance costs

Interest on term loan	1,139.44	1,364.63
Interest on bare boat	1,425.06	–
Finance charges	69.89	–
Interest others	61.55	149.09
TOTAL	2,695.94	1,513.72



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 Depreciation and amortisation expenses

	₹ in lakhs	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation on property, plant and equipment pertaining to continuing operations (Refer note no 4)	3,202.89	3,009.20
TOTAL	3,202.89	3,009.20

33 Other expenses

Operating expenses

Manning cost	2,368.87	2,212.62
Fuel and oil	145.86	188.96
Stores and spare parts consumed	531.01	485.06
Port disbursement, stevedorage, light dues etc.	45.26	50.86
Ship repairs and survey charges	249.97	161.37
Dry docking charges	–	206.41
Insurance & protection club dues	289.37	245.68
Brokerage and agency fees	288.89	218.44
Foreign currency translation differences	26.51	–
Ship management fees	323.19	303.33
Crew expenses	348.75	319.46
Quality & safety facilities	71.52	62.26
Handling & transport	19.44	9.70

Other expenses

Power and fuel	4.29	5.03
Legal and professional expenses	220.90	168.31
Postage, telephone, telexes etc.	41.31	32.31
Rent	0.50	0.49
Rates and taxes	24.91	33.69
Auditors' remuneration		
For statutory audit	5.40	25.08
For tax audit	0.70	0.70
For other services	2.63	4.84
Directors' sitting fees	7.90	9.21
Sundry balance written - off	23.51	–
Net foreign currency translation differences	72.64	–
Travelling expenses (Including foreign travelling)	39.22	38.78
Repairs to building	29.57	36.27
Subscriptions	16.20	19.29
Loss on sale of investment	–	53.22
Loss on sale of vessel (refer foot note below)	7,237.81	–
Assets written off	–	1.64
Miscellaneous expenses	70.86	68.43
TOTAL	12,506.99	4,961.44

Footnote :Loss on sale of vessels includes vessels sold and taken back on finance lease of ₹ 7,183.85 lakhs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Employee benefit plans

a) Defined contribution plans

Provident fund :

The Company makes contributions to Provident Fund which is defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The fund is administered by the Trustees. The contributions payable by the Holding Company are at rates specified in the rules of the schemes. The Holding Company has recognised amount in the statement of profit and loss under the head "Employee Benefit Expenses" as mentioned in the following table.

Superannuation fund :

All eligible employees are entitled to benefits under superannuation, a defined contribution plan. The Holding Company makes yearly contribution until retirement or resignation of the employee. The Holding Company recognises such contributions an expense. The Holding Company has no further obligation beyond yearly contribution.

The Holding Company has recognised the following amounts in the Consolidated Statement of Profit and Loss as contribution under defined contribution plans

	₹ in lakhs	
	2018-19	2017-18
i) Provident fund	13.62	11.41
ii) Superannuation fund	15.44	15.10

b) Defined benefit plan

The Holding Company makes annual contributions to the Chowgule Steamships Limited Shore Employees Gratuity Fund (Income tax approved irrevocable trust), 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 Holding Company's gratuity scheme. Vesting occurs upon completion of five years of service.

The Holding Company offers its employees defined benefit plan in the form of a gratuity scheme (a lump sum amount). For gratuity scheme the Holding Company contributes funds to Gratuity Trust, which is irrevocable. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method. These plans typically expose the Holding Company to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially off set by an increase in the plan assets.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The principal actuarial assumptions are as follows:

	2018-19	2017-18
i) Discount rate at 31st March	7.59% p.a.	7.65% p.a.
ii) Rate of increase in compensation	5.00% p.a.	5.00% p.a.
iii) Attrition rate	0.50% p.a.	0.50% p.a.
vi) Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Foot notes:

- The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- The estimate of future salary increase considered, takes into account the inflation, seniority, promotion, increments and other relevant factors, such as supply and demand in the employment market.
- 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 Holding Company.
- 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.

