



CHOWGULE STEAMSHIPS LIMITED

CIN-L63090GA1963PLC000002

Regd. Office : Chowgule House, Mormugao Harbour, Goa - 403803 India



24th July, 2018

BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Dear Sir,

Ref: Scrip Code 501833

Sub: Regulation 34 – Submission of Annual Report 2018

With reference to the above, we enclose herewith Annual Report of the Company as approved by the members at the 55th Annual General Meeting held on July 20, 2018, for your reference and records.

Kindly take note of above and acknowledge receipt.

Thanking you.

Yours truly,
For **Chowgule Steamships Limited**

Suhas Joshi
Company Secretary

55TH ANNUAL REPORT 2017-18



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

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/Fax(022) 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 Fifth Annual General Meeting (AGM) of the Members of CHOWGULE STEAMSHIPS LIMITED will be held on Friday, July 20, 2018 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 Financial Statements including the Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay V. Chowgule (DIN 00018903), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Jaywant Y. Chowgule (DIN 00019008), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the said Act, including any statutory modification and re-enactment thereof for the time being in force, and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded to the re-appointment of Mr. Mangesh Sawant (DIN 00007197), as the Managing Director & CFO of the Company for a period of three years w.e.f. April 1, 2018 on the terms and conditions and remuneration as set out in the Statement annexed to the notice convening this AGM, with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall deem to include any Committee of the Board constituted to exercise its powers including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment including designation and/or remuneration subject to the same being within the limits specified in the said Schedule V to the Companies Act, 2013 or any re-enactment thereof.

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

By order of the Board of Directors
For Chowgule Steamships Limited

Place: Mumbai,
Date : May 9, 2018

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 in the Corporate Governance section of the Annual Report.
- 4) Register of Directors, Key Managerial Personnel and their shareholding and Register of Contracts or arrangements in which Directors are interested will be available for inspection at the Annual General Meeting.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from July 13, 2018 to July 20, 2018, 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 & Diu.
- 9) Unclaimed Dividends for the years 1995-96, 1996-97, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 have been duly transferred to the Investor Education and Protection Fund. Unclaimed Dividend for the year 2010-11 is due for transfer to Investors Education & Protection Fund shortly. Members, who have so far not claimed their Dividend for 2010-11 are requested to immediately write to the Company's Share Transfer Agents.
- 10) The shares of the Company are listed on BSE Limited. (BSE) and the listing fees in respect thereof for the year 2018-19 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, 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) 2015, the Company has transferred the unclaimed shares into share suspense account maintained for the purpose. At the beginning of the year, total 8737 shares were lying credited to the said share suspense account belonging to 161 shareholders. During the year, none of the shareholders approached the Company for transfer of shares from suspense account. Hence, there was no change in the number of shares held in share suspense account during the year.
- 13) The Notice of the Fifty Fifth 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 Fifth Annual General Meeting and the Annual Report 2018 will be available on the Company's website, www.chowgulesteamships.co.in. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : joshi.csl@chowgule.co.in
- 14) Voting through electronic means:
 - (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
 - (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
 - (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialised form, as on the cut-off date i.e. July 13, 2018, may cast their vote electronically.
 - (d) The e-voting period commences at 9:00 a.m. on Tuesday, July 17, 2018 and ends at 5:00 p.m. on Thursday, July 19, 2018. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (f) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on the date of dispatch of notice.
 - (g) The Board of Directors at its meeting held on May 9, 2018 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 17th July, 2018 at 9.00 A.M. and ends on 19th July, 2018 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 13th July 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.



CHOWGULE STEAMSHIPS LIMITED

- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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 CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN 180620004 Chowgule Steamships Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians

* Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- * After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- * The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- * A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

15. Members are requested to carefully read the instructions and in case of any queries, you may refer to the QnA on e-Voting for Members and User Manual for Shareholders to cast their votes available in the Help section of www.evotingindia.com.
16. Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialised form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
17. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
18. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off-date to be notified. In view of this members are requested to dematerialise shares held by them in physical form.
19. 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.
20. The route map showing directions to reach the venue of the Fifty Fifth Annual General Meeting is given along with the Annual Report.
21. All documents referred to in the Notice will be available for inspection at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.

By order of the Board of Directors
For Chowgule Steamships Limited

Place: Mumbai,
Date : May 9, 2018

Suhas Joshi
Company Secretary



ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

SPECIAL BUSINESS

Item No.4

The shareholders at their meeting held on July 17, 2015 appointed Mr. Mangesh Sawant as Managing Director & CFO of the Company for a period of three years w.e.f. April 1, 2015. Accordingly, the term of Mr. Sawant expired on March 31, 2018. Mr. Sawant has been with the Company since 1986 and has served the Company in various positions at senior management levels during his tenure. In view of this and considering vast experience and expertise of Mr. Sawant in the shipping industry, it is proposed to re-appoint Mr. Sawant as the Managing Director & CFO of the Company for a period of three years w.e.f. April 1, 2018 on the following terms and conditions, as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors at its meeting held on January 18, 2018:

A. Period - The term of appointment is 3 (three) years w.e.f. April 1, 2018.

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

B. Remuneration & Perquisites

i) Basic Salary – ₹ 5,00,000 per month in the scale of ₹ 5,00,000 – ₹ 50,000 – ₹ 6,50,000.

ii) House Rent Allowance – 40% of Basic Salary per month.

iii) Leave Travel reimbursement for self and family – ₹ 60,000/- per annum.

iv) Reimbursement of medical expenses incurred for self and family – ₹ 40,000/- per annum.

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

(i) Contributions to Provident Fund and Superannuation Fund as per the Rules of the Company.

(ii) Gratuity not exceeding one month's salary for each completed year of service.

(iii) Provision of car with driver for use on the Company's business and telephone at residence. The use of car for personal purpose and personal long distance calls shall be billed by the Company to the Managing Director & CFO.

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

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

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

G. Modification of Terms

The terms and conditions of the appointment including the designation of the appointee may, subject to the conditions laid down in Schedule V to the Companies Act, 2013, be altered and varied in such manner as may be agreed to between the Board and the Managing Director & CFO.

The Company has incurred loss as per the audited balance sheet as at March 31, 2018. As such, the remuneration payable to Mr. Sawant as the Managing Director & CFO would be governed by Section II, Part II of Schedule V to the Companies Act, 2013. Based on the revised limits prescribed under Table (A) of Section II, Part II of Schedule V to the Companies Act, 2013, the Company can pay remuneration to Mr. Sawant up to ₹ 84 Lacs per annum. However, as per the proviso to the said provision, the said limit stands doubled in case if the resolution passed by the shareholders is a special resolution. In view of the above, it is proposed to obtain approval of the shareholders by way of special resolution as the proposed remuneration payable to Mr. Sawant exceeds ₹ 84 Lacs per annum.

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

No Director, key managerial personnel or their relatives, except Mr. Mangesh Sawant, to whom the resolution relates, is interested or concerned in passing of the resolution. The Board recommends the special resolution set forth in Item No. 4 for approval of the members.

This Statement may also be regarded as a disclosure under the Listing Regulations with the Stock Exchange. Information as required under Schedule V to the Companies Act, 2013 and the Listing Regulations is given below:

I. GENERAL INFORMATION

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

(₹ in Lakhs)

Particulars Year	Year 2018	Year 2017
Total revenue	348.21	416.45
Total expenses	997.71	776.69
Tax expenses	(246.73)	(84.16)
Other comprehensive income	43.53	31.44
Total comprehensive income	(359.24)	(244.64)
Dividend rate	NIL	NIL

- 5) Export performance and net foreign exchange collaboration:

Foreign exchange earnings on FOB basis amounted to ₹ Nil for the year ended March 31, 2018 as against foreign exchange outgo of ₹ Nil for the financial year ended March 31, 2018.

- 6) Foreign investment collaborators, if any: NIL

The Company is listed on BSE and as on March 31, 2018, the foreign holdings in the Company were about 11.02%. There are no foreign collaborators.

II. INFORMATION ABOUT THE APPOINTEE:

- 1) Background details:

Mr. Mangesh Sawant is a Commerce and Law Graduate and also is a Member of the Institute of Chartered Accountants of India and the Institute of Cost and Management Accountants of India. Mr. Sawant joined the Company in 1986 as an Accounts Officer. The Board appointed him as Manager, pursuant to Section 269 of the Companies Act, 1956, in October 2009, which position he held till April 2010 when he was appointed as an Executive Director & CFO for the first term. Mr. Sawant was thereafter re-appointed as the Executive Director & CFO for another term of 3 years, which was approved by the shareholders at the Fiftieth Annual General Meeting held on July 12, 2013. Thereafter the Board of Directors at its meeting held on May 7, 2015 appointed Mr. Sawant as the Managing Director & CFO for the first time for a term of three years w.e.f. April 1, 2015. Mr. Sawant has been involved in the business of the Company for more than three decades at senior management positions and thus has gained experience and expertise in various aspects of shipping business. Before joining the Company, Mr. Sawant was employed with M/s A.F. Ferguson & Co., Chartered Accountants, Mumbai, as Assistant Audit Manager since 1985. Mr. Sawant is not on the Board of any public limited company. Mr. Sawant is a joint holder of 133 equity shares in the Company.

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

In terms of the approval granted by the shareholders at the Fifty Second Annual General Meeting held on July 17, 2015, Mr. Sawant was drawing remuneration as under:

- a. Basic Salary – ₹ 4,00,000/- per month
- b. House Rent Allowance - 30% of Basic Salary
- c. Leave Travel Reimbursement for self and family subject to maximum up to Rs. 60,000/-



CHOWGULE STEAMSHIPS LIMITED

d. Reimbursement of medical expenses incurred for self and family subject to maximum up to ₹ 40,000/- per annum.

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

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

3) Job Profile of Managing Director & CFO and Suitability

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

4) Remuneration proposed: As stipulated in the resolution and the Statement

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

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

The annual remuneration packages of managing directors in other companies range between ₹ 1.00 Crore to ₹ 1.5 Crores. Therefore, considering the general industry trend and specific company profile, the proposed remuneration is in line with the prevalent industry levels and trends.

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

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

III. OTHER INFORMATION

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

Shipping is a cyclical industry and is considerably influenced by prevalent economic scenario in world economy. The Company has five vessels including four ocean going vessels under its subsidiaries. All these vessels are engaged on time chartered basis. The Company is engaged in providing vessels on time charter basis in international waters. The sluggish economic growth together with excess tonnage in the market during the year under review has impacted the revenues of the Company and resulted in loss during the year. The Company is hopeful that the freight market will improve in future. The Company is taking all steps to improve margins wherever possible.

IV. DISCLOSURES

The Corporate Governance Report which forms part of the Director's Report contains details of remuneration paid to all Directors including remuneration of Managing Director & CFO, notice period, service contract of the Managing Director & CFO etc. A copy of the contract for appointment of Mr. Mangesh Sawant entered into by the Company with Mr. Sawant is available at the registered office of the Company for inspection by any member of the Company during business hours.

The Board commends the resolution for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

By order of the Board of Directors
For Chowgule Steamships Limited

Place: Mumbai,
Date : May 9, 2018

Suhas Joshi
Company Secretary

DIRECTORS' REPORT 2017-2018

To
The Shareholders,

Your Directors present the Fifty Fifth Annual Report and the Audited Accounts for the year ended March 31, 2018.

1. FINANCIAL RESULTS & APPROPRIATIONS:

	2017-18	2016-17
Loss before financial charges, depreciation, exceptional item & tax	(76.67)	(47.19)
Financial charges	(149.09)	(135.49)
Depreciation	(161.69)	(177.56)
Loss before exceptional item & tax	(387.45)	(360.24)
Impairment	(262.05)	-
Loss before deferred tax provision	(649.50)	(360.24)
Reversal of provision for deferred tax (net)	246.73	84.16
Loss after tax	(402.77)	(276.08)
Other comprehensive income	43.53	31.44
Total comprehensive income	(359.24)	(244.64)
Brought forward from previous year	1,369.84	1,614.48
Surplus in statement of profit and loss	1,010.60	1,369.84

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 ₹ 12.26 Lakhs as against Rs. 51.58 Lakhs during the previous year showing a decrease of ₹ 39.32 Lakhs. The BDI which started the year at 1282 in April 2017 scaled down to 1055 by March 2018. The dry bulk freight markets, which showed glimpses recovery by the end of third quarter has once again slipped by the year end.

In the coastal trade also the Company had not been able to get any meaningful business opportunities.

INDUSTRY REVIEW & FUTURE OUTLOOK

Bulk Carrier market Outlook

Overall, the bulk carrier market has shown clear improvements since early 2016, and while the recovery may not follow a smooth trajectory, further gradual improvements in bulk carrier market conditions are expected over the next few years. The limited order book suggests that fleet expansion will remain fairly muted, with deliveries projected to slow further in both 2018 and 2019. Meanwhile, demand side trends appear to remain positive, with growth of 3% in dry bulk trade expected in 2018 (and 4% in terms of tone-miles) although risks to the outlook remain

The Handysize Market

Market conditions in the Handysize sector also improved in 2017, with Handysize trip earnings averaging \$8,766/day, up 54% compared to the 2016 average. Earnings improved further into early 2018. Growth in minor bulk trade picked up in 2017 to 2%, with Handysize fleet growth remaining below 2% for the sixth consecutive year.

Focus on the environmental regulatory timetable continues to accelerate ahead of the 2020 global sulphur cap. Uptake of scrubbers and LNG as a fuel is picking up, but most owners are still taking a 'wait and see' approach on both 'timing and technology'. Sox emissions limits came into force at the start of 2018 at ports within proposed Chinese ECAs, whilst uncertainly remains over how the industry will meet carbon emission targets. Digital technology continues to develop and is expected to have an increasing influence.

At a broad level, shipyard capacity, environmental regulation, demand trends and finance availability remain key issues to monitor. While risks remain, sentiment has generally become more positive, and building blocks for further improvement seem to be in place as we move into the next phase of the cycle.



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, 2018, 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.

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 did not contract any loans. The total outstanding loan at year end NIL.

4. DEFERRED TAX LIABILITY

In terms of the Accounting Standard IND AS 12 of the Companies (Indian Accounting Standards) (Amendment) Rules 2016, there is a reversal of Deferred Tax liabilities amounting to ₹ 246.73 lakhs for the Financial Year 2017-2018, which is reflected in the Statement of Profit & Loss. The net Deferred Tax Asset of ₹ 241.45 Lakhs as at March 31, 2018 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:

	2017-18 (In US \$ million)	2016-17 (In US \$ million)
Income	10.201	6.742
Gross Profit/(Loss) before depreciation	0.985	(1.445)
Depreciation	(4.378)	(4.373)
Reversal of Impairment	4.637	0.080
Write-off for cancellation of new build order	-	(5.184)
Net Profit/(Loss)	1.244	(10.923)

6. INSURANCE

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

7. DIRECTORS

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

Pursuant to the provisions of Section 149 of the Companies Act, 2013 the Independent Directors are not liable to retire by rotation and they shall hold office for a term up to five consecutive years on the Board of a company from the date of their appointment.

The Board of Directors on the recommendations of the Nomination and Remuneration Committee has re-appointed Mr. Mangesh Sawant as Managing Director & CFO for a period of 3 years with effect from April 1, 2018 subject to approval of Shareholders.

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

Prof. Rohini Chowgule is a sister of Mr. Vijay Chowgule, Chairman of the Company.

8. INDEPENDENT DIRECTORS

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. Pursuant to the requirements of Section 149 of the Companies act, 2013, the Board appointed all Independent Directors as Independent Directors for a period of five years and approval of the shareholders was obtained for the said appointment at the 51st Annual general Meeting held on July 9, 2014. The maximum tenure of Independent Directors is in compliance with the Act. 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.

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 Regulations, 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 regulations with the BSE 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 No. 101961W) as Statutory Auditors of the Company for a period of five years from the conclusion of Fifty Fourth Annual General Meeting till the conclusion of the 59th Annual General Meeting. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

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

Secretarial Auditors

V.N. Deodhar, Practicing Company Secretaries, were appointed to conduct the secretarial audit of the Company for the financial year 2017-18 as required under Section 204 of the Companies Act 2013 and Rules made there under. The Secretarial Audit Report for Financial Year 2017-18 forms part of the Annual Report.

15. THE COMPANIES (Appointment and Remuneration of Managerial Personnel) RULES, 2014

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

16. THE COMPANIES (Accounts) RULES, 2014

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

17. Material Changes and Commitments affecting Financial Position

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

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

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

20. Loans, Investment and Guarantees etc – During the year the Company has not advanced any loans, given any guarantees or made any investment in shares.

21. The Company has not accepted /renewed any Fixed Deposits during the year ended March 31, 2018.

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

a. Details of remuneration of Managerial Personnel & KMP

Sr.	Requirements	Disclosure
1	Ratio of remuneration of Director to median remuneration of employees for the financial year	MD & CFO – 6X
2	Percentage increase in remuneration of Managing Director & CFO and Company Secretary	MD & CFO –NIL Company Secretary –3.72%
3	Percentage increase in median remuneration of employees in the financial year	NIL
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, 2018 was about 3%. There was no increase in Managerial Remuneration hence no comparison of percentile increase in remuneration of employees other than managerial personnel and managerial personnel can be provided.
6	Key parameters for any variable component of remuneration availed by the Directors	NIL. The remuneration of directors does not have variable pay component.
7	Remuneration as per Policy	The Remuneration paid to Directors/ senior management personnel was as per the Remuneration policy of the Company.

b. 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	59	32	22.09.1986	7,469,066	A.F.Ferguson & Co, Chartered Accountants
2	Suhas Joshi	Company Secretary	B. Com; LLB, ACS	52	10	10.01.2008	2,317,750	Consultancy Services by forming own company
3	Capt. Suresh Verlekar	Vice President - Commercial	B.Sc; Master Mariner, MICS, EMBA	50	11	01.02.2007	2,530,417	Petronet LNG Limited

23. 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. Corporate Social Responsibility

The provisions of corporate social responsibility are not applicable to the Company.

