



A CENTURY DRIVEN BY VALUES

24th July, 2017

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 2017

With reference to the above, we enclose herewith Annual Report of the Company as approved by the members at the 54th Annual General Meeting held on July 21, 2017, for your reference and records.

Kindly take note of above and acknowledge receipt.

Thanking you.

Yours truly,
For **Chowgule Steamships Limited**

A handwritten signature in blue ink, appearing to read 'Suhas Joshi'.

Suhas Joshi
Company Secretary



CHOWGULE STEAMSHIPS LIMITED

CIN-L63090GA1963PLC000002

54TH ANNUAL REPORT 2016-17



A CENTURY DRIVEN BY VALUES



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

S.B. Billimoria & Co.

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/FaxL022) 4918 6060
Email : rnt.helpdesk@linkintime.co.in

Corporate Identity Number (CIN)-L63090GA1963PLC000002

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CHOWGULE STEAMSHIPS LIMITED

NOTICE

NOTICE is hereby given that the Fifty Fourth Annual General Meeting of the Members of CHOWGULE STEAMSHIPS LIMITED will be held on Friday, July 21, 2017 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 Statements of the Company for the Financial Year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Prof. Rohini V. Chowgule (DIN 00019057), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Nathan R. Chowgule (DIN 00029130), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth consecutive Annual General Meeting of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W), be and is hereby appointed as Auditors of the Company in place of the retiring auditors M/s S. B. Billimoria & CO., Chartered Accountants (Firm Registration No. 101496 W), to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the Fifty Ninth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors
For Chowgule Steamships Limited

Place: Mumbai,
Date : May 12, 2017

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 15, 2017 to July 21, 2017, both days inclusive.
- 6) An Explanatory Statement relating to the item No. 4 of the Notice 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 and 2008-09 have been duly transferred to the Investor Education and Protection Fund. Unclaimed dividend for the year 2009-10 is due for transfer to Investors

Education & Protection Fund. Members, who have so far not claimed their Dividend for 2009-10 or any of the subsequent years, are requested to immediately write to the Company's Share Transfer Agents.

- 10) The shares of the Company are listed on BSE Limited. (BSE) and the listing fees in respect thereof for the year 2017-18 have been paid to BSE.
- 11) All enquiries and correspondence regarding transfer of shares, dematerialization, etc., should be made with the Share Transfer Agents of the Company, M/s. Link Intime India Private Limited, C- 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 Fourth 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 Fourth Annual General Meeting and the Annual Report 2017 will be available on the Company's website, www.chowgulesteamships.co.in. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : joshi.csl@chowgule.co.in
- 14) Voting through electronic means:
 - (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
 - (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
 - (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. July 14, 2017, may cast their vote electronically.
 - (d) The e-voting period commences at 9:00 a.m. on Tuesday, July 18, 2017 and ends at 5:00 p.m. on Thursday, July 20, 2017. 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 12, 2017 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 The voting period begins on 18th July, 2017 and ends on 20th July, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.



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- (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 on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
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 170616002 for Chowgule Steamships Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

15. Members are requested to carefully read the instructions and in case of any queries, you may refer to the QnA on e-Voting for Members and User Manual for Shareholders to cast their votes available in the Help section of www.evotingindia.com.
16. Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
17. The results shall be declared on or after the date of Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.chowgulesteamships.co.in and on the website of CDSL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company on July 21, 2017 and communicated to BSE Limited.
18. The route map showing directions to reach the venue of the 54th Annual General Meeting is given along with the Annual Report.
19. 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 12, 2017

Suhas Joshi
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No.4

As per the provisions of Section 139 of the Companies Act, 2013 ("Act") read with Companies (Audit & Auditors) Rules, 2014 it is mandatory to rotate auditors on completion of two consecutive terms of five years each. The said Rules also provide for transition period that can be served by the existing audit firm depending on the number of consecutive year for which such audit firm has been auditors in such company

M/s. S.B. Billimoria & CO. Chartered Accountants, Mumbai (SBB), (Firm Registration No. 101496 W) have been the Auditors of the Company for more than 10 consecutive years before the above mentioned Act and Rules were notified. In view of the above, considering the maximum transitional term of three years applicable to their appointment, the said Auditors were appointed as the Auditors of the Company at the Fifty First Annual General Meeting (AGM) of the Company held on July 9, 2014 for a term of three years to hold office till the conclusion of this AGM. Accordingly, SBB will be retiring as the Auditors of the Company at the conclusion of this AGM.

The Board of Directors, based on the recommendation of the Audit Committee at its meeting held on May 12, 2017, proposed the appointment of M/s CNK & Associates LLP, Chartered Accountants (Firm Registration No 101961W) as the Statutory Auditors of the Company for period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the Fifty Ninth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act). M/s CNK & Associates LLP, Chartered Accountants, have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by 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 12, 2017

Suhas Joshi
Company Secretary

DIRECTORS' REPORT 2016-2017

To
The Shareholders,

Your Directors present the Fifty Fourth Annual Report and the Audited Accounts for the year ended March 31, 2017.