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:

	₹ in lakhs	
	2018-19	2017-18
Service cost		
Current service cost	6.21	8.71
Past service cost and (gain) / loss from settlements	-	-
Adjustment to opening balance	0.13	(0.86)
Net Interest expense	(2.36)	0.97
Components of defined benefit costs recognised in the Consolidated Statement of profit and loss	3.98	8.82
Remeasurement on the net defined benefit liability :		
Return on the plan assets (excluding amount included in net interest expenses)	13.41	(0.68)
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	0.13	(29.34)
Actuarial (Gains)/losses arising from experience adjustments	28.33	(18.79)
Others (describe)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	41.87	(48.81)
Total	45.85	(39.99)

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the statement of profit and loss. The remeasurement of the net defined liability is included in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows :

	(₹ in lakhs)	
	2018-19	2017-18
Present value of funded defined benefit obligations	190.16	144.45
Fair value of plan assets	175.41	175.43
Funded status [deficit / (surplus)]	14.75	(30.98)
Restrictions on assets recognised	-	-
Net liability arising from defined benefit obligation	14.75	(30.98)

Movements in the present value of the defined benefit obligations are as follows:

	2018-19	2017-18
Opening defined benefit obligations	144.45	171.34
Current service cost	6.21	8.71
Interest Cost	11.05	12.52
Remeasurement (gains)/loss:		
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	0.13	(29.34)
Actuarial (Gains)/losses arising from experience adjustments	28.33	(18.79)
Benefits paid	-	-
Closing defined benefit obligation	190.17	144.45

Movements in fair value of the plan assets are as follows:

	2018-19	2017-18
Opening fair value of plan assets	175.43	152.17
adjustment to opening fair value of plan asset	(0.13)	0.86
Interest income	13.41	11.56
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expenses)	(13.41)	0.68
Contribution from the employer	0.11	10.16
Benefits paid	-	-
Closing defined benefit obligation	175.41	175.43

Key management personell liability as on 31st March, 2019, is ₹ 165 lakhs (2018: ₹ 124.83 lakhs)

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

		₹ in lakhs	
		PVO	
		2018-19	2017-18
Discount rate	PVO DR + 1%	188.12	141.58
	PVO DR - 1%	192.46	147.55
	Expected Salary escalation rate		
Expected Salary escalation rate	PVO ER + 1%	192.48	147.58
	PVO ER - 1%	188.07	141.50



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expected payout

(₹ in lakhs)

Year	Expected outgo first	Expected outgo second	Expected outgo third	Expected outgo fourth	Expected outgo fifth	Expected outgo six to tenth
PVO payouts	165.18	0.20	0.22	0.25	0.29	31.39

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The contribution expected to be made by the holding Company during the financial year 2019 is ₹ 1.20 lakhs (2018 - NIL).

	2014-15	2015-16	2016-17	2017-18	2018-19
Experience adjustments					
Present value of the obligation	101.84	188.98	171.34	144.45	190.17
Fair value of the plan assets	93.81	132.90	152.17	175.43	175.41
Surplus/ (Deficit)	(8.03)	(56.08)	(19.17)	30.98	(14.75)
Experience adjustment on plan liabilities	(14.84)	33.06	(27.73)	(18.78)	28.33
Experience adjustment on plan assets	(2.56)	(1.21)	(0.38)	0.68	(13.41)

₹ in lakhs

35 Related party disclosures, as required by Ind AS 24 "Related Party Disclosures" are given below

I List of related parties (as identified and certified by the Management)

Name of the Company	Country of Incorporation	% of Holding	
		31st March, 2019	31st March, 2018
a. Substantial investor			
Chowgule and Company Private Limited	India	48.06%	48.06%
The Person or close member of such person's family who have control of the Company			
a) Vijay Chowgule			
b) Rohini Chowgule			
c) Padma Chowgule			
d) Sarita Chowgule			
e) Ashok Chowgule			
f) Umaji Chowgule			
g) Deepa Chowgule			
Entities controlled by above persons			
a) Chowgule And Company Private Limited (CCPL)			
b) Chowgule Mediconsult Private Limited.			
b. Key managerial personnel:			
Mr. Mangesh Sawant	Managing Director, Chief Financial Officer		
Mr. Suhas Joshi	Company Secretary		
c. Entities in which Directors are able to exercise significant control:			
Chowgule and Company Private Limited			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Lavgan Dockyard Private Limited (upto 22.06.2018)

II Related party transactions

(₹ in lakhs)