24. Extract of Annual Return

Extract of Annual Return is Annexed herewith and marked as Annexure 4.

25. 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
VIJAY V. CHOWGULE
 Chairman

Place: Mumbai,
 Date: May 9, 2018

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

Declaration by the Managing Director & CFO under Regulation 34 of the Listing Regulations

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, 2018.

Place : Mumbai,
 Date : May 9, 2018

MANGESH SAWANT
 Managing Director & CFO



CORPORATE GOVERNANCE REPORT

COMPLAINT OF REGULATIONS 17 TO 27 OF SEBI (LISTING OBLIATIONS & 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 External Audit. CSL continues to follow procedures and practices in conformity with the Principles of Corporate Governance as enunciated in the listing regulations. 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
			6
Total	4		

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, 2018 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 2017-2018 on 12.05.2017, 21.07.2017, 06.10.2017 and 18.01.2018. The attendance of the Directors at the Board Meetings held during 2017-18 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	A
Mr. Sanjiv N. Shah	Independent Director	2	A
Mr. Nathan R. Chowgule	Non-executive, Promoter Director	3	A
Prof. Rohini V. Chowgule	Non-executive, Promoter Director	4	P
Mr. Ravindra Kulkarni	Independent Director	2	P
Mr. Farokh J. Guzder	Independent Director	3	P
Admiral Arun Prakash (Retd)	Independent Director	4	P
Mr. Mangesh Sawant	Executive, Non-Independent Director	4	P

P: Present A: Absent

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

Name of the Director	No. of other Public Ltd. Companies in which Director / Membership in other Committees		
Mr. Vijay V. Chowgule	0 – BM	0 – CM	0 – CC
Mr. Dhananjay N. Mungale	6 – BM	6 – 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

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 and Mr. Farokh Guzder as members. 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 /Audit Sub-Committee met on five occasions and the attendance details of the Committee members are as under:

NAME	NO. OF MEETINGS ATTENDED
Mr. Dhananjay N. Mungale	5
Mr. Sanjiv N. Shah	3
Mr. Vijay V. Chowgule	5
Mr. Farokh Guzder	3

Mr. Mangesh Sawant, Managing Director & CFO attended all the meetings of the Audit Committee as invitee. The representatives of External Auditors attended all the four meetings. 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. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - f. Statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

B. NOMINATION/ REMUNERATION COMMITTEE

In terms of provisions of Section 178 of the Companies Act 2013, the Board of Directors has constituted the Nomination/ Remuneration Committee comprising Mr. Dhananjay Mungale as its Chairman and Mr. Vijay V. Chowgule, Mr. Ravindra Kulkarni and Mr. Farokh Guzder as its members. During the year one meeting of the Committee was held on 18th January 2018 for considering re-appointment of Mr. Mangesh Sawant as Managing Director & CFO.

Terms of reference of Nomination / Remuneration Committee

1. Terms of Reference
 - a. Formulate criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel, and other personnel.
 - b. Identifying and assessing potential individuals with reference to their expertise, skills, qualifications, attributes and personal and professional standing for appointment/re-appointment as Directors/Key managerial Personnel in the Company.

- c. Support the Board of Directors for formulating policies for evaluation of performance of directors.
- d. Recommend compensation payable to the Executive Directors, Directors and Senior Managerial Personnel.

2. Remuneration Policy

(a) Non-Executive Directors

The Non-Executive Directors are entitled to receive sitting fees for attending each meeting of the Board of Directors or any committee thereof. The amount of sitting fees shall not exceed the fees prescribed under Companies Appointment and Remuneration of Managerial Personnel) Rules 2014. The Non-executive Directors are also entitled to be reimbursed all expenses incurred by them for attending such meetings.

(b) Managing Director & CFO

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.

The Remuneration is subject to approval by the members of the Company.

The remuneration is determined on the basis of recommendation of the Nomination & Remuneration Committee. While determining the remuneration, the Nomination and Remuneration Committee shall consider the following aspects:

- i. The relationship of remuneration with performance benchmarks established.
- ii. Responsibility required to be shouldered.
- iii. Industry benchmarks and prevalent market trends.

(c) Senior Management Personnel

- i. The relationship of remuneration with performance benchmarks established.
- ii. Criticality of roles played and responsibility shouldered.
- iii. Overall experience, expertise and personal traits.
- iv. Annual increments are determined based on Individual performance vis-à-vis targets/ KRA set.

(d) While determining the remuneration, the Nomination and Remuneration Committee shall also consider the

- i. Level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- ii. Remuneration payable or paid should meet performance benchmarks
- iii. Ensure that remuneration payable or paid to directors, key managerial personnel and senior management is appropriate to the working of the Company and its goals.

(e) While determining the candidature for appointment of director, senior management personnel, the Nomination and Remuneration Committee shall also consider:

- i. Qualification, experience and expertise required for the role being filled up.
- ii. Ability to assimilate with the overall ethos of the Company.
- iii. Ability to lead and also work as a team members etc.
- iv. In case of directors and independent directors, Independence of judgment.

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 fees 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.



CHOWGULE STEAMSHIPS LIMITED

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, 2017 to March 31, 2018 are as under:

Name	- Mangesh Sawant
Designation	- Managing Director & CFO
All elements of remuneration package Inclusive of Salary and benefits such as Provident Fund Gratuity, Pension, superannuation etc.	- ₹ 80.72 Lacs
Service Contract, Notice Period etc.	- The Contract period is of three years and Notice period is of three months on either side
Stock option	- NIL
No. of Shares held in the Company	133 (jointly held with 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	1,60,000	1,156,876
Mr. Dhananjay N. Mungale	1,50,000	–
Mr. Jaywant Y. Chowgule	40,000	64,750
Mr. Sanjiv N. Shah	1,00,000	–
Mr. Nathan R. Chowgule	60,000	–
Prof. Rohini V. Chowgule	1,00,000	665,266
Mr. Ravindra Kulkarni	60,000	–
Mr. Farokh J. Guzder	1,10,000	–
Admiral Arun Prakash (Retd)	90,000	–

C. 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 2017 and 31st March 2018, the Company received 13 complaints / queries from shareholders. As at March 31, 2018, all the complaints / queries were resolved. There were no shares pending for transfer from the shareholders as at March 31, 2018. During the year, the Committee met on two occasions on 12th May, 2017 and 6th October, 2017 to transact the business.

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

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

D. 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 prudent the balance between risk and reward in the activities of the Company.
3. Shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposure in timely manner.
4. Shall co-ordinate its activities with Audit Committee where there is overlap of functionalities.
5. Can delegate authority to sub-committee where there is such occasion.
6. Shall have access to any internal information to enable it to meaningfully perform the oversight function.

The Risk Management committee identifies/ reviews the risk trends and exposure of the Company from time to time. The Committee also verifies the plans made by the Management for mitigation risks and also corrective measures, if any, required for avoidance or reducing of risks. The Risk Management committee meets from time to time as it may deem necessary to review the position.

4. VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

5. 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>.

6. DIRECTORS

Mr. Vijay V. Chowgule and Mr. Jaywant Y. Chowgule will retire at the ensuing Annual General Meeting and being eligible, respectively seek re-appointment. The approval of members is also being sought for re-appointment of Mr. Mangesh Sawant as Managing Director & CFO. A brief resume of the above Directors who are being appointed/re-appointed is as under:

A) Mr. Vijay V. Chowgule

Mr. Vijay V. Chowgule is the Chairman of the Company and head of the Chowgule Group. Mr. Vijay V. Chowgule has extensive management experience in production and service industries. He provides the vision to the Company, which helps it in charting its progress efficiently. He is B.S. in Textile Chemist and Industrial Management. Mr. Vijay V. Chowgule is a member of Audit Committee, Stakeholders' Relationship and Shareholders' / Investors' Grievance Committee and Nomination and Remuneration Committee of the Board of Directors of the Company. Mr. Vijay V. Chowgule holds 11,56,876 shares in the Company. Mr. Vijay V. Chowgule is relative of Prof. Rohini V. Chowgule, Director. Mr. Vijay V. Chowgule is a Director in the following companies.

1. Chowgule And Company Private Limited
2. Chowgule Steamships Overseas Limited
3. Chowgule And Company (Salt) Private Limited
4. Chowgule Shipbuilding Private Limited
5. Chowgule Construction Chemicals Private Limited
6. Dolphin Extrusions Private Limited
7. Dolphin Ore Extraction Private Limited
8. Dolphin Mining Services Private Limited



CHOWGULE STEAMSHIPS LIMITED

9. Spandan Eco Foundation
10. Chowgule Ports & Infrastructure Private Limited
11. Chowgule Mining Private Limited
12. Chowgule ABP Coatings (India) Private Limited
13. Chowgule Construction Technologies Private Limited
14. Angré Port Private Limited
15. Chowgule Mediconsult Private Limited
16. Lavgan Dockyard Private Limited
17. Blue Mountain Tankers AS
18. Allied Construction Technologies Inc Virginia

B) Mr. Jaywant Y. Chowgule

Mr. Jaywant Y. Chowgule holds a Bachelor's Degree in Science. He was appointed Manager (Commercial) of Chowgule & Company Ltd. from September 01, 1984 and rose to the rank of Executive Vice President in July 1989 which position he held till September 2004. Presently he is a Director of Chowgule & Company Pvt. Ltd. He is also the Executive Director of Chowgule Brothers Pvt. Ltd. with effect from September 2004. Chowgule Brothers are leading freight forwarding, insurance and custom house agents in India. Thus, Mr. Jaywant Chowgule brings to the table apart from his rich experience in Commercial & Industrial Sectors and his expertise in the above referred shipping related agency businesses as well.

Mr. Jaywant Chowgule is not on the Board of any other public limited company. Mr. Jaywant Y. Chowgule holds 64750 equity shares in the Company. Mr. Jaywant Y. Chowgule is director on the Board of following companies:

1. Chowgule Brothers Pvt. Ltd.
2. Kolhapur Oxygen & Acetylene Pvt. Ltd.
3. Chowgule Real Estate & Construction Company Private Limited
4. Chowgule & Company (Salt) Private Limited
5. Chowgule And Company Private Limited
6. Mangal Farming And Agro Industries Private Limited

C) Mr. Mangesh Sawant

Mr. Mangesh Sawant is a Commerce and Law Graduate and also is a member of the Institute of Chartered Accountants of India and the Institute of Costs and Management Accountants of India. Mr. Sawant joined the Company in 1986 as an Accounts Officer and rose to the level of CFO & Director (Operations) in 2007. In 2009, the Board appointed him as the Manager which position he held till April 22, 2010 when he was appointed as Whole-time Director. Mr. Sawant was thereafter appointed as Managing Director & CFO w.e.f. April 1, 2015 for a period of three years. Mr. Sawant has been involved in the business of the Company for about three decades at senior management positions and thus has gained experience and expertise in various aspects of shipping business. Before joining the Company, Mr. Sawant was employed with A.F. Fergusson & Co., Chartered Accountants, as Assistant Audit Manager since 1985. Mr. Sawant is director on the Board of following companies:

1. Jaigad Logistics Private Limited
2. Lavgan Dockyard Private Limited

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

7. GENERAL BODY MEETING

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

Day	Date	Time
Friday	July 21, 2017	10.00 a.m.
Friday	July 29, 2016	11.00 a.m.
Friday	July 17, 2015(#)	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.

8. 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.

9. COMPLIANCE

The Company has complied with the requirements of Regulations 17 to 27 and Regulation 46 (2) of the SEBI (Listing Obligations & Disclosure requirement) Regulations 2015 and other application provisions relating to the Corporate Governance. During the year 2017-18, 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.

10. 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 not applicable to the Company.

11. SECRETARIAL AUDIT REPORT

V.N. Deodhar, Practicing Company Secretaries, were appointed to conduct the secretarial audit of the Company for the financial year 2017-18 as required under Section 204 of the Companies Act 2013 and Rules made there under. The Secretarial Audit Report for Financial Year 2017-18 forms part of the Annual Report.

12. DISCLOSURES

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

13. GENERAL SHAREHOLDER INFORMATION

55th Annual General Meeting

Date & Time : Friday, July 20, 2018 at 10.00 a.m.
 Venue : Chowgule House, Mormugao Harbour, Goa- 403803
 Financial Year : 2017-2018
 Book Closure Date : July 13, 2018 – July 20, 2018 (both days inclusive)
 Dividend Payment Date : N.A.

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

MARKET PRICE DATA DURING APRIL 2017 MARCH 2018 (BSE)

Month	High (₹)	Low (₹)
April	18.33	14.30
May	16.50	13.80
June	16.15	14.25
July	15.65	13.60
August	15.00	13.05
September	15.43	13.05
October	14.78	13.23
November	15.75	13.85
December	17.10	14.10
January	19.20	14.55
February	15.79	13.66
March	15.80	12.20



CHOWGULE STEAMSHIPS LIMITED

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-17	29918.40	1.00	15.76	5.42
May-17	31145.80	4.10	15.35	-2.60
Jun-17	30921.61	-0.72	14.75	-3.91
Jul-17	32514.94	5.15	14.35	-2.71
Aug-17	31730.49	-2.41	13.73	-4.32
Sep-17	31283.72	-1.41	14.16	3.13
Oct-17	33213.13	6.18	14.20	0.28
Nov-17	33149.35	-0.19	15.05	5.98
Dec-17	34056.83	2.74	15.60	3.65
Jan-18	35965.02	5.60	14.80	-5.13
Feb-18	34184.04	-4.95	15.23	2.90
Mar-18	32968.68	-3.56	12.70	-16.61

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2018 IS GIVEN BELOW:

Number of shares held		Shareholders		Share Amount	% to Total
		Number	% to Total	In ₹	
Upto 500		19772	90.3904	23170820	6.3817
501	1000	1,115	5.0974	9040840	2.4900
1001	2000	465	2.1258	7071380	1.9476
2001	3000	152	0.6949	3910270	1.0770
3001	4000	63	0.2880	2235420	0.6157
4001	5000	63	0.2880	3003130	0.8271
5001	10000	109	0.4983	7944210	2.1880
10001	And above	135	0.6172	306708180	84.4730
Total		21874	100.00	363084250	100.00

Category	No. of Shares	% Shareholding
Promoters/Person acting in concert	25551110	70.37
Banks, Financial Institution, Insurance Cos. etc	9490	0.03
Private Corporate Bodies	728587	2.01
NRIs / OCBs	230053	0.63
Mutual Funds	10249	0.03
Indian Public	9778936	26.93
TOTAL	36308425	100

About 88.43% (9744 shareholders) of the equity shares have been dematerialised as at March 31, 2018. Balance 11.57% (12130 shareholders) shares are in physical form. The total public shareholding is around 29.63% with 21874 shareholders, which provides adequate liquidity in shares of the Company.

Share Transfer Process

The Company's shares are under compulsory dematerialised 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

Vijay V. Chowgule
Chairman

Place : Mumbai,
Date : May 9, 2018



INDEPENDENT AUDITOR'S 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 September, 2017
2. This report contains details of compliance of conditions of Corporate Governance by Chowgule Steamships Limited ('the Company') for the year ended 31 March 2018, 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 2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both 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.
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
FRN: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No: 37391

Mumbai
Date: 9th May, 2018

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	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.
(i) the steps taken or impact on conservation of energy;	
(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.)	₹ 13.97 lakhs
(ii) Earned	₹ Nil

For and on behalf of the Board

VIJAY V. CHOWGULE
Chairman

Date : 9th May, 2018
Place : Mumbai,

**ANNEXURE 2****STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES AS ON MARCH 31, 2018**

[Puruant 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	5,984.06	0.001	0.65	0.001	0.65	0.001	0.65	0.001	0.65
Reserve	68.669	44,665.19	(17.846)	(11,607.97)	(23.388)	(15,212.54)	(18.874)	(12,276.58)	(21.274)	(13,837.63)
Total Assets	102.528	66,688.27	15.630	10,166.41	16.083	10,461.11	16.677	10,847.63	17.580	11,435.03
Total Liabilities	24.659	16,039.02	33.475	21,773.74	39.470	25,673.00	35.551	23,123.56	38.854	25,272.01
Details of Investments	-	-	-	-	-	-	-	-	-	-
Total Income	2.936	1,909.61	2.691	1,750.63	2.565	1,668.11	2.464	1,602.81	2.481	1,613.84
Loss Before taxation	2.506	1,629.69	0.161	104.91	(0.478)	(310.85)	(0.514)	(334.27)	(0.430)	(279.97)
Provision For Tax	-	-	-	-	-	-	-	-	-	-
Profit after Taxation	2.506	1,629.69	0.161	104.91	(0.478)	(310.85)	(0.514)	(334.27)	(0.430)	(279.97)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-

Notes:

- For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, USD 1 = 65.0441
- 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
Chairman

D. N. MUNGALE
Director

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
Managing Director & CFO

Place: Mumbai
Date : May 9, 2018

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	Charter hire of vessel
c)	Duration of the contracts / Arrangements/transactions	One time
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	1. Charter of vessel 2. Charter hire ₹ 87,000 pd 3. Payment in 7 days of invoice
e)	Date(s) of approval by the Board, if any:	06-10-2017
f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 9, 2018

Vijay V. Chowgule
Chairman



ANNEXURE 4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

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

I. Registration and Other Details:

Particulars	Details
CIN	L63090GA1963PLC000002
Date of Incorporation	09.04.1963
Name of the Company	CHOWGULE STEAMSHIPS LIMITED
Category of Company	Public Company - Company having share capital
Registered Office and contact information	Chowgule House, Mormugao Harbour, Goa – 403 803 Tel: 022 66202500, Website: www.chowgulesteamships.co.in Email: joshi.csl@chowgule.co.in
Listing Status	Listed on BSE Limited, Mumbai
Details of the Registrar and Transfer Agent	Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083 Tel. : (022) 49186270 Fax : (022) 49186060 Email : rnt.helpdesk@linkintime.co.in