Nature of Transaction	Subsidiary Companies		Enterprises over which Key Management Personnel exercise significant control		Enterprises over which Directors/Relative of Directors/Key Management Personnel/Relative of Key Management Personnel exercise significant influence.		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Services rendered								
Chowgule and Company Private Limited	–	–	6.35	12.26	–	–	6.35	12.26
Interest income								
Lavgan Dockyard Private Limited	–	–	19.58	87.15	–	–	19.58	87.15
Interest expenses								
Chowgule and Company Private Limited	–	–	11.09	–	–	–	11.09	–
Loans given during the year								
Lavgan Dockyard Private Limited	–	–	–	830.00	–	–	–	830.00
Loans accepted during the year								
Chowgule and Company Private Limited	–	–	1,420.00	–	–	–	1,420.00	–
Outstanding balances as on 31.03.2019								
Loans								
Chowgule and Company Private Limited	–	–	1,430.23	–	–	–	1,430.23	–
Trade and other receivables	–	–	–	–	–	–	–	–
Trade and other pPayables								
Chowgule and Company Private Limited	–	–	666.54	1,800.00	–	–	666.54	1,800.00

III Compensation to key management personnel

The remuneration of key management personnel during the year was as follows :

₹ in lakhs

	31-Mar-2019	31-Mar-2018
Short-term employee benefits	137.40	105.70
Post employment benefits (Refer note no. 34)	197.69	152.19
Termination benefits	–	–
Share-based payments	–	–
Total Compensation paid to Key Management Personnel	335.09	257.89

IV Sitting fees paid to non-executive Directors

Director sitting fees

7.90

8.70

36 Segment reporting

The Group treats 'Shipping' as single reportable segment. All other activities of the Group revolve around its main business. Therefore there are no separate reportable segments. Given the nature of the business there are no Geographic Segments either. The Group's revenue from sale of services to external customers by location of operations are as under.

a) Geographical information

In India ₹ 6.35 lakhs (2018: ₹ 12.26 lakhs), Outside India ₹ 9,017.08 lakhs (2018: ₹ 6,635.40 lakhs)

b) All the non-current assets of the Group are as under

In India ₹ 2,229.71 lakhs (2018: ₹ 2,707.78 lakhs), Outside India ₹ 37,077.87 lakhs (2018: ₹ 43,542.03 lakhs)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Since there is single segment there is no difference in measurement of profit or loss and measurement of assets and liabilities.

37 As per Ind AS 33 on 'Earnings per share' (basic and diluted), the earning per share of the Group is as under

	₹ in lakhs	
	31-Mar-2019	31-Mar-2018
a. Profit/(Loss) for the year (₹ in lakhs)	(9,076.88)	406.80
b. Weighted average number of equity shares outstanding during the financial year (in nos.)	3,63,08,425	3,63,08,425
c. Basic and diluted earnings per equity share (for continuing operation) (in ₹)	(25.00)	1.12
d. Basic and diluted earnings per equity share (for discontinued operation)(in ₹)	–	–
e. Basic and diluted earnings per equity share (for continuing & discontinued operation)(in ₹)	(25.00)	1.12

38. Financial instruments

38.1 Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 18, 22 & 24 and off set by cash and bank balance) and total equity of the Group.

38.1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Debt (Refer Foot note (i) below)	7,730.42	32,729.31
Cash and Bank balances	(830.25)	(978.22)
Net debt	6,900.17	31,751.09
Equity (Refer Foot note (ii) below)	3,516.09	11,921.05
Net debt to equity ratio	1.96	2.66

Notes:

- (i) Debt is defined as Long-term borrowing, short term borrowings and current maturities of long term borrowings
- (ii) Equity is defined as equity share capital, other equity and non controlling interest (Refer to note no 15, 16 & 17)

38.2 Categories of financial instruments

Financial assets

Measured at amortised cost

(a) Cash and Bank balances	830.25	978.22
(b) Other financial assets at amortised cost		
(i) Other Financial assets	1,083.07	294.26
(ii) Other loans	138.34	960.09
(iii) Trade receivables	60.86	–

Measured at fair value through profit or loss

(a) Investments	138.75	126.15
TOTAL	2,251.26	2,358.72

₹ in lakhs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2019	As at 31st March, 2018
Financial liabilities		
Measured at amortised cost		
(i) Other financial liabilities	30,443.12	9,105.31
(ii) Borrowings	5,829.23	32,729.31
(iii) Trade payables	1,425.86	1,652.62
TOTAL	37,698.21	43,487.23

The above excludes investment in subsidiary.

In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

38.3 Financial risk management objectives

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are generated directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes is undertaken. The Group's risk management committee, an independent body, monitors risk and policies implemented by the Group to mitigate risk exposures.

38.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, trade and other receivables and investments.

38.5 Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group's exposure to currency risk relates primarily to the Group's operating activities and borrowings when transactions are denominated in a different currency from the Group's functional currency. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Group's Policy is not to hedge transactions, and to buy and sell currency at spot rate where applicable. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

Particulars	2018-19		2017-18	
	(₹ in lakhs)	USD in Million	(₹ in lakhs)	USD in Million
Receivables				
Other current assets	0.81	# -	1.04	# -
Cash & cash equivalents	24.33	0.04	-	-
Payables				
Trade payables	-	-	22.65	0.04

Note : USD = US Dollar

Value less than USD 10,000

Sensitivity analysis

The Group has not disclosed foreign currency sensitivity analysis. Since the exposure is not significant.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38.6 Interest risk

Interest risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of the changes in the market rate risk, the Group performs a comprehensive corporate interest rate risk management. The Group is not exposed to significant interest rate risk as at the respective reporting dates.

The Group's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section.

38.7 Price risk

The Group is affected by the price volatility. The Group's operating activities comprise of employment of ships on time charter contracts. Due to the cyclical nature of shipping industry, the revenue from shipping operations are subjected to price risk. To mitigate the impact of price risk the Group adopts mixture of short, medium and long term employment contract for its fleet.

38.8 Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers taking into account the financial conditions, current economic trends and analysis of historical bad debts and ageing of accounts receivable.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date on initial recognition. Financial assets are written off when there is no reasonable expectation of recovery. When loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss. The Group operations involves employment of the vessels on time charter contracts where receivables are collected periodically in advance and therefore credit risk is minimal.

38.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium - term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38.9.1 Expected maturity for Non-derivative financial liability

The following table details the Group's remaining contractual maturity for the non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Group may be required to pay. The table includes both interest and principal cash flows.

₹ in lakhs						
Particulars	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	Carrying amount
March 31, 2019						
Non-interest bearing						
Trade payables		1,425.86	–	–	1,425.86	1,425.86
Other financial liabilities		18.56	–	–	18.56	18.56
Variable interest rate instruments						
Other financial liabilities		1,901.19	17,276.70	10,475.25	29,653.14	27,751.95
Fixed interest rate instruments						
Payable on purchase of property, plant and equipment	8.70%		66.54	600.00	666.54	418.96
Security deposit	6.00%		104.88	–	104.88	94.64
Borrowing	4.00%	5,829.23			5,829.23	5,829.23
March 31, 2018						
Non-interest bearing						
Trade payables		1,652.62	–	–	1,652.62	1,652.62
Other financial liabilities		543.03	–	–	543.03	543.03
Variable interest rate instruments						
Borrowings	4.51%		22,327.02	–	22,327.02	22,327.02
Other financial liabilities		6,824.86			6,824.86	6,824.86
Fixed interest rate instruments						
Payable on purchase of property, plant and equipment	9.30%		1,800.00	–	1,800.00	1,648.29
Security deposit	6.00%		104.88	–	104.88	89.12
Borrowings	4.00%	3,577.43			3,577.43	3,577.43



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38.9.1.2 Expected maturity for non-derivative financial assets

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial asset is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

						₹ in lakhs
	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	Carrying amount
March 31, 2019						
Non-interest bearing						
Other financial assets		156.31	–	–	156.31	156.31
Investments		148.99	–	–	148.99	138.75
Trade receivable		60.86	–	–	60.86	60.86
Cash and Bank balance		830.25	–	–	830.25	830.25
Other financial assets		–	–	–	–	–
Loans		138.34	–	–	138.34	138.34
Fixed interest rate instruments						
Other financial assets	12.00%	165.91	657.92	102.92	926.75	926.75
March 31, 2018						
Non-interest bearing						
Other financial assets		8.42	–	–	8.42	8.42
Investments		131.77	–	–	131.77	126.15
Trade receivable		–	–	–	–	–
Cash and Bank balance		978.22	–	–	978.22	978.22
Other financial assets		285.84	–	–	285.84	285.84
Fixed interest rate instruments						
Loans	10.50%	830.00	830.00	830.00		
Loans	4.00%	130.09	–	–	130.09	130.09