II. Principal Business Activities of the Company

Sl. No.	Name and Description of main products / services	ITC HS Code of the Product/ service	% to total turnover
1.	Ship Owners and Charterers	98059000	100.00%
	Total		100.00%

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

III. Particulars of Holding, Subsidiary and Associate Companies –

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

IV. Shareholding Pattern (Equity Share Capital Breakup as % to Total Equity)

i) Category-wise Share Holding

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	2894972	1282621	4106893	11.3111	2712638	1282621	3995259	11.0037	-0.3074
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	17937932	27750	17965682	47.5528	17755374	27750	17783124	48.9780	1.4252
	Sub Total (A)(1)	20062204	1310371	21372575	58.8640	20468012	1310371	21778383	59.9816	1.1176
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	1511884	1511884	4.1640	0	1511884	1511884	4.1640	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Bodies Corporate	2260843	0	2260843	6.2268	2260843	0	2260843	6.2268	0.0000
	Sub Total (A)(2)	2260843	1511884	3772727	10.3908	2260843	1511884	3772727	10.3908	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	22323047	2822255	25145302	69.2547	22728855	2822255	25551110	70.3724	1.1177
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	10423	10423	0.0287	0	10249	10249	0.0282	-0.0005
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	124	6416	6540	0.0180	124	6416	6540	0.0180	0.0000
(g)	Insurance Companies	0	2950	2950	0.0081	0	2950	2950	0.0081	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	UTI	0	0	0	0.0000	0	174	174	0.0005	0.0005
	Sub Total (B)(1)	124	19789	19913	0.0548	124	19789	19913	0.0548	0.0000
[2]	Central Government/ State Government(s)/ President of India	0								
	Sub Total (B)(2)	0	0	0		0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	4296028	1324965	5620993	15.4812	3727763	1307518	5035281	13.8681	-1.6131
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4445347	10088	4455435	12.2711	4312977	10088	4323065	11.9046	-0.3665
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	143443	0	143443	0.3951	143443	0	143443	0.3951	0.0000
	Hindu Undivided Family	0	0	0	0.0000	382910	0	382910	1.0546	1.0546
	Directors	133	0	133	0.0004	0	0	0	0.0000	-0.0004
	Foreign Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Non-Resident Indians (Non-Repatriate)	18328	2844	21172	0.0583	15036	2844	17880	0.0492	-0.0091
	Non-Resident Indians (Repatriate)	232674	0	232674	6.4048	210393	0	210393	5.7933	-0.0615
	Overseas Bodies Corporates	0	1850	1850	0.0051	0	1850	1850	0.0051	0.0000
	Clearing Member	31247	0	31247	0.0861	38206	0	38206	0.1052	0.0191
	Bodies Corporate	601332	34931	636263	1.7524	550213	34931	585144	1.6116	-0.1408
	Sub Total (B)(3)	9768532	1374678	11143210	30.6904	9380171	1357231	10737402	29.5728	-1.1176
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	9768556	1394467	11163023	30.7453	9380295	1377020	10757315	29.6276	-1.1177
	Total (A)+(B)	32091703	4216722	36308425	100.0000	32109150	4199275	36308425	100.0000	0.0000
(C)	Non Promoter - Non-Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	32091703	4216722	36308425	100.0000	32109150	4199275	36308425	100.0000	0.0000



CHOWGULE STEAMSHIPS LIMITED

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Chowgule And Company Private Limited.	16932891	46.6363	'0.0000	17450333	48.0614	'0.0000	1.4251
2	Quail Investments Ltd.	2260843	6.2268	'0.0000	2260843	6.2268	'0.0000	0.0000
3	Vijay Vishwasrao Chowgule	1156876	3.1862	'0.0000	1156876	3.1862	'0.0000	0.0000
4	Dr Rohini Vishwasrao Chowgule	665266	1.8323	'0.0000	665266	1.8323	'0.0000	0.0000
5	Dolphin Investment Limited	305041	0.8401	'0.0000	305041	0.8401	'0.0000	0.0000
6	Anita Pratap Shirke Yuravivker	303125	0.8349	'0.0000	303125	0.8349	'0.0000	0.0000
7	Anjali Pratap Shirke	303125	0.8349	'0.0000	303125	0.8349	'0.0000	0.0000
8	Arti Pratap Shirke Dorigo	303125	0.8349	'0.0000	303125	0.8349	'0.0000	0.0000
9	Ashok Vishwasrao Chowgule	293761	0.8091	'0.0000	293761	0.8091	'0.0000	0.0000
10	Pratap Baburao Shirke	287500	0.7918	'0.0000	287500	0.7918	'0.0000	0.0000
11	Laxmanrao Dattaji Chowgule	271250	0.7471	'0.0000	271250	0.7471	'0.0000	0.0000
12	Umaji Vishwasrao Chowgule	257971	0.7105	'0.0000	257971	0.7105	'0.0000	0.0000
13	Padma Chowgule	228420	0.6291	'0.0000	228420	0.6291	'0.0000	0.0000
14	Indirabai Laxmanrao Chowgule	173250	0.4772	'0.0000	173250	0.4772	'0.0000	0.0000
15	Vishwasrao Dattaji Chowgule	119000	0.3277	'0.0000	119000	0.3277	'0.0000	0.0000
16	Sarita Pratap Shirke	118285	0.3258	'0.0000	118285	0.3258	'0.0000	0.0000
17	Vidhya Milind Vernekar	117000	0.3222	'0.0000	117000	0.3222	'0.0000	0.0000
18	Sheela Yeshwantrao Chowgule	115000	0.3167	'0.0000	115000	0.3167	'0.0000	0.0000
19	Suresh Laxmanrao Chowgule	89250	0.2458	'0.0000	89250	0.2458	'0.0000	0.0000
20	Pratap Baburao Shirke	86850	0.2392	'0.0000	86850	0.2392	'0.0000	0.0000
21	Sarita Pratap Shirke	71374	0.1966	'0.0000	71374	0.1966	'0.0000	0.0000
22	Jaywant Yeshwantrao Chowgule	64750	0.1783	'0.0000	64750	0.1783	'0.0000	0.0000
23	Dilip Laxmanrao Chowgule	61067	0.1682	'0.0000	61067	0.1682	'0.0000	0.0000
24	Yeshwantrao D Chowgule	60000	0.1653	'0.0000	60000	0.1653	'0.0000	0.0000
25	Yeshwantrao D Chowgule	60000	0.1653	'0.0000	60000	0.1653	'0.0000	0.0000
26	Chowgule Suresh Laxmanrao	55125	0.1518	'0.0000	55125	0.1518	'0.0000	0.0000
27	Yeshwantrao Dattaji Chowgule	46200	0.1272	'0.0000	46200	0.1272	'0.0000	0.0000
28	Laxmanrao Dattaji Chowgule	34895	0.0961	'0.0000	34895	0.0961	'0.0000	0.0000
29	Ramesh Laxmanrao Chowgule	31500	0.0868	'0.0000	31500	0.0868	'0.0000	0.0000
30	Chowgule Real Estate &	27750	0.0764	'0.0000	27750	0.0764	'0.0000	0.0000
31	Santosh Laxman Rao Chowgule	26172	0.0721	'0.0000	26172	0.0721	'0.0000	0.0000
32	Ashok Vishwasrao Chowgule	24675	0.0680	'0.0000	24675	0.068	'0.0000	0.0000
33	Anita Pratap Shirke Yuravivker	19250	0.0530	'0.0000	19250	0.053	'0.0000	0.0000
34	Arti Pratap Shirke Dorigo	19250	0.0530	'0.0000	19250	0.053	'0.0000	0.0000
35	Jagdeep Y Chowgule	128343	0.3535	'0.0000	16709	0.046	'0.0000	-0.3075
36	Yeshwantrao D Chowgule	15750	0.0434	'0.0000	15750	0.0434	'0.0000	0.0000
37	Chowgule Satish Laxmanrao	8567	0.0236	'0.0000	8567	0.0236	'0.0000	0.0000
38	Daulatrao Y Chowgule	1400	0.0039	'0.0000	1400	0.0039	'0.0000	0.0000
39	Ewart Ashton Lazarus	1313	0.0036	'0.0000	1313	0.0036	'0.0000	0.0000
40	Nishikant Shivajirao Chowgule	92	0.0003	'0.0000	92	0.0003	'0.0000	0.0000
	Total	25145302	69.2547	'0.0000	25551110	70.3724	'0.0000	1.1176

(iii) Change in Promoters Shareholdings (please specify if there is no change)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	Chowgule And Company Private Limited.	16932891	46.6363			16932891	46.6363
	Transfer			14 Apr 2017	17880	16950771	46.6855
	Transfer			21 Apr 2017	34830	16985601	46.7814
	Transfer			28 Apr 2017	6147	16991748	46.7984
	Transfer			05 May 2017	23160	17014908	46.8621
	Transfer			19 May 2017	9813	17024721	46.8892
	Transfer			26 May 2017	62383	17087104	47.061
	Transfer			02 Jun 2017	35625	17122729	47.1591
	Transfer			09 Jun 2017	4350	17127079	47.1711
	Transfer			16 Jun 2017	33643	17160722	47.2637
	Transfer			23 Jun 2017	32357	17193079	47.3529
	Transfer			30 Jun 2017	7619	17200698	47.3738
	Transfer			07 Jul 2017	13401	17214099	47.4108
	Transfer			14 Jul 2017	31534	17245633	47.4976
	Transfer			28 Jul 2017	11509	17257142	47.5293
	Transfer			04 Aug 2017	27995	17285137	47.6064
	Transfer			11 Aug 2017	10169	17295306	47.6344
	Transfer			18 Aug 2017	701	17296007	47.6363
	Transfer			22 Sep 2017	5238	17301245	47.6508
	Transfer			29 Sep 2017	23786	17325031	47.7163
	Transfer			13 Oct 2017	26675	17351706	47.7898
	Transfer			20 Oct 2017	5155	17356861	47.8039
	Transfer			27 Oct 2017	5297	17362158	47.8185
	Transfer			03 Nov 2017	32423	17394581	47.9078
	Transfer			10 Nov 2017	6597	17401178	47.926
	Transfer			17 Nov 2017	15198	17416376	47.9679
	Transfer			24 Nov 2017	5000	17421376	47.9816
	Transfer			01 Dec 2017	2096	17423472	47.9874
	Transfer			22 Dec 2017	1901	17425373	47.9926
	Transfer			29 Dec 2017	12168	17437541	48.0262
	Transfer			05 Jan 2018	430	17437971	48.0273
	Transfer			09 Feb 2018	11762	17449733	48.0597
	Transfer			16 Feb 2018	600	17450333	48.0614
	At The End Of The Year					17450333	48.0614
	At The End Of The Year					19250	0.053
2	Jagdeep Y Chowgule	128343	0.3535			128343	0.3535
	Transfer			07 Apr 2017	-11634	116709	0.3214
	Transfer			14 Apr 2017	-20000	96709	0.2664
	Transfer			21 Apr 2017	-15000	81709	0.225
	Transfer			28 Apr 2017	-25000	56709	0.1562
	Transfer			05 May 2017	-15000	41709	0.1149
	Transfer			19 May 2017	-10000	31709	0.0873
	Transfer			26 May 2017	-15000	16709	0.046

Note: 1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 36308425 Shares.

2. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.



CHOWGULE STEAMSHIPS LIMITED

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors and Promoters) as on March 31, 2018

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	Chitra P Mahatme	1280945	3.528			1280945	3.528
	At The End Of The Year					1280945	3.528
2	Nilesh Talak Dedhia	503742	1.3874			503742	1.3874
	Transfer			07 Apr 2017	-372	503370	1.3864
	Transfer			28 Apr 2017	1080	504450	1.3893
	Transfer			26 May 2017	25	504475	1.3894
	Transfer			02 Jun 2017	650	505125	1.3912
	Transfer			21 Jul 2017	225	505350	1.3918
	Transfer			28 Jul 2017	6075	511425	1.4086
	Transfer			01 Sep 2017	270	511695	1.4093
	Transfer			08 Sep 2017	90	511785	1.4095
	Transfer			06 Oct 2017	90	511875	1.4098
	Transfer			13 Oct 2017	45	511920	1.4099
	Transfer			10 Nov 2017	24	511944	1.41
	Transfer			01 Dec 2017	54	511998	1.4101
	Transfer			08 Dec 2017	855	512853	1.4125
	Transfer			29 Dec 2017	990	513843	1.4152
	Transfer			05 Jan 2018	147	513990	1.4156
	Transfer			26 Jan 2018	135	514125	1.416
	At The End Of The Year					514125	1.416
3	Balram Bharwani	426666	1.1751			426666	1.1751
	Transfer			12 May 2017	334	427000	1.176
	Transfer			19 May 2017	700	427700	1.178
	Transfer			26 May 2017	25	427725	1.178
	Transfer			02 Jun 2017	50	427775	1.1782
	Transfer			09 Jun 2017	225	428000	1.1788
	Transfer			16 Jun 2017	25	428025	1.1789
	Transfer			23 Jun 2017	396	428421	1.1799
	Transfer			28 Jul 2017	1054	429475	1.1829
	Transfer			04 Aug 2017	40	429515	1.183
	Transfer			25 Aug 2017	315	429830	1.1838
	Transfer			15 Sep 2017	1145	430975	1.187
	Transfer			22 Sep 2017	150	431125	1.1874

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Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Transfer			06 Oct 2017	5	431130	1.1874
	Transfer			13 Oct 2017	950	432080	1.19
	Transfer			20 Oct 2017	45	432125	1.1902
	Transfer			27 Oct 2017	15	432140	1.1902
	Transfer			10 Nov 2017	15	432155	1.1902
	Transfer			24 Nov 2017	20	432175	1.1903
	Transfer			01 Dec 2017	25	432200	1.1904
	Transfer			08 Dec 2017	225	432425	1.191
	Transfer			15 Dec 2017	7	432432	1.191
	Transfer			16 Feb 2018	1168	433600	1.1942
	At The End Of The Year					433600	1.1942
4	Dilip R Fadte	161518	'0.4448			161518	'0.4448
	At The End Of The Year					161518	'0.4448
5	New Commercial Mills Co Ltd					146513	'0.4035
	At The End Of The Year	146513	'0.4035			146513	'0.4035
6	Oriental Pharmaceutical Industries Limited	121558	'0.3348			121558	'0.3348
	Transfer			15 Dec 2017	22000	143558	'0.3954
	At The End Of The Year					143558	'0.3954
7	Nilesh Mahendra Popat	119083	'0.3280			119083	'0.3280
	Transfer			25 Aug 2017	3500	122583	'0.3376
	At The End Of The Year					122583	'0.3376
8	Hitesh Narayandasji Jhavar	113793	'0.3134			113793	'0.3134
	At The End Of The Year					113793	'0.3134
9	Sushila Jagdish Kapadia	102834	'0.2832			102834	'0.2832
	At The End Of The Year					102834	'0.2832
10	Narayandas Gokuldas Jhavar	84000	'0.2314			84000	'0.2314
	At The End Of The Year					84000	'0.2314
11	Monika Hitesh Jhavar	82915	'0.2284			82915	'0.2284
	At The End Of The Year					82915	'0.2284
12	Kalpataru Chowdhury	74387	'0.2049			74387	'0.2049
	At The End Of The Year					74387	'0.2049

- Note:
1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 36308425 Shares.
 2. The details of holding has been clubbed based on PAN.
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.



CHOWGULE STEAMSHIPS LIMITED

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
	DIRECTORS							
1	Vijay V. Chowgule	1156876 1156876	3.18 3.18	01.04.2017 31.03.2018	0	NIL movement during the year	1156876	3.18
2	Dhananjay N. Mungale	0 0	0 0	01.04.2017 31.03.2018	0	NIL movement during the year	0	0
3	Jaywant Y. Chowgule	64750 64750	0.18 0.18	01.04.2017 31.03.2018	0	NIL movement during the year	64750	0.18
4	Sanjiv N. Shah	0 0	0 0	01.04.2017 31.03.2018	0	NIL movement during the year	0	0
5	Nathan R. Chowgule	0 0	0 0	01.04.2017 31.03.2018	0	NIL movement during the year	0	0
6	Prof. Rohini V. Chowgule	665266	1.832	01.04.2017 31.03.2018	0	NIL movement during the year	665266	1.832
7	Ravindra Kulkarni	0	0	20.02.2017	0	NIL movement during the year	0	0
8	Farokh Guzder	0	0	31.03.2017	0	NIL movement during the year	0	0
9	Admiral Arun Prakash (Retd)	0	0	31.03.2017	0	NIL movement during the year	0	0
10	Mangesh Sawant	133	0	31.03.2017	0	NIL movement during the year	133	
	Key Manager Personnel (KMP)							
1	Suhas Joshi	1		31.03.2017	0	NIL movement during the year	1	

V. Indebtedness

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

(₹ in lacs)

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

VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of the MD/ WTD/Manager: Mangesh S. Sawant, Managing Director & CFO	Total Amount (₹ In lacs)
1.	Gross Salary		74.69
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	74.37	
	(b) Value of perquisites u/s. 17 (2) of the Income Tax Act, 1961	0.32	
	(c) Profits in lieu of salary u/s. 17 (3) of the Income Tax Act, 1961	Nil	
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission: - As % of profit - others, specify	Nil	Nil
5.	Others, please specify		Nil
	Total (A)		74.69
	Ceiling as per the Act		84.00



CHOWGULE STEAMSHIPS LIMITED

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					
1.	Independent Directors	Mr. Dhananjay Mungale	Mr. Sanjiv Shah	Mr. Ravindra Kulkarni	Mr. Farokh Guzder	Admiral Arun Prakash	Total Amount
	<ul style="list-style-type: none"> Fees for attending board/committee meetings Commission Others, please specify 	1,50,000	1,00,000	60,000	1,10,000	90,000	5,10,000
	Total (1)	1,50,000	1,00,000	60,000	1,10,000	90,000	5,10,000
		Name of Directors					
2.	Other Non Executive Directors	Mr. Vijay Chowgule	Mr. Jaywant Chowgule	Mr. Nathan Chowgule	Prof. Rohini Chowgule		Total Amount
	<ul style="list-style-type: none"> Fees for attending board/committee meetings Commission Others, please specify 	1,60,000	40,000	60,000	1,00,000		3,60,000
	Total (2)	1,60,000	40,000	60,000	1,00,000		3,60,000
	Total (B) = (1 + 2)						8,70,000
	Total Managerial Remuneration						8,70,000
	Overall Ceiling per Act	NA					

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel – CEO/CFO/ Company Secretary	Total Amount (₹ In lacs)
1.	Gross Salary		23.18
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	23.18	
	(b) Value of perquisites u/s. 17 (2) of the Income Tax Act, 1961	Nil	
	(c) Profits in lieu of salary u/s. 17 (3) of the Income Tax Act, 1961	Nil	
2.	Stock Option		Nil
3.	Sweat Equity		Nil
4.	Commission: - as % of profit - others, specify		Nil
5.	Others, please specify		Nil
	Total (A)		23.18
	Ceiling as per the Act		NA

VII. Penalties / Punishment/ Compounding of Offences

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

ANNEXURE 5

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[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,
Mormugao 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, 2018 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, 2018 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.