The amount included above for variable interest instruments for both non-derivatives financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. 9.1.3 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Groups financial assets and financial liabilities that are measured at fair value or where fair value disclosure is required as at 31st March, 2019:

	Fair value measurement using			Total
	Quoted prices	Significant	Significant	
	in active market (Level 1)	observable inputs (Level 2)	unobservable inputs (Level 3)	
₹ in lakhs				
Financial assets				
Measured at amortised cost				
(a) Cash and bank balances	–	–	830.25	830.25
(b) Other financial assets at amortised cost				
(i) Other Financial assets	–	–	1,083.07	1,083.07
(ii) Other loans	–	–	138.34	138.34
(iii) Trade Receivables	60.86	60.86		
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	3.95	–	–	3.95
Investments in mutual funds (unquoted)	134.80	–	–	134.80
Measured through other comprehensive income				
(a) Investments	–	–	–	–
Financial liabilities				
Financial Liabilities held at amortised cost:				
(i) Other financial liabilities	–	–	30,443.12	30,443.12
(ii) Borrowings	–	–	5,829.23	5,829.23
(iii) Trade payables	–	–	1,425.86	1,425.86

There have been no transfers of amount between Level 1, Level 2 and Level 3 during the year.

The following table provides the fair value measurement hierarchy of the Companies financial assets and financial liabilities that are measured at fair value or where fair value disclosure is required as at 31st March, 2018:

	Fair value measurement using			Total
	Quoted prices	Significant	Significant	
	in active market (Level 1)	observable inputs (Level 2)	unobservable inputs (Level 3)	
₹ in lakhs				
Financial Assets				
Measured at Amortised cost				
(a) Cash and bank balances	–	–	978.22	978.22
(b) Other financial assets at amortised cost				
(i) Other Financial assets	–	–	294.26	294.26
(ii) Other loans	–	–	960.09	960.09
(iii) Trade receivables	–	–	–	–
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	3.39	–	–	3.39
Investments in mutual funds (unquoted)	122.76	–	–	122.76
Financial Liabilities				
Financial Liabilities held at amortised cost:				
(i) Other Financial liabilities	–	–	9,105.31	9,105.31
(ii) Borrowings	–	–	32,729.31	32,729.31
(iii) Trade Payables	–	–	1,652.62	1,652.62

There have been no transfers of amount between Level 1, Level 2 and Level 3 during the year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 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

a) As at and for the year ended 31 March, 2019

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)
Parent								
Chowgule Steamships Ltd	113.90%	4,004.92	2.13%	(193.39)	100.00%	(37.77)	2.63%	(231.16)
Foreign subsidiary								
Chowgule Steamships Overseas Limited	(13.90%)	(488.83)	97.87%	(8,883.49)	0.00%	–	97.37%	(8,545.26)
Total	100.00%	3,516.09	100.00%	(9,076.88)	100.00%	(37.77)	100.00%	(8,776.42)

b) As at and for the year ended 31 March, 2018

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)
Parent								
Chowgule Steamships Ltd	33.77%	4,025.32	–99.01%	(402.77)	30.78%	43.53	–65.53%	(359.24)
Foreign subsidiary								
Chowgule Steamships Overseas Limited	66.23%	7,895.73	199.01%	809.57	69.22%	97.88	165.53%	907.44
Total	100.00%	11,921.05	100.00%	406.80	100.00%	141.41	100.00%	548.20

40 Going concern

During the financial year ended 31st March, 2019, the Groups current liabilities exceed its current assets mainly on account of loan installments payable by the subsidiaries which are due within one year. The management discussion to restructure the finances which will reduce the amount payable within one year as a result the impact of mismatch in the current assets and current liabilities will be reduced substantially. On account of the above, going concern assessment in the financial is reasonable.