CHOWGULE STEAMSHIPS LIMITED

- (a) Merchant Shipping Act 1958 and Rules, Notifications/Orders made there under,
- (b) Applicable Laws and Regulations of the country wherever vessels calls,
- (c) Other applicable Notifications/Orders issued from time to time by the Indian Maritime Administration concerning the Business and Affairs of the Company.

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 Regulations entered into by the Company with BSE Limited 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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 the 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 :9th May, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
CHOWGULE STEAMSHIPS LIMITED

Report on the Standalone Ind-AS Financial Statements

We have audited the accompanying Standalone Ind-AS financial statements of Chowgule Steamsheeps Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind-AS 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 and presentation of these Standalone Ind-AS financial statements that give a true and fair view of the financial position, financial performance including Other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind-AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind-AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind-AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind-AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind-AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind-AS, of the state of affairs of the Company as at 31st March, 2018 and its loss (financial position including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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 Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the order.



2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion the aforesaid standalone Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31st March , 2018, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March , 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - (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 as amended, 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 standalone Ind-AS financial statements- Refer note 25 to the standalone Ind-AS financial statements.
 - (ii) The Company does not have any material foreseeable losses for which a provision may be necessary.
 - (iii) There has been no delay in transferring amounts that were required to be transferred to the investor education protection fund by the Company during the year ended 31st March, 2018.

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

Himanshu Kishnadwala
Partner
Membership number: 37391

Mumbai, 9th May, 2018

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets;
- (b) Fixed Assets were physically verified by 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;
- (iii) In our opinion and according to the information and explanations given to us and on the basis of documents verified by us, the Company had granted an unsecured loan, to a Company covered in the register maintained under Section 189 of the Companies Act 2013, in respect of which the repayment of principal and receipt of interest is regular.
- (iv) The company has not granted any loans, made investments or provided guarantees during the year to which the provisions of section 185 and 186 are applicable. . Hence, clause (iv) of the order is not applicable to the company.;
- (v) According to information and explanations given to us, 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) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, , Income tax, Sales Tax, Service Tax, value added tax, goods and service tax and other material statutory dues as applicable with appropriate authorities. Sales tax, Excise duty, Employees State Insurance and custom duty are not applicable to the company.
- (b) There were no undisputed amounts payable in respect of provident fund, , Income tax, Sales Tax, Service Tax, value added tax, goods and service tax and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, service tax and sales tax as at 31st March , 2018 which have not been deposited on account of a dispute, are as follows:. (Refer note 25 to the Financial Statements).

(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

* Rs. 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 dues to the bank. The company has not borrowed from financial institutions, bank or 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 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.



CHOWGULE STEAMSHIPS LIMITED

- (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
FRN: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership number: 37391

Mumbai, 9th May, 2018

ANNEXURE - B TO THE AUDITORS' 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, 2018 in conjunction with our audit of the Standalone Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of the internal financial controls with reference to financial statements 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 Institute of Chartered Accountants of India. 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 the internal financial controls with reference to financial statements 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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

FRN: 101961W/W-100036

Himanshu Kishnadwala

Partner

Membership number: 37391

Mumbai, 9th May, 2018



CHOWGULE STEAMSHIPS LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

		₹ in Lakhs	
	Note no.	As at 31st March 2018	As at 31st March 2017
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4	2,165.03	2,589.82
(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	1.80	1.80
(j) Deferred tax assets (net)	7	241.45	-
(j) Other non-current assets	8	306.56	266.75
		<u>12,264.43</u>	<u>12,407.96</u>
2 Current Assets			
(a) Inventories	9	8.64	10.08
(b) Financial assets			
i) Investments	10	126.15	259.92
ii) Trade receivables	11	-	-
iii) Cash and cash equivalents	12.1	32.37	89.79
iv) Bank balances other than (iii) above	12.2	6.67	16.03
v) Loans	13	830.00	830.00
vi) Other financial assets	14	285.84	207.41
(c) Current tax assets (net)		-	-
(d) Other current assets	15	20.81	18.44
		<u>1,310.48</u>	<u>1,431.67</u>
TOTAL ASSETS		<u>13,574.91</u>	<u>13,839.63</u>
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	3,630.84	3,630.84
(b) Other equity	17	8,092.09	8,451.33
		<u>11,722.93</u>	<u>12,082.17</u>
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
i) Borrowings		-	-
ii) Trade payables		-	-
iii) Other financial liabilities	18	1,737.41	1,599.62
(b) Provisions	19	38.01	58.74
(c) Deferred tax liabilities (net)		-	-
(d) Other non-current liabilities	20	10.09	-
		<u>1,785.51</u>	<u>1,658.36</u>
2 Current liabilities			
(a) Financial liabilities			
i) Borrowings		-	-
ii) Trade payables	21	39.89	43.45
iii) Other financial liabilities	22	6.67	16.03
(b) Other current liabilities	23	8.20	29.51
(c) Provisions	24	11.71	10.11
(d) Current tax liabilities (net)		-	-
		<u>66.47</u>	<u>99.10</u>
TOTAL EQUITY AND LIABILITIES		<u>13,574.91</u>	<u>13,839.63</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 : May 09, 2018

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman
D. N. MUNGAL
Director

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
Managing Director & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

		₹ in Lakhs	
	Note no.	Year ended 31st March 2018	Year ended 31st March 2017
I. Income:			
II. Revenue from operations	26	12.26	51.58
III. Other income	27	335.95	364.87
IV. Total income (I + II)		348.21	416.45
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	28	166.62	178.44
Finance costs	29	149.09	135.49
Depreciation and amortisation expense	30	161.69	177.56
Impairment of asset	4	262.05	-
Other expenses	31	258.26	285.20
Total expenses (IV)		997.71	776.69
V. Profit/(loss) before exceptional items and tax (III-IV)		(649.50)	(360.24)
VI. Exceptional items		-	-
VII. Profit/(loss) before tax (V-VI)		(649.50)	(360.24)
VIII. Tax expense:			
Current tax		-	-
Deferred tax	7	246.73	84.16
TOTAL		246.73	84.16
IX. Profit/(loss) for the year from continuing operations (VII-VIII)		(402.77)	(276.08)
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)		(402.77)	(276.08)
XIV. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plan		48.81	43.40
(ii) Income tax relating to items that will not be reclassified to profit or loss	7	(5.28)	(11.96)
TOTAL		43.53	31.44
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)		(359.24)	(244.64)
XVI. Earnings per equity share (for continuing operation):			
(i) Basic	35	(1.11)	(0.76)
(ii) Diluted	35	(1.11)	(0.76)
XVII. Earnings per equity share (for discontinued operation):			
(i) Basic		-	-
(ii) Diluted		-	-
XVIII. Earnings per equity share (for discontinued & continuing operation):			
(i) Basic	35	(1.11)	(0.76)
(ii) Diluted	35	(1.11)	(0.76)

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 : May 09, 2018

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman
D. N. MUNGALE
Director

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
Managing Director & CFO



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity share capital

	₹ in Lakhs
Balance as at 31st March, 2016	3,630.84
Changes in equity share capital during the period	-
Balance as at 31st March, 2017	3,630.84
Changes in equity share capital during the period	-
Balance as at 31st March, 2018	<u>3,630.84</u>

B Other equity

₹ in Lakhs

	Reserve and surplus					Total equity
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings *	
As at 31st March 2016	11.96	30.00	2,922.01	4,117.52	1,614.48	8,695.97
Profit / (loss) for the year 2016-17	-	-	-	-	(276.08)	(276.08)
Other comprehensive income	-	-	-	-	31.44	31.44
Total comprehensive income for the year	-	-	-	-	(244.64)	(244.64)
As at 31st March 2017	11.96	30.00	2,922.01	4,117.52	1,369.84	8,451.33
Profit / (loss) for the year 2017-18	-	-	-	-	(402.77)	(402.77)
Other comprehensive income	-	-	-	-	43.53	43.53
Total comprehensive income for the year	-	-	-	-	(359.24)	(359.24)
As at 31st March 2018	<u>11.96</u>	<u>30.00</u>	<u>2,922.01</u>	<u>4,117.52</u>	<u>1,010.60</u>	<u>8,092.09</u>

* Retained earnings includes ₹ 1,170.60 Lakhs pertaining to Revaluation reserve, which is not available for distribution of dividend.

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

For and on behalf of the Board of Directors

HIMANSHU KISHNADWALA
Partner
Membership No. 37391
Place: Mumbai
Date : May 09, 2018

SUHAS JOSHI
Company Secretary

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Managing Director & CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	Year ended 31-Mar-2018 ₹ in Lakhs	Year ended 31-Mar-2017 ₹ in Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(402.77)	(276.08)
Adjustments for:		
Depreciation	161.69	177.56
Impairment	262.05	-
Income tax expenses	(246.73)	(84.16)
Provision for employee benefits	(20.47)	(5.76)
Sundry balance written back	(3.26)	(18.20)
Foreign exchange translation differences	(0.52)	1.86
Interest income	(89.26)	(87.18)
Dividend income	(0.03)	(0.04)
Rent income	(224.58)	(225.25)
Balances written off	0.11	1.00
Gain arising on financial assets designated as at FVTPL	(16.23)	(34.03)
Fixed assets written off	1.64	-
Loss / (profit) on sale of fixed asset	-	(0.01)
Investments written off	-	0.04
Finance costs	149.09	135.49
Operating loss before working capital changes	(429.27)	(414.76)
Adjustments for:		
Decrease / (Increase) in trade receivables	-	2.61
Decrease / (Increase) in other current assets	(2.37)	(0.76)
Decrease / (Increase) in other non current assets	(8.40)	(0.09)
(Decrease)/ Increase in other current liabilities	0.92	1.57
Movement in restricted Bank balances	9.36	8.92
Decrease / (Increase) in inventories	1.44	(9.34)
(Decrease)/ Increase in trade payables	(3.61)	(28.42)
Cash generated from operations	(431.93)	(440.27)
Less: Net income tax refund / (paid)	31.20	(31.73)
Net cash flow used in operating activities	(A) (400.73)	(472.00)
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(0.59)	(1.13)
Proceeds from disposal of property, plant & equipment	-	0.04
Rental income from operating lease	202.72	222.58
Sale of current investments	150.00	255.37
Purchase of current investments	-	(0.67)
Interest received	-	8.73
Dividend received	0.03	0.04
Net cash flow from investing activities	(B) 352.16	484.96
C CASH FLOW FROM FINANCING ACTIVITIES		
Unclaimed dividend paid	(9.36)	(8.92)
Net cash flow used in financing activities	(C) (9.36)	(8.92)
Net increase/(Decrease) in cash and cash equivalents	(A+B+C) (57.93)	4.04
Cash and cash equivalents - opening balance	89.79	87.63
Cash and cash equivalents - closing balance	31.86	91.67
Effect of exchange rate changes on cash and cash equivalents		
Cash on hand and balances with Banks	31.86	91.67
Effect of exchange rate changes on the balance held in foreign currency	0.51	(1.88)
Cash & cash equivalents as restated (Refer to note no 12.1)	32.37	89.79

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

For and on behalf of the Board of Directors

HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Place: Mumbai
Date : May 09, 2018

SUHAS JOSHI
Company Secretary

VIJAY V. CHOWGULE
Chairman
D. N. MUNGALE
Director

MANGESH SAWANT
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 publicly traded on Bombay Stock Exchange. CSL is a shipping company which presently owns and operates a fleet of 5 vessels (including that of its wholly owned subsidiaries) for seaborne transportation of bulk 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 09th May, 2018.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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 de-recognised 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 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 PPE are required to be replaced at intervals, company depreciates them separately based on their specific useful lives.

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,



NOTES TO THE FINANCIAL STATEMENTS

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.

Assets	Basis
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.

Rental 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 recognised 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 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.

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 and 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.



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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 recognised 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 recognised 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 recognised as an asset.

2.16 Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

2.16.1 Rendering of service

Fleet operating 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.

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.



NOTES TO THE FINANCIAL STATEMENTS

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 derecognised 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.

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 De-recognition of financial assets

The Company 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 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

De-recognition of financial liabilities

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

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 115- Revenue from contract with customers:

On 28/03/2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from contract with customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after 01/04/2018. The Company will adopt the standard on 01/04/2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31/03/2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 on the operations of the company is being assessed by the Company.



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4 Property, plant and equipment

	As at 31st March 2018	As at 31st March 2017
Carrying amounts of		
Free hold land	224.18	224.18
Free hold Buildings		
Staff quarter (See foot note no. 1)	39.66	43.57
Office premises (See foot note no. 2, 4 & 5)	699.35	787.64
Furniture & fixture	2.61	3.58
Vehicles	4.07	5.95
Office equipments	7.40	10.97
Vessel (See foot note no. 3)	1,187.76	1,513.93
TOTAL	2,165.03	2,589.82

	Free hold land	Free hold building Staff quarters	Office premises	Furniture & fixture	Vehicles	Office equipments	Vessel	Total
Deemed cost								
Balance at 31st March, 2016	224.18	52.63	999.09	9.23	12.79	22.42	1,902.70	3,223.04
Additions	-	-	-	-	-	1.13	-	1.13
Disposals	-	-	-	-	-	(0.30)	-	(0.30)
Balance at 31st March, 2017	224.18	52.63	999.09	9.23	12.79	23.25	1,902.70	3,223.87
Additions	-	-	-	-	-	0.59	-	0.59
Disposals	-	-	-	-	-	(1.66)	-	(1.66)
Balance at 31st March, 2018	224.18	52.63	999.09	9.23	12.79	22.18	1,902.70	3,222.80
Accumulated depreciation and impairment								
Balance at 31st March, 2016	-	4.75	112.00	3.48	4.07	7.81	324.65	456.76
Eliminated on disposals of assets	-	-	-	-	-	(0.27)	-	(0.27)
Depreciation expenses	-	4.31	99.45	2.17	2.77	4.74	64.12	177.56
Balance at 31st March, 2017	-	9.06	211.45	5.65	6.84	12.28	388.77	634.05
Eliminated on disposals of assets	-	-	-	-	-	(0.02)	-	(0.02)
Impairment losses recognised in profit and loss	-	-	-	-	-	-	262.05	262.05
Depreciation expenses	-	3.91	88.29	0.97	1.88	2.52	64.12	161.69
Balance at 31st March, 2018	-	12.97	299.74	6.62	8.72	14.78	714.94	1,057.77
Carrying value of assets								
Balance at 31st March, 2016	224.18	47.88	887.09	5.75	8.72	14.61	1,578.05	2,766.28
Additions	-	-	-	-	-	1.13	-	1.13
Disposals	-	-	-	-	-	(0.03)	-	(0.03)
Depreciation expenses	-	(4.31)	(99.45)	(2.17)	(2.77)	(4.74)	(64.12)	(177.56)
Balance at 31st March, 2017	224.18	43.57	787.64	3.58	5.95	10.97	1,513.93	2,589.82
Additions	-	-	-	-	-	0.59	-	0.59
Disposals	-	-	-	-	-	(1.64)	-	(1.64)
Impairment losses recognised in profit and loss	-	-	-	-	-	-	(262.05)	(262.05)
Depreciation expenses	-	(3.91)	(88.29)	(0.97)	(1.88)	(2.52)	(64.12)	(161.69)
Balance at 31st March, 2018	224.18	39.66	699.35	2.61	4.07	7.40	1,187.76	2,165.03

Foot notes:

- 1) Includes cost of 5 shares of ₹ 50 each fully paid in Dadar Paschim Apartments Co-operative Housing Society Limited and 5 shares of ₹ 50 each fully paid in Olympus Co-operative Housing Society Limited.

NOTES TO THE FINANCIAL STATEMENTS

- 2) Includes cost of 5 shares of ₹50 each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited.
- 3) In view of adverse economic condition, the company has assessed the recoverable amount of fleet by estimating its value in use and value on sale. in terms of Ind-As 36 "Impairment of Assets". Value in use is estimated by applying appropriate discount rate to projected cash flows having regard to, expected tariff, Cost to operate the vessel which represents Management's best estimate of the set of economic conditions over the period of expected use of the asset. Accordingly an Impairment loss of ₹ 262.05 lakhs has been provided during the year based on value in use.
- 4) Office Premises are on land which is on a long term lease from Government.
- 5) Office premises includes an amount of ₹ 666.06 lakhs given on lease. Depreciation for the same is ₹ 58.87 lakhs (2017 - ₹ 66.30 lakhs) Future minimum rent receipts are as under:

	As at 31st March 2018	As at 31st March 2017
Not later than one year	209.76	-
Later than one year and not later than five years	-	-
TOTAL	209.76	-

5 Investments

Investments in equity instruments [at cost (unquoted)]

a) Equity

Chowgule Steamships Overseas Ltd.
(100% Wholly Owned Subsidiary)
(Equity Shares of USD 1 each fully paid)

No. of Shares	As at 31st March 2018	As at 31st March 2017
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
	9,549.59	9,549.59

Aggregate value of unquoted investments

6 Other financial assets

	As at 31st March 2018	As at 31st March 2017
Security deposits (Unsecured, considered good unless otherwise stated)	1.80	1.80
TOTAL	1.80	1.80



NOTES TO THE FINANCIAL STATEMENTS

7 Deferred tax assets (net)

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
Deferred tax assets (refer foot note below)	728.54	644.34
Deferred tax liabilities	(487.09)	(644.34)
TOTAL	241.45	-

Foot note :

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

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 deposits	(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

2016-17

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	13.78	(2.30)	-	11.48
Defined benefit obligations	45.36	(9.14)	(11.96)	24.26
Unused tax losses	638.16	(103.63)	-	534.53
Unused MAT credit	74.07	-	-	74.07
Security deposits	(0.54)	0.23	-	(0.31)
Property, plant and equipment	(698.10)	142.97	-	(555.13)
Trade payable for property, plant and equipment	(138.96)	58.51	-	(80.45)
Investments	(5.97)	(2.48)	-	(8.45)
TOTAL	(72.20)	84.16	(11.96)	-

NOTES TO THE FINANCIAL STATEMENTS

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

₹ in Lakhs

	Year ended 31st March 2018	Year ended 31st March 2017
Loss before tax	(600.69)	(316.84)
Enacted Tax rates in India	27.82%	27.55%
Computed expected tax expense	(167.11)	(87.30)
Effect of Income that is exempt from taxation	(0.01)	(0.01)
Effect of expenses that are not deductible in determining taxable profit	0.04	-
Effect of previously unrecognised deferred tax assets	(74.37)	15.11
Income tax expense recognised in Statement of Profit and Loss	<u>(241.45)</u>	<u>(72.20)</u>

8 Other non current assets

Unsecured, considered good unless otherwise stated

Advance payment of taxes (Refer to note no 25)

Disputed sales tax deposit (Refer to note no 25)

Goods & Service Tax

Security deposits

Reversal of employee benefit provision (Refer to note no 32)

Capital advance for purchase of property, plant and equipment

TOTAL

185.07	183.32
47.40	47.40
7.06	-
3.51	3.51
30.98	-
32.54	32.52
<u>306.56</u>	<u>266.75</u>

9 Inventories

Lower of cost and net realisable value
(Refer foot notes 1 to 3)

Lube oil

Fuel oil

Paints

TOTAL

0.80	0.34
7.84	9.60
-	0.14
<u>8.64</u>	<u>10.08</u>

Foot notes:

1. The cost of inventories recognised as an expense during the year was ₹ 3.44 lakhs (2017: ₹ 2.01 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 FINANCIAL STATEMENTS

10 Investments

₹ in Lakhs

	No. of shares / units	As at 31st March 2018	No. of shares / units	As at 31st March 2017
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	0.07	16	0.06
ICICI Bank Limited	825	2.30	750	2.08
Global Offshore Services Limited	50	0.01	50	0.02
Essar Shipping Limited	233	0.05	233	0.07
GOL Offshore Limited #	30	-	30	-
The Great Eastern Shipping Company Limited	121	0.40	121	0.50
Shreyas Shipping and Logistics Limited	100	0.51	100	0.32
The Shipping Corporation of India Limited	75	0.05	75	0.06
Equity shares (unquoted) of ₹ 10 each fully paid up:				
Hazira Cargo Terminal Limited # (Demerged from Essar Ports Limited)	69	-	-	-
Salaya Bulk Terminal Limited # (Demerged from Essar Ports Limited)	23	-	-	-
Vadinar Oil Terminal Limited # (Demerged from Essar Ports Limited)	349	-	-	-
Investment in Mutual Funds (unquoted) carried at fair value through profit or loss (FVTPL)				
Franklin India Low Duration Fund - Growth	6,02,035	120.26	12,17,711	224.82
Religare Invesco Credit Opportunities Fund-Institutional Growth	126	2.50	1,723	31.99
# Value less than ₹ 500				
TOTAL		126.15		259.92
Aggregate book value of quoted investments		3.39		3.11
Aggregate market value of quoted investments		3.39		3.11
Aggregate carrying value of unquoted investments		122.76		256.81

11 Trade receivables

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
Unsecured (refer foot notes below)		
Considered good	-	-
Considered doubtful	41.67	41.67
Less : Allowance for doubtful debts (expected credit loss allowance)	(41.67)	(41.67)
TOTAL	-	-

NOTES TO THE FINANCIAL STATEMENTS

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. There are no customers who represent more than 5% of the total balance of trade receivables.

11.2 Ageing of receivables	2017-18	2016-17
Within the credit period		
1-30 days past due	-	-
More than 180 days past due	41.67	41.67

12 Cash and Bank balances

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
12.1 Cash and Cash equivalents		
a) Balance with Banks in current accounts	9.72	22.39
b) Balance with Banks in foreign currency accounts	22.65	67.40
Total Cash & cash equivalents	32.37	89.79
12.2 Other Bank balances		
Earmarked balances for unpaid dividend with Bank	6.67	16.03
TOTAL	39.04	105.82

13 Loans

Unsecured considered good

Loan to related party (Refer to note no. 14)
(Refer foot note below)

	830.00	830.00
TOTAL	830.00	830.00

Foot note :

The Company has given an unsecured loan of ₹ 830.00 Lakhs @ 10.50% p.a. repayable on demand to facilitate completion of project.

14 Other financial assets

Accrued interest (Refer to note 13)

	285.84	207.41
TOTAL	285.84	207.41

15 Other current assets

Prepaid expenses

Deposit receivable

Advances for expenses

	13.45	14.88
	5.52	-
	1.84	3.56
TOTAL	20.81	18.44



NOTES TO THE FINANCIAL STATEMENTS

16 Equity share capital

	As at 31st March 2018	As at 31st March 2017
Authorised		
50,000,000 Equity shares of ₹ 10/- each	5,000.00	5,000.00
2,500,000 Redeemable preference shares of ₹ 100/- each	2,500.00	2,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
Issued, Subscribed and Paid-up		
36,308,425 Equity shares of ₹ 10/- each fully paid up	3,630.84	3,630.84
TOTAL	<u>3,630.84</u>	<u>3,630.84</u>

(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 2018	As at 31st March 2017
Chowgule and Company Private Limited	17,450,333	16,932,891
	48.06%	46.64%
Quail Investments Limited	2,260,843	2,260,843
	6.23%	6.23%

17 Other equity

	As at 31st March 2018	As at 31st March 2017
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	1,369.84	1,614.48
Add : Profit /(Loss) for the year	(359.24)	(244.64)
Balance at end of year	<u>1,010.60</u>	<u>1,369.84</u>
TOTAL	<u>8,092.09</u>	<u>8,451.33</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 2018	As at 31st March 2017
Security deposit	89.12	91.58
Payable on purchase of property, plant and equipment	1,648.29	1,508.04
TOTAL	1,737.41	1,599.62

19 Provisions

Provision for employee benefits	38.01	58.74
TOTAL	38.01	58.74

20 Other non current liabilities

Advance rent received	10.09	-
TOTAL	10.09	-

21 Trade payables

Total outstanding dues of micro enterprises & small enterprises (Refer foot notes below)	1.06	6.21
Total outstanding dues of other than micro enterprises & small enterprises:		
Shipping cost payable	13.32	12.79
Provision for other expenses	25.51	24.45
TOTAL	39.89	43.45

Foot notes:

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



NOTES TO THE FINANCIAL STATEMENTS

21 Trade payables (Contd.)

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
Details relating to Micro, Small and Medium enterprises		
a) Amount remaining unpaid to any supplier at the end of the year:		
- Principal	1.06	6.21
- 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	6.21

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.

22 Other financial liabilities

Unpaid dividends	6.67	16.03
TOTAL	6.67	16.03

23 Other current liabilities

Advance rent received	7.72	6.66
Advance received from customer	-	2.26
Payable to gratuity fund (Refer to note no 32)	-	19.16
Other Payables : Statutory due's	0.48	1.43
TOTAL	8.20	29.51

24 Provisions

Provision for employee benefits	11.71	10.11
TOTAL	11.71	10.11

NOTES TO THE FINANCIAL STATEMENTS

25 Contingent liabilities

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
i) Sales tax demand not provided for: (Refer to note no 8)	237.00	237.00
The Company has contested the above claims against the Order of the Appellate Assistant Commissioner, Chennai, confirming the Order of the Commercial Tax Officer for the Assessment Year 1995-96 in respect of charter hire of the vessel, 'm.v. Maratha Prudence'. The Company had already deposited ₹ 47.40 lakhs (Refer to note no 8) (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.		
ii) Income Tax demand not provided for	32.72	32.84
The Company has filed appeal in respect of the same. Note : Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		



NOTES TO THE FINANCIAL STATEMENTS

26 Revenue from operations

₹ in Lakhs

	Year ended 31st March 2018	Year ended 31st March 2017
Sale of service:		
Charter hire receipts	12.26	51.58
TOTAL	12.26	51.58

27 Other income

Interest income earned on financial assets that are not designated at fair value through profit or loss:

- Loan	87.15	87.15
- Security deposit	-	0.03
- Income tax refund	2.11	-
Operating lease rental income	224.58	225.25
Dividend income	0.03	0.04
Net gain arising on financial assets designated as at FVTPL (Refer foot note)	16.23	34.03
Profit on sale of property plant and equipment	-	0.01
Sundry receipts	2.04	0.16
Foreign exchange fluctuation (net)	0.55	-
Sundry balance written back	3.26	18.20
TOTAL	335.95	364.87

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 in fair value of ₹ 5.62 lakhs (2017: gain of ₹ 12.59 lakhs).

28 Employee benefits expenses

Salaries, wages and other benefits (Refer to note no 32)	127.39	135.37
Contributions to provident and other funds (Refer to note no 32)		
Superannuation contribution	15.10	16.05
Gratuity (L I C contribution)	10.09	13.54
Contribution to Provident fund @ 12%	11.41	11.57
Staff welfare expenses	2.63	1.91
TOTAL	166.62	178.44

29 Finance costs

Interest on others	149.09	135.49
TOTAL	149.09	135.49

30 Depreciation and amortisation expenses

Depreciation on property, plant and equipment pertaining to continuing operations (Refer to note no 4)	161.69	177.56
TOTAL	161.69	177.56

NOTES TO THE FINANCIAL STATEMENTS

31 Other expenses

	₹ in Lakhs	
	Year ended 31st March 2018	Year ended 31st March 2017
Operating expenses		
Manning cost	20.32	26.30
Fuel and oil	3.44	2.01
Stores and spare parts consumed	4.10	8.84
Ship repairs and survey charges	5.09	1.33
Insurance & protection club dues	8.36	12.65
Brokerage and agency fees	1.09	2.47
Claims paid	-	0.24
Sundry balance written - off	-	1.00
Ship management fees	6.73	8.15
Crew expenses	1.35	0.72
Quality & safety facilities	2.32	1.56
Handling & transport	0.71	0.19
Other expenses		
Power and fuel	5.03	7.92
Legal and professional expenses	19.09	28.55
Postage, telephone, telexes etc.	10.43	10.70
Rent	0.49	0.49
Rates and taxes	16.51	18.88
Auditors' remuneration		
For statutory audit	4.00	4.00
For tax audit	0.70	0.80
For other services	2.30	3.70
Goods and service tax on above	2.54	1.28
Directors' sitting fees	9.21	10.45
Net foreign currency translation differences	-	5.43
Travelling expenses (including foreign travelling)	32.35	29.85
Repairs to building	36.27	38.55
Investment written off	-	0.04
Subscriptions	19.29	17.68
Assets Written off	1.64	-
Miscellaneous expenses	44.90	41.42
TOTAL	258.26	285.20



NOTES TO THE FINANCIAL STATEMENTS

32 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 schemes

	(₹ in Lakhs)	
	2017-18	2016-17
i) Provident fund	11.41	11.57
ii) Superannuation fund	15.10	16.05

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:

	2017-18	2016-17
i) Discount rate at 31 st March	7.65% p.a.	7.31% p.a.
ii) Rate of increase in compensation	5.00% p.a.	12.00% 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:

	2017-18	2016-17
		(₹ in Lakhs)
Service cost :		
Current service cost	8.71	11.08
Past service cost and (gain)/loss from settlements	-	-
Adjustment to opening balance	(0.86)	(1.45)
Net interest expense	0.97	4.07
Components of defined benefit costs recognised in the statement of profit and loss	8.82	13.70
Remeasurement on the net defined benefit liability :		
Return on the plan assets (excluding amount included in net interest expenses)	(0.68)	0.38
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(29.34)	(16.05)
Actuarial (gains)/losses arising from experience adjustments	(18.79)	(27.73)
Others (describe)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	(48.81)	(43.40)
TOTAL	(39.99)	(29.70)

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:

	2017-18	2016-17
Present value of funded defined benefit obligations	144.45	171.34
Fair value of plan assets	175.43	152.17
Funded status [deficit/(surplus)]	(30.98)	19.17
Restrictions on assets recognised	-	-
Net liability arising from defined benefit obligation	(30.98)	19.17



NOTES TO THE FINANCIAL STATEMENTS

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

	2017-18	2016-17
Opening defined benefit obligations	171.34	188.98
Current service cost	8.71	11.08
Interest cost	12.52	15.06
Remeasurement (gains)/loss:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(29.34)	(16.05)
Actuarial (gains)/losses arising from experience adjustments	(18.78)	(27.73)
Benefits paid	-	-
Closing defined benefit obligation	144.45	171.34

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

	2017-18	2016-17
Opening fair value of plan assets	152.17	132.90
Adjustment to opening fair value of plan asset	0.86	1.45
Interest income	11.56	11.00
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expenses)	0.68	(0.38)
Contribution from the employer	10.16	7.20
Benefits paid	-	-
Closing defined benefit obligation	175.43	152.17

Key management personal liability as on 31st, March 2018 is ₹ 124.73 lakhs (2017: ₹134.82 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	
		2017-18	2016-17
Discount rate	PVO DR + 1%	141.58	164.98
	PVO DR - 1%	147.55	178.36
Expected salary escalation rate	PVO ER + 1%	147.58	177.96
	PVO ER - 1%	141.50	165.20

NOTES TO THE 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	1.62	128.27	0.30	0.32	0.34	14.74

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 Company during the financial year 2018 is ₹ NIL (2017 - ₹ 19.17 lakhs).

Experience adjustments

(₹ in Lakhs)

	2013-14	2014-15	2015-16	2016-17	2017-18
Present value of the obligation	88.41	101.84	188.98	171.34	144.45
Fair value of the plan assets	74.82	93.81	132.90	152.17	175.43
Surplus/ (deficit)	(13.59)	(8.03)	(56.08)	(19.17)	30.98
Experience adjustment on plan liabilities	(0.96)	(14.84)	33.06	(27.73)	18.78
Experience adjustment on plan assets	(5.98)	(2.56)	(1.21)	(0.38)	0.68

33 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, 2018	31st March, 2017
a. Substantial Investor			
Chowgule and Company Private Limited	India	48.06%	46.64%
b. Subsidiaries:			
Chowgule Steamships Overseas Limited (CSOL)	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:			
Lavgan Dockyard Private Limited			
Chowgule and Company Private Limited			



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	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1 Transactions during the year								
Services rendered								
Chowgule and Company Private Limited	-	--	12.26	-	-	-	12.26	-
Interest income								
Lavgan Dockyard Private Limited	-	-	87.15	87.15	-	-	87.15	87.15
2 Outstanding balances as on 31st March 2018								
a. Loans, advances and receivables								
Loans								
Lavgan Dockyard Private Limited	-	-	830.00	830.00	-	-	830.00	830.00
b. Investment in subsidiaries								
Chowgule Steamships Overseas Limited	9,549.59	9,549.59	-	-	-	-	9,549.59	9,549.59
c. Trade and other receivables & payables								
Trade and other receivables	-	-	-	-	-	-	-	-
Trade and other payables	-	-	1,800.00	1,800.00	-	-	1,800.00	1,800.00

III Compensation to key management personnel

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

(₹ in Lakhs)

	31st March 2018	31st March 2017
Short-term employee benefits	105.70	80.67
Post employment benefits (refer to note 32)	152.19	164.17
Termination benefits	-	-
Share-based payments	-	-
Total Compensation paid to key management personnel	257.89	244.84

IV Sitting fees paid to Non Executive Directors

Director sitting fees	8.70	9.10
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34 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.

NOTES TO THE FINANCIAL STATEMENTS

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

	2017-18	2016-17
a. Profit/(loss) for the year (₹ in lakhs)	(402.77)	(276.08)
b. Weighted average number of equity shares outstanding during the financial year (in nos.)	36,308,425	36,308,425
c. Basic and diluted earnings per equity share (for continuing operation) (in ₹)	(1.11)	(0.76)
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 ₹)	(1.11)	(0.76)

36. Financial instruments

36.1 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.

36.1.1 Gearing ratio

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

	As at 31st March 2018	As at 31st March 2017
Debt (Refer foot note (i) below)	-	-
Cash and Bank balances	(39.04)	(105.82)
Net debt	(39.04)	(105.82)
Equity (Refer foot note (ii) below)	11,722.93	12,082.17
Net debt to equity ratio	-	-

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).