41 Expenditure on corporate social responsibility (CSR)

In pursuance of the provisions of the Companies Act, 2013 the holding Company is required to spent two percent of the average net profits for the three immediately preceding financial years towards CSR activities. Due to the occurrence of net losses in the three preceding financial years, the Company is not required to spent any amount on Corporate Social Responsibility.

42 Events after the reporting period

There are no events that needs to be reported after balance sheet date.

43 Previous year figures

Previous year figures have been regrouped /reclassified wherever necessary to confirm to the current year classification / disclosure

For **C N K & ASSOCIATES LLP**
Chartered Accountants
FRN: 101961W/W-100036

HIMANSHU KISHNADWALA
Partner
Membership No. 37391
Place: Mumbai
Date: 16th May, 2019

SUHAS JOSHI
Company Secretary

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
(DIN : 00018903)
Chairman

D. N. MUNGALE
(DIN : 00007563)
Director

MANGESH SAWANT
(DIN : 00007197)
Managing Director & CFO



Chowgule Steamships Limited

CIN: L63090GA1963PLC000002

Regd. Off. : Chowgule House, Mormugao Harbour, GOA - 403 803

Corporate Off.: 4th Floor, Bakhtawar, Nariman Point, Mumbai – 400 021.

Tel: 022 – 6620 2500 / E-mail: joshi.csl@chowgule.co.in / Website: www.chowgulesteamships.co.in

PROXY FORM

FIFTY SIXTH ANNUAL GENERAL MEETING ON FRIDAY, JULY 26, 2019

Name of the Member(s):	
Registered Address:	
E-mail ID:	
Folio No./DP ID/Client ID:	

I/We being member(s) of Chowgule Steamships Limited, holding _____ shares of the Company, hereby appoint:

(1) Name: _____ Address _____

Email Id: _____ Signature _____ or failing him;

(2) Name: _____ Address _____

Email Id: _____ Signature _____ or failing him;

(3) Name: _____ Address _____

Email Id: _____ Signature _____ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the Company to be held on Friday, July 26, 2019 at 10.00 a.m. at the Registered Office of the Company and at any adjournment thereof in respect of following resolutions:

Resolutions	For	Against
Ordinary Business:		
1. Adoption of the Audited Financial Statements including the Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.		
2. Re-appointment of Prof. Rohini Chowgule (DIN 00019057), who retires by rotation		
3. Retirement of Mr. Nathan R. Chowgule (DIN 00029130) by rotation		
Special Business:		
4. Re-appointment Mr. Sanjiv Shah, (DIN 00007211) as an Independent Director for a period of five years with effect from July 9, 2019 as a Special Resolution.		
5. Re-appointment Mr. Ravindra Kulkarni, (DIN 00059367) as an Independent Director for a period of five years with effect from July 9, 2019 as a Special Resolution.		
6. Re-appointment Mr. Farokh Guzder, (DIN 00108856) as an Independent Director for a period of five years with effect from July 9, 2019 as a Special Resolution.		
7. Approval to step down Subsidiaries for sale of vessels pursuant to Regulation 24 of LODR as a Special Resolution		
8. Approval for a Related Party Transaction as an ordinary resolution		

Signed this _____ day of _____, 2019

Signature of the Member _____

Signature of the Proxy holder(s) _____



Notes: 1. This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

2. For the Resolutions, explanatory Statement and Notes, please refer to the Notice of the 56th Annual General Meeting.

ROUTE MAP FOR ANNUAL GENERAL MEETING



Fleet Profile

CHOWGULE STEAMSHIPS OVERSEAS LIMITED

(On bareboat charter hire)

	Name	Year Built	DWT (M.T.)
1.	M. V. Maratha Pride	2011	37221
2.	M. V. Maratha Paramount	2011	32081
3.	M. V. Maratha Promise	2012	37187
4.	M. V. Maratha Prudence	2012	32070

If undelivered please return to :

CHOWGULE STEAMSHIPS LIMITED

CORPORATE OFFICE:

Bakhtawar, 4th floor, Nariman Point, Mumbai - 400 021

Tel : (022) 6620 2500 Fax : (022) 6620 2545

Email : joshi.csl@chowgule.co.in

Web : www.chowgulesteamships.co.in