NOTES TO THE FINANCIAL STATEMENTS

36.2 Categories of financial instruments

	₹ in Lakhs	
	As at 31st March 2018	As at 31st March 2017
Financial assets		
Measured at amortised cost		
(a) Cash and bank balances	39.04	105.82
(b) Other financial assets at amortised cost		
(i) Other financial assets	287.64	209.21
(ii) Other loans	830.00	830.00
Measured at fair value through profit or loss		
(a) Investments	126.15	259.92
TOTAL	1,282.83	1,404.95
Financial liabilities		
Measured at amortised cost		
(i) Other financial liabilities	1,744.08	1,615.65
(ii) Trade payables	39.89	43.45
TOTAL	1,783.97	1,659.10

The above excludes investment in subsidiary.

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

36.3 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.

36.4 Market risk

Market risk is the risk that the fair value or 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.

NOTES TO THE FINANCIAL STATEMENTS

36.5 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 borrowings 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 transaction 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.

	2017-18		2016-17	
	(₹ in Lakhs)	USD in Million	(₹ in Lakhs)	USD in Million
Receivables				
Other current assets	1.04	# -	4.34	0.01
Cash & cash equivalents	22.65	0.04	67.40	0.10
Payables				
Trade payables	-	-	1.01	# -

Note : USD = US Dollar

Value less than USD 10,000

The Company did not disclosed foreign currency sensivity analysis since the exposure is not significant.

36.6 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.

36.7 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.

36.8 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 recognised 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.



NOTES TO THE FINANCIAL STATEMENTS

36.9 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.

36.9.1 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 tables have 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 tables include both interest and principal cash flows.

						₹ in lakhs
	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	Carrying amount
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
March 31, 2017						
Non-interest bearing						
Trade payables		43.45	-	-	43.45	43.45
Other financial liabilities		16.03	-	-	16.03	16.03
Fixed interest rate instruments						
Payable on purchase of property, plant and equipment	9.30%	-	1,800.00	-	1,800.00	1,508.04
Security deposit	8.50%	-	99.36	-	99.36	91.58

NOTES TO THE FINANCIAL STATEMENTS

36.9.2 Expected maturity for non-derivative financial assets

The following table details the Company 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, 2018						
Non-interest bearing						
Other financial assets	-	1.80	-	-	1.80	1.80
Investments	-	131.77	-	-	131.77	126.15
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
March 31, 2017						
Non-interest bearing						
Other financial assets	-	1.80	-	-	1.80	1.80
Investments	-	229.28	-	-	229.28	259.92
Trade receivable	-	-	-	-	-	-
Cash and Bank balance	-	105.82	-	-	105.82	105.82
Fixed interest rate instruments						
Other financial assets	-	78.44	128.97	-	207.41	207.41
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

36.9.3 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 2018:

				₹ in Lakhs
	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
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	-	-	1,744.08	1,744.08
(ii) Trade payables	-	-	39.89	39.89

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 2017:

				₹ in Lakhs
	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	-	-	105.82	105.82
(b) Other financial assets at amortised cost				
(i) Other financial assets	-	-	209.21	209.21
(ii) Other loans	-	-	830.00	830.00
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	3.11	-	-	3.11
Investments in mutual funds (unquoted)	256.81	-	-	256.81
Financial liabilities				
Financial liabilities held at amortised cost:				
(i) Other financial liabilities	-	-	1,615.65	1,615.65
(ii) Trade payables	-	-	43.45	43.45

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

NOTES TO THE FINANCIAL STATEMENTS

37 Expenditure on Corporate Social Responsibility (CSR)

In pursuance of the provisions of the Companies Act, 2013 it 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 contribution towards CSR activities during the year is Nil. However, Company will incur the sum on CSR activities as soon as the financial position of the Company is improved.

38 Events after the reporting period

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

39 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 : May 09, 2018

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
Managing Director & CFO



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

Report on the Consolidated Ind-AS Financial Statements

We have audited the accompanying Consolidated Ind-AS 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, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind-AS 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 and presentation of these Consolidated Ind-AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including Other comprehensive income, Consolidated cash flows and Consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind-AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind-AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind-AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind-AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated Ind-AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind-AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind-AS, of the consolidated state of affairs of the Group as at 31st March, 2018 and its comprehensive profit (financial position including consolidated other comprehensive income), its cash flows and the Consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

The auditors of the Subsidiary have stated in their report regarding the preparation of Financial Statements on a going concern basis since there is existence of material uncertainty on the financing for meeting its liabilities. The company has represented that the required refinancing will be secured to reduce the mismatch for the current assets and current liabilities of the group

Other Matters

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs.44,959.00 lakhs as at 31st March, 2018 and total revenues of Rs. 6,708.50 lakhs for the year ended on that date, as considered in the Consolidated Ind-AS financial statements. 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 Ind-AS Financial Statements in so far as relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of section 143 of the Act, in so far as relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

Our opinion on the Consolidated Ind-AS financial Statements above and our report on Other Legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements referred in the Other Matters paragraph above, 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.
 - (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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss(including Consolidated other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the Consolidated Ind-AS financial Statements;
 - (d) In our opinion the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March , 2018, taken on record by the Board of Directors, none of the directors of the Holding Company are disqualified as on 31st March , 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; which is based on the Auditor's report of the Holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting and
 - (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, 2014as amended, 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 financial position in its Consolidated Ind-AS financial statements- Refer note 28 to the Consolidated Ind-AS financial statements.
 - (ii) The Group does not have any material foreseeable losses for which a provision may be necessary.
 - (iii) There has been no delay in transferring amounts that were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31stMarch, 2018.

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

Himanshu Kishnadwala
Partner
Membership number: 37391

Mumbai, 9th May, 2018



ANNEXURE - A TO THE AUDITORS' 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, 2018 in conjunction with our audit of the Consolidated Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management 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 that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Institute of Chartered Accountants of India. 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 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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.

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

Himanshu Kishnadwala
Partner
Membership number: 37391

Mumbai, 9th May, 2018



CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

		₹ in Lakhs	
	Note no.	As at 31st March 2018	As at 31st March 2017
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4	44,091.02	43,740.86
(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	-	319.24
ii) Trade receivables		-	-
iii) Loans		-	-
iv) Other financial assets	6	1.80	1.80
(i) Deferred tax assets (net)	7	241.45	-
(j) Other non-current assets	8	1,992.66	1,859.43
		<u>46,256.93</u>	<u>45,921.33</u>
2 Current assets			
(a) Inventories	9	139.19	130.54
(b) Financial assets			
i) Investments	10	126.15	259.92
ii) Trade receivables	11	-	120.06
iii) Cash and cash equivalents	12.1	971.55	486.83
iv) Bank balances other than (iii) above	12.2	6.67	16.03
v) Loans	13	960.09	958.20
vi) Other financial assets	14	292.46	208.73
(c) Current tax assets (net)		-	-
(d) Other current assets	15	231.35	233.74
		<u>2,727.46</u>	<u>2,414.05</u>
TOTAL ASSETS		<u>48,984.39</u>	<u>48,335.38</u>
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	3,630.84	3,630.84
(b) Other equity	17	2,436.25	1,888.05
		<u>6,067.09</u>	<u>5,518.89</u>
Non - controlling interest	18	5,853.97	5,769.00
		<u>11,921.06</u>	<u>11,287.89</u>
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
i) Borrowings	19	22,327.02	27,908.60
ii) Trade payables		-	-
iii) Other financial liabilities	20	1,737.41	1,599.62
(b) Provisions	21	38.01	58.74
(c) Deferred tax liabilities (net)		-	-
(d) Other non-current liabilities	22	10.09	-
		<u>24,112.53</u>	<u>29,566.96</u>
2 Current liabilities			
(a) Financial liabilities			
i) Borrowings	23	3,577.43	3,905.00
ii) Trade payables	24	1,796.27	1,479.89
iii) Other financial liabilities	25	7,361.56	2,620.90
(b) Other current liabilities	26	273.83	164.63
(c) Provisions	27	11.71	10.11
(d) Current tax liabilities (net)		-	-
		<u>12,950.80</u>	<u>7,480.53</u>
TOTAL EQUITY AND LIABILITIES		<u>48,984.39</u>	<u>48,335.38</u>

See accompanying notes to the consolidated financial statements

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

HIMANSHU KISHNADWALA

Partner
Membership No. 37391

Place: Mumbai
Date: May 09, 2018

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE

Chairman

D. N. MUNGALE

Director

MANGESH SAWANT

Managing Director & CFO

SUHAS JOSHI
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lakhs

	Note no.	Year ended 31st March 2018	Year ended 31st March 2017
Income:			
I. Revenue from operations	29	6,647.66	4,373.22
II. Other income	30	409.07	632.15
III. Total income (I + II)		7,056.73	5,005.37
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	31	166.62	178.44
Finance costs	32	1,513.72	1,367.94
Depreciation and amortisation expense	33	3,009.20	2,980.69
Impairment of assets		(2,754.32)	(51.56)
Other expenses	34	4,961.44	4,568.17
Total expenses (IV)		6,896.66	9,043.68
V. Profit/(loss) before exceptional items and tax (III-IV)		160.07	(4,038.31)
VI. Exceptional items	35	-	(3,323.27)
VII. Profit/(loss) before tax (V-VI)		160.07	(7,361.58)
VIII. Tax expense:			
Current tax		-	-
Deferred tax	7	246.73	84.16
TOTAL		246.73	84.16
IX. Profit/(loss) for the year from continuing operations (VII-VIII)		406.80	(7,277.42)
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)		406.80	(7,277.42)
XIV. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plan		48.81	43.40
(ii) Income tax relating to items that will not be reclassified to profit or loss	7	(5.28)	(11.96)
TOTAL		43.53	31.44
B (i) Items that will be reclassified to profit or loss			
- Investments carried at fair value through other comprehensive income		270.34	(227.92)
- Exchange differences on translation of financial statements of foreign operation		(172.46)	(290.01)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
TOTAL		97.88	(517.93)
XV. Total comprehensive income for the year (XIII+XIV) (comprising loss and other comprehensive income for the year)		548.21	(7,763.91)
XVI. Earnings per equity share (for continuing operation):			
(i) Basic	39	1.12	(20.04)
(ii) Diluted	39	1.12	(20.04)
XVII. Earnings per equity share (for discontinued operation):			
(i) Basic		-	-
(ii) Diluted		-	-
XVIII. Earnings per equity share (for discontinued & continuing operation):			
(i) Basic	39	1.12	(20.04)
(ii) Diluted	39	1.12	(20.04)

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: May 09, 2018

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE

Chairman

D. N. MUNGALE

Director

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
Managing Director & CFO



CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital

₹ in Lakhs

Balance as at 31st March, 2016	3,630.84
Changes in equity share capital during the period	-
Balance as at 31st March, 2017	3,630.84
Changes in equity share capital during the period	-
Balance as at 31st March, 2018	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, 2016	11.96	30.00	2,922.01	4,117.52	967.03	1,645.86	(42.42)	9,651.96
Profit /(loss) for the year 2016-17	-	-	-	-	(7,277.42)	-	-	(7,277.42)
Other comprehensive income	-	-	-	-	31.44	(290.01)	(227.92)	(486.49)
Total comprehensive income for the year	-	-	-	-	(7,245.98)	(290.01)	(227.92)	(7,763.91)
As at 31st March, 2017	11.96	30.00	2,922.01	4,117.52	(6,278.95)	1,355.85	(270.34)	1,888.05
Profit /(loss) for the year 2017-18	-	-	-	-	406.80	-	-	406.80
Other comprehensive income	-	-	-	-	43.53	(172.46)	270.34	141.41
Total comprehensive income for the year	-	-	-	-	450.32	(172.46)	270.34	548.20
As at 31st March, 2018	11.96	30.00	2,922.01	4,117.52	(5,828.63)	1,183.39	-	2,436.25

* Retained earnings includes ₹ 1,170.60 lakhs pertaining to Revaluation reserve, which is not available for distribution of dividend.
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: May 09, 2018

For and on behalf of the Board of Directors

SUHAS JOSHI
Company Secretary

VIJAY V. CHOWGULE
Chairman
D. N. MUNGAL
Director
MANGESH SAWANT
Managing Director & CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	Year ended 31-Mar-2018 ₹ in Lakhs	Year ended 31-Mar-2017 ₹ in Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) for the year	406.80	(7,277.42)
Adjustments for:		
Depreciation	3,009.90	2,980.69
Reversal for impairment of vessels	(2,754.32)	(51.56)
Income tax expenses	(246.73)	(84.16)
Provision for employee benefits	(20.47)	(5.77)
Advances written off	-	3,323.27
Sundry balance written back	(12.12)	(31.88)
Foreign exchange translation differences	(235.72)	(4.68)
Interest income	(94.54)	(89.04)
Dividend income	(0.03)	(0.04)
Rent income	(294.58)	(295.25)
Fixed assets written off	1.64	-
Investment written off	-	0.04
Sundry balances written off	0.11	1.00
Loss / (gain) arising on financial assets designated as at FVTPL	36.99	91.23
Loss/(profit) on sale of property plant & equipment	-	(0.01)
Finance costs	1,513.72	1,367.94
Operating loss before working capital changes	1,379.95	(5.64)
Adjustments for:		
Decrease / (increase) in trade receivables	120.06	(48.12)
Decrease / (increase) in other current assets	4.75	(156.61)
Decrease / (increase) in other non current assets	(7.32)	436.41
(Decrease)/ increase in other current liabilities	129.41	86.41
Movement in restricted Bank balances	9.36	8.92
Decrease / (increase) in inventories	(6.88)	(18.62)
(Decrease)/ increase in trade payables	256.24	339.41
Cash generated from operations	1,885.57	642.16
Less: Net income tax refund /(paid)	31.20	(31.73)
Net cash flow (used in) /generated from operating activities	(A) 1,916.77	610.43
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(0.59)	(1.13)
Proceeds from disposal of property, plant & equipment	-	0.04
Loan given	-	(128.20)
Sale of non current investment	545.04	222.68
Rental income from operating lease	202.72	222.58
Sale of current investments	150.00	255.37
Purchase of current investments	-	(0.67)
Interest received	-	9.28
Dividend received	0.03	0.04
Net cash flow from investing activities (B)	897.20	579.99
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	325.22	1,442.25
Repayment of borrowings	(1,494.22)	(1,977.15)
Interest paid	(1,151.40)	(1,040.73)
Unclaimed dividend paid	(9.36)	(8.92)
Net cash flow used in financing activities	(C) (2,329.76)	(1,584.55)
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C) 484.21	(394.13)
Cash and cash equivalents - opening balance	486.83	882.84
Cash and cash equivalents - closing balance	971.04	488.71
Effect of exchange rate changes on cash and cash equivalents		
Cash on hand and balances with Banks	971.04	488.71
Effect of exchange rate changes on the balance held in foreign currency	0.51	(1.88)
Cash & cash equivalents as restated (Refer to note no 12.1)	971.55	486.83

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 consolidated financial statements

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

HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Place: Mumbai
Date: May 09, 2018

SUHAS JOSHI
Company Secretary

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Managing Director & CFO



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 5 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 March 31, 2018 were approved by the board of directors and authorised for issue on May 9, 2018.

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 sell 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 2018. 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 of 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 2018	31st March 2017
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Depreciation on PPE 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 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.8 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 recognised immediately in the statement of profit and loss.

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 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 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.

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 closing 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.

2.10 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 and loss in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group 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.

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 Off setting 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 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.

2.13.2 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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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.

2.14 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.

2.15 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 recognised 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 recognised 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 recognised as an asset.

2.16 Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.16.1 Rendering of services

Fleet operating 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.

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 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.

2.16.3 Rental income

The Group'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 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.

2.19 Financial assets:

All regular way purchase or sale of financial assets are recognised and derecognised 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 CONSOLIDATED 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

A 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 Group 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 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.

2.20 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.

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

NOTES TO THE CONSOLIDATED 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 115- Revenue from contract with customers:

On 28/03/2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from contract with customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after 01/04/2018. The Group will adopt the standard on 01/04/2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31/03/2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 on the operations of the Group needs to be assessed.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Property, plant and equipment

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
Carrying Amounts of		
Free hold land	224.18	224.18
Free hold buildings		
Staff quarters (see foot note 1)	39.66	43.57
Office premises (see foot note 2,4&5)	699.35	787.64
Furniture & fixture	2.61	3.58
Vehicles	4.07	5.95
Office equipments	7.40	10.97
Vessels (see foot note 3)	43,113.75	42,664.97
TOTAL	44,091.02	43,740.86

	Free hold land	Free hold buildings staff quarters	Free hold buildings office premises	Furniture & fixtures	Vehicles	Office equipments	Vessels	Total
Deemed cost								
Balance at 31st March, 2016	224.18	52.63	999.09	9.23	12.79	22.42	58,793.99	60,114.33
Additions	-	-	-	-	-	1.13	-	1.13
Disposals	-	-	-	-	-	(0.30)	-	(0.30)
Effect of foreign currency exchange differences	-	-	-	-	-	-	(1,570.72)	(1,570.72)
Balance at 31st March, 2017	224.18	52.63	999.09	9.23	12.79	23.25	57,223.27	58,544.44
Additions	-	-	-	-	-	0.59	-	0.59
Disposals	-	-	-	-	-	(1.66)	-	(1.66)
Effect of foreign currency exchange differences	-	-	-	-	-	-	814.79	814.79
Balance at 31st March, 2018	224.18	52.63	999.09	9.23	12.79	22.18	58,038.06	59,358.16
Accumulated depreciation and impairment								
Balance at 31st March, 2016	-	4.75	112.00	3.48	4.07	7.81	12,066.80	12,198.91
Eliminated on disposals of assets	-	-	-	-	-	(0.27)	-	(0.27)
Depreciation expenses	-	4.31	99.45	2.17	2.77	4.74	2,867.25	2,980.69
Impairment reversals	-	-	-	-	-	-	(51.56)	(51.56)
Effect of foreign currency exchange differences	-	-	-	-	-	-	(324.19)	(324.19)
Balance at 31st March, 2017	-	9.06	211.45	5.65	6.84	12.28	14,558.30	14,803.58
Eliminated on disposals of assets	-	-	-	-	-	(0.02)	-	(0.02)
Depreciation expenses	-	3.91	88.29	0.97	1.88	2.52	2,911.63	3,009.20
Impairment reversals	-	-	-	-	-	-	(2,754.32)	(2,754.32)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakhs

	Free hold land	Free hold buildings staff quarters	office premises	Furniture & fixtures	Vehicles	Office equipments	Vessels	Total
Effect of foreign currency exchange differences	-	-	-	-	-	-	208.70	208.70
Balance at 31st March, 2018	-	12.97	299.74	6.62	8.72	14.79	14,924.31	15,267.14
Carrying value of assets								
Balance at 31st March, 2016	224.18	47.88	887.09	5.75	8.72	14.61	46,727.19	47,915.42
Additions	-	-	-	-	-	1.13	-	1.13
Disposals	-	-	-	-	-	(0.03)	-	(0.03)
Depreciation expenses	-	(4.31)	(99.45)	(2.17)	(2.77)	(4.74)	(2,867.25)	(2,980.69)
Impairment reversals	-	-	-	-	-	-	51.56	51.56
Effect of foreign currency exchange differences	-	-	-	-	-	-	(1,246.53)	(1,246.53)
Balance at 31st March, 2017	224.18	43.57	787.64	3.58	5.95	10.97	42,664.97	43,740.86
Additions	-	-	-	-	-	0.59	-	0.59
Disposals	-	-	-	-	-	(1.64)	-	(1.64)
Depreciation expenses	-	(3.91)	(88.29)	(0.97)	(1.88)	(2.52)	(2,911.63)	(3,009.20)
Impairment reversals	-	-	-	-	-	-	2,754.32	2,754.32
Effect of foreign currency exchange differences	-	-	-	-	-	-	606.09	606.09
Balance at 31st March, 2018	<u>224.18</u>	<u>39.66</u>	<u>699.35</u>	<u>2.61</u>	<u>4.07</u>	<u>7.40</u>	<u>43,113.75</u>	<u>44,091.02</u>

Foot notes:

- 1) Includes cost of 5 shares of ₹ 50 each fully paid in Dadar Paschim Apartments Co-operative Housing Society Limited and 5 shares of ₹ 50 each fully paid in Olympus Co-operative Housing Society Limited.
- 2) Includes cost of 5 shares of ₹50 each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited.
- 3) In view of adverse economic condition, the company has assessed the recoverable amount of fleet by estimating its value in use and value on sale in terms of Ind-As 36 "Impairment of Assets". Value in use is estimated by applying appropriate discount rate to projected cash flows having regard to , expected tariff, Costs to operate the vessel which represents Management's best estimate of the set of economic conditions over the period of expected use of the asset. As a result a reversal of impairment charge amounting to ₹ 2,754.32 lakhs (2017: ₹51.56 lakhs) has been recognised during the year in the Financial Statements.
- 4) Office Premises are on land which is on a long term lease from the Government.
- 5) Office premises includes an amount of ₹ 666.06 lakhs given on lease. Depreciation for the same is ₹ 58.87 lakhs (2017: ₹ 66.30 lakhs). Future minimum rent receipts are as under:

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
Not later than one year	209.76	-
Later than one year and not later than five years	-	-
TOTAL	<u>209.76</u>	<u>-</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Other investments

₹ in Lakhs

Unquoted

Others (unquoted) carried at fair value through other comprehensive income
Northern Shipping Fund - I LLC

Aggregate value of unquoted investment

	As at 31st March 2018	As at 31st March 2017
	-	319.24
TOTAL	-	319.24
	-	319.24

6 Other financial assets

Security deposits (Unsecured, considered good unless otherwise stated)

	1.80	1.80
TOTAL	1.80	1.80

7 Deferred tax assets (net)

Deferred tax assets
Deferred tax liabilities

	728.54	644.34
	(487.09)	(644.34)
TOTAL	241.45	-

Foot note :

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2016-17

₹ 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 debt	13.78	(2.30)	-	11.48
Defined benefit obligations	45.36	(9.14)	(11.96)	24.26
Unused tax losses	638.16	(103.63)	-	534.53
Unused tax credit	74.07	-	-	74.07
Security deposit	(0.54)	0.23	-	(0.31)
Property, plant and equipment	(698.10)	142.97	-	(555.13)
Trade payable for property, plant and equipment	(138.96)	58.51	-	(80.45)
Investments	(5.97)	(2.48)	-	(8.45)
TOTAL	(72.20)	84.16	(11.96)	-

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

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
Loss before tax	(600.69)	(316.84)
Enacted Tax rates in India	27.82%	27.55%
Computed expected tax expense	(167.11)	(87.30)
Effect of Income that is exempt from taxation	(0.01)	(0.01)
Effect of expenses that are not deductible in determining taxable profit	0.04	-
Effect of previously unrecognised deferred tax assets	(74.37)	15.11
Income tax expense recognised in statement of profit and loss	(241.45)	(72.20)

8 Other non current assets

Unsecured, considered good unless otherwise stated		
Advance payment of taxes (Refer note no 28)	185.07	183.32
Disputed sales tax deposit (Refer note no 28)	47.40	47.40
Goods & Service Tax	7.06	-
Security deposits	3.51	3.51
Reversal of employee benefit provision (Refer to note no 36)	30.98	-
Capital advance for purchase of property, plant and equipment	1,648.64	1,625.20
TOTAL	1,922.66	1,859.43



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Inventories

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
Lower of cost and net realisable value (Refer foot notes 1 to 3)		
Lube oil	131.35	120.80
Fuel oil	7.84	9.60
Paints	-	0.14
TOTAL	139.19	130.54

Foot notes:

1. The cost of inventories recognised as an expense during the year was ₹188.96 lakhs (2017 : ₹ 129.21 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 2018	No of shares / units	As at 31st March 2017
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	0.07	16	0.06
ICICI Bank Limited	825	2.30	750	2.08
Global Offshore Services Limited	50	0.01	50	0.02
Essar Shipping Limited	233	0.05	233	0.07
GOL Offshore Limited #	30	-	30	-
The Great Eastern Shipping Company Limited	121	0.40	121	0.50
Shreyas Shipping and Logistics Limited	100	0.51	100	0.32
The Shipping Corporation of India Limited	75	0.05	75	0.06
Equity shares (unquoted) of ₹ 10 each fully paid up:				
Hazira Cargo Terminal Limited # (De-merged from Essar Ports Limited)	69	-	-	-
Salaya Bulk Terminal Limited # (De-merged from Essar Ports Limited)	23	-	-	-
Vadinar Oil Terminal Limited # (De-merged from Essar Ports Limited)	349	-	-	-
Investment in Mutual Funds (Unquoted) carried at fair value through profit or loss (FVTPL)				
Franklin India Low Duration Fund - Growth	602,035	120.26	1,217,711	224.82
Religare Invesco Credit Opportunities Fund- Ins Grw	126	2.50	1,723	31.99
# Value less than ₹ 500				
TOTAL		126.15		259.92
Aggregate book value of quoted investments		3.39		3.11
Aggregate market value of quoted investments		3.39		3.11
Aggregate carrying value of unquoted investments		122.76		256.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 Trade receivables

	As at 31st March 2018	As at 31st March 2017
Unsecured (refer foot notes below)		
Considered good	-	120.06
Considered doubtful	41.67	41.67
Less : Allowance for doubtful debts (expected credit loss allowance)	(41.67)	(41.67)
TOTAL	-	120.06

Foot notes :

11.1 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 2018: ₹ NIL (2017: ₹ 116.22 lakhs was due from one customer). There are no other customers who represent more than 5% of the total balance of trade receivables.

11.2 Ageing of receivables

	2017-18	2016-17
Within the credit period		
1-30 days past due	-	116.22
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days past due	-	3.84
More than 180 days past due	41.67	41.67

12 Cash and Bank balances

12.1	Cash & cash equivalents		
a)	Cash on hand	1.95	1.92
b)	Balance with Banks in current accounts	9.72	22.39
c)	Balance with Banks in foreign currency accounts	959.88	462.52
		971.55	486.83
11.2	Other Bank balances		
	Earmarked balances for unpaid dividend with Bank	6.67	16.03
TOTAL		978.22	502.86

13 Loans

Unsecured considered good		
Loans to related party (Refer to note 2 below)(Refer to note 14)	830.00	830.00
Loan to other party	130.09	128.20
TOTAL	960.09	958.20

Foot notes :

- The Company has given an unsecured loan of ₹ 830.00 lakhs @ 10.50% p.a. repayable on demand to facilitate completion of project.
- The subsidiary Company has given an unsecured loan of ₹ 130.09 lakhs @ 4% p.a. repayable on demand.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Other financial assets

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
Accrued interest		
On loan to related party (Refer to note no 13)	285.84	207.41
On loan to other party (Refer to note no 13)	6.62	1.32
TOTAL	292.46	208.73

15 Other current assets

Prepaid expenses	31.26	34.71
Deposit receivable	5.52	-
Advance for expenses	31.96	38.78
Commission receivables	162.61	160.25
TOTAL	231.35	233.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Equity share capital

	As at 31st March 2018	As at 31st March 2017
Authorised		
i) 50,000,000 Equity shares of ₹ 10/- each	5,000.00	5,000.00
ii) 2,500,000 Redeemable Preference shares of ₹ 100/- each	2,500.00	2,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
Issued, subscribed and 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 2018	As at 31st March 2017
Chowgule and Company Private Limited	17,450,333 48.06%	16,932,891 46.64%
Quail Investments Limited	2,260,843 6.23%	2,260,843 6.23%

17 Other equity

	As at 31st March 2018	As at 31st March 2017
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)	(42.42)
Less : Loss on fair value of investment	-	(227.92)
Less : Reversal of reserve	270.34	-
Balance at end of year	<u>-</u>	<u>(270.34)</u>
(f) Foreign currency translation reserve		
Balance at beginning of year	1,355.85	1,645.86
Add / (less) : Exchange difference arising on translating the foreign operation	(172.46)	(290.01)
Balance at end of year	<u>1,183.39</u>	<u>1,355.85</u>
(g) Retained earnings		
Balance at beginning of year	(6,278.95)	967.03
Add : Profit / (loss) for the year	450.32	(7,245.98)
Balance at end of year	<u>(5,828.63)</u>	<u>(6,278.95)</u>
TOTAL	<u>2,436.25</u>	<u>1,888.05</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 Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

18 Non-controlling interest

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 2018	As at 31st March 2017
	5,853.97	5,769.00
TOTAL	5,853.97	5,769.00

19 Borrowings

Term loan from Banks (refer to note 25) (refer foot note below)
Secured by mortgage of vessels forming part of the fleet

	22,327.02	27,908.60
TOTAL	22,327.02	27,908.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foot notes:

Terms of repayment of secured term loans for the year 2017-18

	Credit Suisse AG	Credit Suisse AG	DVB Group Merchant Bank (Asia) Ltd.	DVB Group Merchant Bank (Asia) Ltd.
No. of installments outstanding	17	21	15	15
Amount of installment in USD	357,821	281,920	280,000	280,000
Interval of installment	Quarterly	Quarterly	Quarterly	Quarterly
Rate of interest	3 months LIBOR + 2.50%	3 months LIBOR + 2.40%	3 months LIBOR + 3.50%	3 months LIBOR + 3.50%
Payment at the time of refinancing	-	-	2,350,000	705,000
Amount of balloon in USD at end of tenure of the loan	7,137,160	5,623,200	4,300,000	4,300,000

Terms of repayment of secured term loans for the year 2016-17

	Credit Suisse AG	Credit Suisse AG	DVB Group Merchant Bank (Asia) Ltd.	DVB Group Merchant Bank (Asia) Ltd.
No. of installments outstanding	15	19	4	10
Amount of installment in USD	357,821	281,920	325,000	227,500
Interval of installment	Quarterly	Quarterly	Quarterly	Quarterly
Rate of interest	3 months LIBOR + 2.50%	3 months LIBOR + 2.40%	3 months AIR + 1.80%	3 months AIR + 3.45%
Amount of balloon in USD at end of tenure of the loan	8,210,623	6,468,960	10,525,000	7,612,500

20 Other financial liabilities

	As at 31st March 2018	As at 31st March 2017
Security deposit	89.12	91.58
Payable on purchase of property, plant and equipment	1,648.29	1,508.04
TOTAL	1,737.41	1,599.62

21 Provisions

Provision for employee benefits	38.01	58.74
TOTAL	38.01	58.74

22 Other non current liabilities

Advance rent received	10.09	-
TOTAL	10.09	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Borrowings

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
Unsecured borrowing		
From other party (refer foot note below)	3,577.43	3,205.00
TOTAL	3,577.43	3,205.00

Foot note:

The loan outstanding as on 31st March, 2018 is USD 5.5 million (2017 : USD 5 million) repayable with interest @ 4% per annum in full or part without penalty on or before 30th Sept; 2018 (2017 - payable on or before 30th Sept 2017)

24 Trade payables

Total Outstanding dues of micro enterprises & small enterprises (Refer foot notes below)	1.06	6.21
Total Outstanding dues of other than micro enterprises & small enterprises		
Shipping cost payable	1,657.89	1,416.85
Provision for other expenses	67.32	56.83
TOTAL	1,726.27	1,479.89

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	6.21
- 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	6.21
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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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Other financial liabilities

	As at 31st March 2018	As at 31st March 2017
Secured		
Current maturities of long term debt (Refer to note no 19)	6,824.86	2,292.68
Secured by mortgage of vessels forming part of fleet (Refer to note no 19)		
Interest accrued but not due on borrowings		
On loans	382.06	219.02
On other	147.97	93.17
Unpaid dividends	6.67	16.03
TOTAL	7,361.56	2,620.90

26 Other current liabilities

Advance rent received	7.72	6.66
Charter hire (received in advance)	265.63	135.12
Advance received from customers	-	2.26
Payable to gratuity fund (refer to note no 36)	-	19.16
Statutory due's	0.48	1.43
TOTAL	273.83	164.63

27 Provisions

Provision for employee benefits	11.71	10.11
TOTAL	11.71	10.11

28 Contingent liabilities & commitments

i) Contingent liabilities

a. Sales Tax demand not provided for: (Refer to note no 8)	237.00	237.00
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 Assessment 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.		
b. Income tax demand not provided for		
The company has filed appeal in respect of the same.	32.72	32.84

Note : Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

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	6,410.00
Estimated amount of contracts remaining to be executed on capital account not provided for - The group has a commitment for the construction of one (2017 - one) hull	15,025.19	14,807.10



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 Revenue from operations

	Year Ended 31st March 2018	₹ in Lakhs Year Ended 31st March 2017
Sale of service:		
Charter hire receipts	6,647.66	4,373.92
TOTAL	6,647.66	4,373.92

30 Other Income

Interest income earned on financial assets that are not designated at fair value through profit or loss:

Loans	92.43	89.01
Security deposit	-	0.03
Income tax refund	2.11	-
Operating lease rental income	224.58	225.25
Dividend income	0.03	0.04
Net gain arising on financial assets designated as at FVTPL	16.23	-
Profit/(loss) on sale of property plant and equipment	-	0.01
Sundry receipts	44.30	21.92
Commission receivable	-	264.01
Sundry balance written back	12.11	31.88
Net foreign currency translation differences	17.30	-
TOTAL	409.07	632.15

Foot note:

The amount represents a net gain on financial assets designated as at FVTPL which are mandatory measured at fair value and comprises a loss in fair value of ₹ 5.62 lakhs (2017: gain of ₹ 12.59 lakhs).

31 Employee benefits expenses

Salaries, wages and other benefits (Refer to note no 36)	127.39	135.37
Contributions to provident and other funds (Refer to note no 36)		
Superannuation contribution	15.10	16.05
Gratuity (L I C contribution)	10.09	13.54
Contribution to provident fund @ 12%	11.41	11.57
Staff welfare expenses	2.63	1.91
TOTAL	166.62	178.44

32 Finance costs

Interest on term loan	1,364.63	1,232.45
Interest on others	149.09	135.49
TOTAL	1,513.72	1,367.94

33 Depreciation and amortisation expenses

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

	3,009.20	2,980.69
TOTAL	3,009.20	2,980.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Other expenses

	Year Ended 31st March 2018	Year Ended 31st March 2017
₹ in Lakhs		
Operating expenses		
Manning cost	2,212.62	2,172.95
Fuel and oil	188.96	129.21
Stores and spare parts consumed	485.06	316.43
Port disbursement, stevedorage, light dues etc.	50.86	13.49
Ship repairs and survey charges	161.37	157.49
Dry docking charges	206.41	204.64
Insurance & protection club dues	245.68	243.45
Brokerage and agency fees	218.44	159.05
Claims paid	-	8.82
Sundry balance written - off	-	1.00
Ship management fees	303.33	315.83
Crew expenses	319.46	285.08
Quality & safety facilities	62.26	40.04
Handling & transport	9.70	11.92
Other expenses		
Power and fuel	5.03	7.92
Legal and professional expenses	168.31	159.97
Postage, telephone, telexes etc.	32.31	22.95
Rent	0.49	0.49
Rates and taxes	33.69	29.33
Auditors' remuneration		
For statutory audit	25.08	23.24
For tax audit	0.70	0.80
For other services	2.30	3.70
Goods and service tax on above	2.54	1.28
Directors' sitting fees	9.21	10.45
Net foreign currency translation differences	-	4.31
Travelling expenses (Including foreign travelling)	38.78	33.32
Repairs to building	36.27	38.55
Subscriptions	19.29	17.68
Loss on sale of investment	53.22	91.23
Investment written off	-	0.04
Assets Written off	1.64	-
Miscellaneous expenses	68.43	63.51
TOTAL	4,961.44	4,568.17

35 Exceptional items

Advance written off	-	(3,323.27)
TOTAL	-	(3,323.27)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 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 consolidated 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 consolidated statement of profit and loss as contribution under defined contribution plans.

	₹ in Lakhs	
	2017-18	2016-17
i) Provident fund	11.41	11.57
ii) Superannuation fund	15.10	16.05

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The principal actuarial assumptions are as follows:

- i) Discount rate at 31st March
- ii) Rate of increase in compensation
- iii) Attrition rate
- iv) Mortality table

2017-18	2016-17
7.65% p.a.	7.31% p.a.
5.00% p.a.	12.00% p.a.
0.50% p.a.	0.50% p.a.
Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Foot notes:

- a) 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.
- b) 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.
- c) 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.
- d) 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:

	2017-18	2016-17
Service Cost :		
Current Service Cost	8.71	11.08
Past service cost and (gain)/loss from settlements	-	-
Adjustment to opening balance	(0.86)	(1.45)
Net interest expense	0.97	4.07
Components of defined benefit costs recognised in the consolidated statement of profit and loss	8.82	13.70
Remeasurement on the net defined benefit liability :		
Return on the plan assets (excluding amount included in net interest expenses)	(0.68)	0.38
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(29.34)	(16.05)
Actuarial (gains)/losses arising from experience adjustments	(18.79)	(27.73)
Others (describe)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	(48.81)	(43.40)
TOTAL	(39.99)	(29.70)

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the consolidated 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:

	2017-18	2016-17
Present value of funded defined benefit obligations	144.45	171.34
Fair value of plan assets	175.43	152.17
Funded status [deficit/(surplus)]	(30.98)	19.17
Restrictions on assets recognised	-	-
Net liability arising from defined benefit obligation	(30.98)	19.17



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2017-18	2016-17
Opening defined benefit obligations	171.34	188.98
Current service cost	8.71	11.08
Interest cost	12.52	15.06
Remeasurement (gains)/loss:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(29.34)	(16.05)
Actuarial (gains)/losses arising from experience adjustments	(18.78)	(27.73)
Benefits paid	-	-
Closing defined benefit obligation	144.45	171.34

₹ in Lakhs

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

	2017-18	2016-17
Opening fair value of plan assets	152.17	132.90
adjustment to opening fair value of plan asset	0.86	1.45
Interest income	11.56	11.00
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expenses)	0.68	(0.38)
Contribution from the employer	10.16	7.20
Benefits paid	-	-
Closing defined benefit obligation	175.43	152.17

Key management personal liability as on 31st, March 2018 is ₹ 124.73 lakhs (2017: ₹134.82 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.

		PVO	
		2017-18	2016-17
Discount rate	PVO DR + 1%	141.58	164.98
	PVO DR - 1%	147.55	178.36
Expected salary escalation rate	PVO ER + 1%	147.58	177.96
	PVO ER - 1%	141.50	165.20

₹ in Lakhs

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	1.62	128.27	0.30	0.32	0.34	14.74

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 CONSOLIDATED FINANCIAL STATEMENTS

The contribution expected to be made by the Company during the financial year 2018 is ₹ Nil (2017 - ₹ 19.71 lakhs).

₹ in Lakhs

Experience adjustments	2013-14	2014-15	2015-16	2016-17	2017-18
Present value of the obligation	88.41	101.84	188.98	171.34	144.45
Fair value of the plan assets	74.82	93.81	132.90	152.17	175.43
Surplus/ (Deficit)	(13.59)	(8.03)	(56.08)	(19.17)	30.98
Experience adjustment on plan liabilities	(0.96)	(14.84)	33.06	(27.73)	18.78
Experience adjustment on plan assets	(5.98)	(2.56)	(1.21)	(0.38)	0.68

37 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, 2018	31st March, 2017
a. Substantial investor			
Chowgule and Company Private Limited	India	48.06%	46.64%
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:			
Lavgan Dockyard Private Limited			
Chowgule and Company Private Limited			



NOTES TO THE CONSOLIDATED 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	
Transactions during the year	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1 Services rendered								
Chowgule and Company Private Limited	-	-	12.26	-	-	-	12.26	-
Interest income								
Lavgan Dockyard Private Limited	-	-	87.15	87.15	-	-	87.15	87.15
2 Outstanding balances as on 31 March, 2018								
a. Loans, advances and receivables								
Loans								
Lavgan Dockyard Private Limited	-	-	830.00	830.00	-	-	830.00	830.00
b. Trade and other receivables & payables as on 31 March, 2018								
Trade and other receivables	-	-	-	-	-	-	-	-
Trade and other payables	-	-	1,800.00	1,800.00	-	-	1,800.00	1,800.00

iii. Compensation to key management personnel

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

	₹ in Lakhs	
	31st March 2018	31st March 2017
Short-term employee benefits	105.70	80.67
Post employment benefits (refer to note 36)	152.19	164.17
Termination benefits	-	-
Share-based payments	-	-
Total compensation paid to key management personnel	257.89	244.84

iv. Sitting fees paid to Non Executive Directors

Director sitting fees	8.70	9.10
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 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 segment. 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 ₹ 12.26 lakhs (2017: ₹ 51.58 lakhs), Outside India ₹ 6,635.40 lakhs (2017: ₹ 4,321.64 lakhs)

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

In India ₹ 2,714.84 lakhs (2017: ₹ 2,858.37 lakhs), Outside India ₹ 43,542.03 lakhs (2017: ₹ 43,062.96 lakhs)

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

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

	₹ in Lakhs	
	31st March 2018	31st March 2017
a. Profit/(loss) for the year (₹ in Lakhs)	406.80	(7,277.42)
b. Weighted average number of equity shares outstanding during the financial year (in nos.)	36,308,425	36,308,425
c. Basic and diluted earnings per equity share (for continuing operation) (in ₹)	1.12	(20.04)
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 ₹)	1.12	(20.04)

40. Financial Instruments

40.1 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 stakeholder through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 19, 23 & 25 and off set by Cash and Bank balance) and total equity of the Group.

40.1.1 Gearing ratio

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

Debt (Refer Foot note (i) Below)	32,729.31	33,406.28
Cash and Bank balances	(978.22)	(502.86)
Net debt	31,751.09	32,903.42
Equity (Refer Foot note (ii) Below)	11,921.06	11,287.89
Net debt to equity ratio	2.66	2.91

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 16, 17 & 18)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40.2 Categories of financial instruments

	₹ in Lakhs	
	As at 31st March 2018	As at 31st March 2017
Financial assets		
Measured at amortised cost		
(a) Cash and bank balances	978.22	502.86
(b) Other financial assets at amortised cost		
(i) Other financial assets	294.26	210.53
(ii) Other loans	960.09	958.20
(iii) Trade receivables	-	120.06
Measured at fair value through profit or loss		
(a) Investments	126.15	259.92
Measured through other comprehensive income		
(a) Investments	-	319.24
TOTAL	2,358.72	2,370.81
Financial liabilities		
Measured at amortised cost		
(i) Other financial liabilities	9,098.97	4,220.52
(ii) Borrowings	32,729.31	33,406.28
(iii) Trade payables	1,726.27	1,479.89
TOTAL	43,554.55	39,106.69

The above excludes investment in subsidiary.

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

40.3 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.

40.4 Market risk

Market risk is the risk that the fair value or 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.

40.5 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2017-18		2016-17	
	(₹ in Lakhs)	USD in Million	(₹ in Lakhs)	USD in Million
Receivables				
Other current assets	1.04	# -	4.34	0.01
Cash & cash equivalents	22.65	0.04	67.40	0.10
Payables				
Trade payables	-	-	1.01	# -

Note : USD = US Dollar

Value less than USD 10,000

The Group did not disclosed foreign currency sensivity analysis since the exposure is not significant.

40.6 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.

40.7 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.

40.8 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 recognised 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.

40.9 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
41.9.1 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

	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	Carrying amount
March 31, 2018						
Non-interest bearing						
Trade payables		1,726.27	-	-	1,726.27	1,726.27
Other financial liabilities		536.69	-	-	536.69	536.69
Variable interest rate instruments						
Borrowing	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
Borrowing	4.00%	3,577.43	-	-	3,577.43	3,577.43
March 31, 2017						
Non-interest bearing						
Trade payables		1,479.89	-	-	1,479.89	1,479.89
Other financial liabilities		28.48	-	-	28.48	28.48
Variable interest rate instruments						
Borrowings	3.96%	-	27,908.60	-	27,908.60	27,908.60
Other financial liabilities		2,292.68	-	-	2,292.68	2,292.68
Fixed interest rate instruments						
Payable on purchase of property, plant and equipment	9.30%	-	1,800.00	-	1,800.00	1,508.04
Security deposit	8.50%	-	99.36	-	99.36	91.58
Borrowings	4.00%	3,205.00	-	-	3,205.00	3,205.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41.9.1.2 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, 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
March 31, 2017						
Non-interest bearing						
Other financial assets		3.12	-	-	3.12	3.12
Investments		601.68	-	-	601.68	601.68
Trade receivable		120.06	-	-	120.06	120.06
Cash and Bank balance		502.86	-	-	502.86	502.86
Other financial assets		78.44	128.97	-	207.41	207.41
Fixed interest rate instruments						
Loans	10.50%	-	830.00	-	830.00	830.00
Loans	4.00%	128.20	-	-	128.20	128.20

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 from those estimates of interest rates determined at the end of the reporting period.


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
40. 9.1.3 Fair value hierarchy

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

₹ in Lakhs

	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	-	-	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
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	-	-	9,098.97	9,098.97
(ii) Borrowings	-	-	32,729.31	32,729.31
(iii) Trade payables	-	-	1,726.27	1,726.27

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 Group financial assets and financial liabilities that are measured at fair value or where fair value disclosure is required as at 31st March 2017:

₹ in Lakhs

	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	-	-	502.86	502.86
(b) Other financial assets at amortised cost				
(i) Other financial assets	-	-	210.53	210.53
(ii) Other loans	-	-	958.20	958.20
(iii) Trade receivables	-	-	-	-
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	3.11	-	-	3.11
Investments in mutual funds (unquoted)	256.81	-	-	256.81
Measured through other comprehensive income				
(a) Investments	319.24	-	-	319.24
Financial liabilities				
Financial Liabilities held at amortised cost:				
(i) Other financial liabilities	-	-	4,220.52	4,220.52
(ii) Borrowings	-	-	33,406.28	33,406.28
(iii) Trade payables	-	-	1,479.89	1,479.89

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 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, 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	(₹ in lakhs)	As % of	(₹ in lakhs)	As % of	(₹ in lakhs)	As % of	(₹ in lakhs)
	consolidated net assets		consolidated Loss		consolidated Loss		consolidated Loss	
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%	7,895.74	199.01%	809.57	69.22%	97.88	165.53%	907.44
Total	<u>100.00%</u>	<u>11,921.06</u>	<u>100.00%</u>	<u>406.80</u>	<u>100.00%</u>	<u>141.41</u>	<u>100.00%</u>	<u>548.21</u>

b) As at and for the year ended 31 March, 2017

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	(₹ in lakhs)	As % of	(₹ in lakhs)	As % of	(₹ in lakhs)	As % of	(₹ in lakhs)
	consolidated net assets		consolidated Loss		consolidated Loss		consolidated Loss	
Parent								
Chowgule Steamships Ltd	38.01%	4,290.04	3.79%	(276.08)	(6.46%)	31.44	3.15%	(244.64)
Foreign subsidiary								
Chowgule Steamships Overseas Limited	61.99%	6,997.85	96.21%	(7,001.34)	106.46%	(517.93)	96.85%	(7,519.27)
Total	<u>100.00%</u>	<u>11,287.89</u>	<u>100.00%</u>	<u>(7,277.42)</u>	<u>100.00%</u>	<u>(486.49)</u>	<u>100.00%</u>	<u>(7,763.91)</u>

42 Going concern

During the financial year ended 31st March, 2018, the Groups current liabilities exceed its current assets mainly on account of Bank loan instalments payable by the subsidiaries which are due within one year. The management is in discussion with financing Banks for refinancing of loans in relation to the vessels. This will reduce the loans payable within 12 months. 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 statement is reasonable.

43 Expenditure on Corporate Social Responsibility (CSR)

In pursuance of the provisions of the Companies Act, 2013 the holding 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 contribution towards CSR activities during the year is Nil. However, Company will incur the sum on CSR activities as soon as the financial position of the Company is improved

44 Events after the reporting period

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

45 Previous year figures

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

For and on behalf of the Board of Directors

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

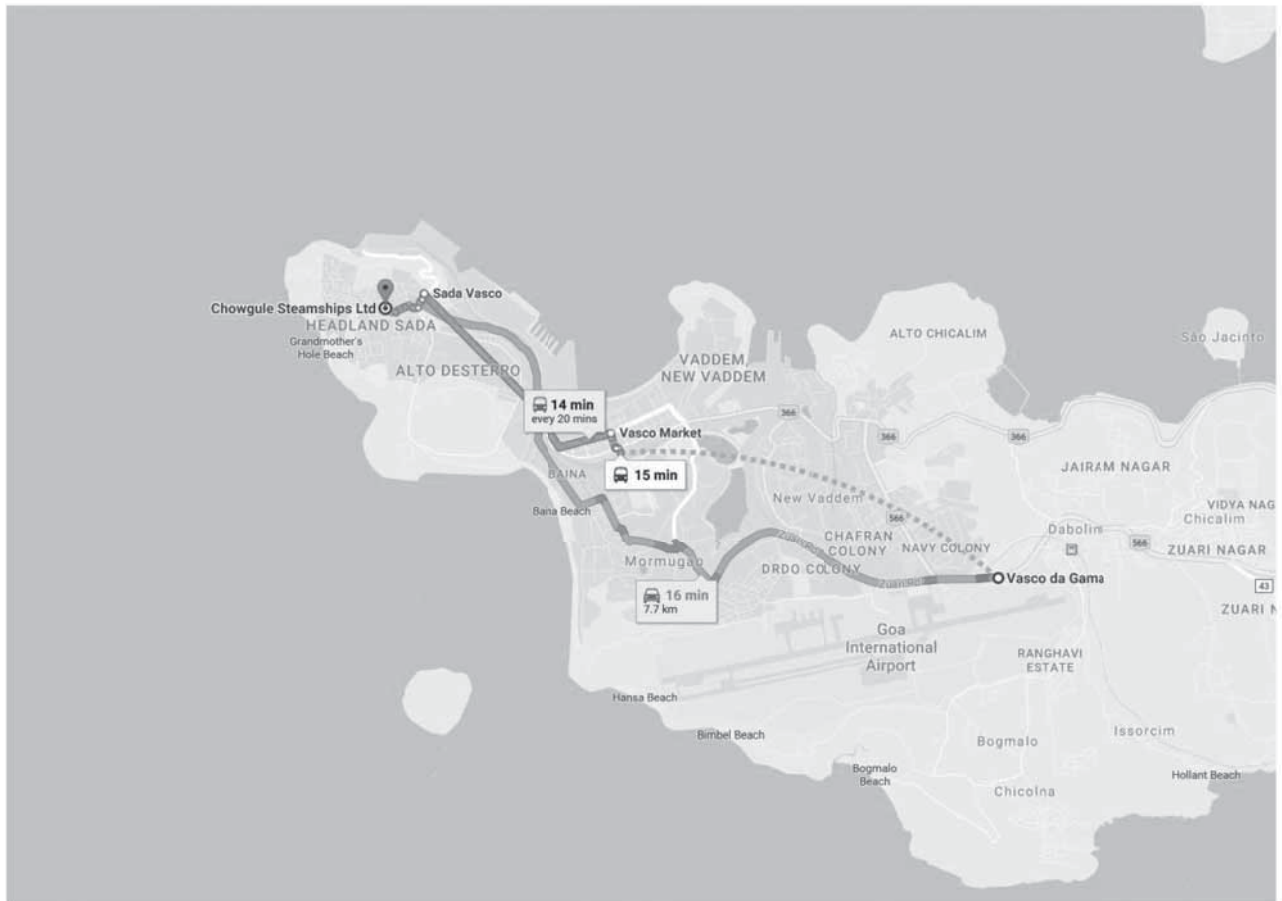
HIMANSHU KISHNADWALA
Partner
Membership No. 37391
Place: Mumbai
Date: May 09, 2018

SUHAS JOSHI
Company Secretary

VIJAY V. CHOWGULE
Chairman
D. N. MUNGALE
Director
MANGESH SAWANT
Managing Director & CFO



ROUTE MAP For ANNUAL GENERAL MEETING





Chowgule Steamships Limited

CIN: L63090GA1963PLC000002

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

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 55TH ANNUAL GENERAL MEETING of the Company held on Friday, July 20, 2018 at 10:00 a.m. at the Registered Office of the Company.

* Applicable for investors holding shares in electronic form.

Signature of the Shareholder

----- ✂ ----- ✂ -----



Chowgule Steamships Limited

CIN: L63090GA1963PLC000002

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

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* Applicable for investors holding shares in electronic form.

Signature of the Shareholder

----- ✂ ----- ✂ -----



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 FIFTH ANNUAL GENERAL MEETING ON FRIDAY, JULY 20, 2018

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 55th Annual General Meeting of the Company to be held on Friday, July 20, 2018 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, 2018 and the Reports of the Board of Directors and Auditors thereon.		
2. Re-appointment of Mr. Vijay V. Chowgule (DIN 00018903), who retires by rotation		
3. Re-appointment of Mr. Jaywant Y. Chowgule (DIN 00019008), who retires by rotation		
Special Business:		
4. Re-appointment Mr. Mangesh Sawant, (DIN 00007197) as Managing Director & CFO for a period of three years with effect from April 1, 2018.		

Signed this _____ day of _____, 2018

Signature of the Member _____

Signature of the Proxy holder(s) _____

Affix
Revenue
Stamp
₹ 1/-

- 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 55th Annual General Meeting.

Fleet Profile

CHOWGULE STEAMSHIPS LIMITED

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

CHOWGULE STEAMSHIPS OVERSEAS LIMITED

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