1. FINANCIAL RESULTS & APPROPRIATIONS:

	2016-17	2015-16
		(₹ in Lakhs)
Loss before Financial Charges, Depreciation, Exceptional Item & Tax	(47.19)	(383.02)
Financial Charges	(135.49)	(41.75)
Depreciation	(177.56)	(456.76)
Loss before Exceptional Item & Tax	(360.24)	(881.53)
Loss on sale of vessel	-	(41.65)
Loss before Deferred Tax Provision	(360.24)	(923.18)
Reversal of Provision for Deferred Tax (Net)	84.16	368.82
Loss after Tax but before Other Comprehensive Income	(276.08)	(554.36)
Other Comprehensive Income	31.44	(47.17)
Total Comprehensive Income for the year	(244.64)	(601.53)
Brought forward from previous year	1,614.48	2,216.01
Surplus in Statement of Profit and Loss	1,369.84	1,614.48

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 ₹ 51.58 Lakhs as against ₹ 467.05 Lakhs during the previous year showing a decrease of ₹ 415.47 Lakhs. The BDI started the year at 429 in April 2016 and ended at 1297 in March 2017.

At the end of previous Financial Year, the Company acquired a new built river-sea container vessel to explore opportunities in Indian coastal trade. In view of the continued depressed international container ship market, limited success to attract road and rail cargo and infrastructure hindrances, the prospects of coastal shipping have not yet improved. We hope that impetus by Government of India/ Ministry of Shipping to Indian coastline and Inland waterways transportation for carriage of goods will give a boost to the Indian coastal shipping.

INDUSTRY REVIEW & FUTURE OUTLOOK

Bulk carrier market conditions remained extremely challenging for most of 2016 reflecting the impact of pressure from existing over supply as well as subdued seaborne dry bulk trade growth. In February 2016 earnings fell to lowest level since the 1980s and while earnings improved somewhat as the year progressed, they remained close to typical operating costs. The difficult market conditions led to a strong supply side response in the form of active demolition in the first half of the year, which helped to limited fleet expansion and very limited new building interest. In 2017 so far the bulk carrier market has shown some improvements with earnings picking up in March and second hand prices rising amidst continued strong buying interest. The demand picture appears to be improving and sentiment has become positive. Re-balancing of the fundamentals seems necessary for market condition to gain sustained traction.

The Government of India/Ministry of Shipping has been looking at rejuvenating the Indian coastline and Inland waterways Transport for carriage of goods and passengers. This was done with twin objectives of ensuring optimum utilization of India's waterways and taking load off congested Indian roads.

On the coast too, Indian flag vessel continued to confront legacy issues. Coastal shipping tried but with limited success to induce more cargo from road and rail on the coast. The stagnation in coastal shipping is further aggravated by infrastructure bottlenecks and logistics issues.



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INTERNAL FINANCIAL CONTROL SYSTEM

The Company has effective systems of internal controls to ensure that the resources of the Company are used effectively and efficiently and all assets are safeguarded and protected against unauthorised use and disposal. These internal controls 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), the Audit Committee of the Company has concluded that, as of March 31, 2017, the internal financial controls are 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 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 are generated from international business in the US Dollar terms, the same creates a natural hedge against foreign exchange exposures. The Rupee - US Dollar parity is reviewed on regular basis to protect itself from currency fluctuation risks.

Counter Party Risks: The time charter contracts are entered into 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 is NIL.

4. DEFERRED TAX LIABILITY

In terms of the Accounting Standard AS-22 AS-21 of the Companies (Accounting Standards) Rules 2016, there is a reversal of Deferred Tax liabilities amounting to ₹ 84.16 lakhs for the Financial Year 2016-2017, which is reflected in the Statement of Profit & Loss. The net Deferred Tax Liability of ₹ Nil as at March 31, 2017 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:

	2016-17 (In US \$ million)	2015-16 (In US \$ million)
Income/ (Loss)	6.742	7.210
Gross Profit before depreciation	(1.445)	(1.325)
Depreciation	(4.373)	(5.182)
Impairment	0.080	(12.630)
Write-off for cancellation of new build order	(5.184)	(9.344)
Net Loss	(10.923)	(28.483)

6. INSURANCE

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

7. DIRECTORS

Prof. Rohini Chowgule and Mr. Nathan R. 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 hold office for a term up to five consecutive years on the Board of a company from their appointment.

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

8. INDEPENDENT DIRECTORS

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulation read with Section 149(6) of the Companies Act 2013 ('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 the 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 Listing Regulation 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 Directors in understanding their statutory duties, obligations and responsibilities as a Director/ Independent Director of the Company. The appointment letter of independent directors is available on the Company's website www.chowgulesteamships.co.in

In addition to the above, familiarisation programme of the Independent Directors forms part of Board process. At the quarterly Board Meetings, Independent Directors are updated on the development in the Company, its business environment and Company's performance.

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

In compliance of the provisions of the Companies Act, 2013 and the Listing Agreement, the evaluation process for the performance of the Board, its committees and individual Directors 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 parameters such as composition of Board and Committees, attendance of directors at meetings, contribution at the meetings, qualifications, experience and competencies, performance of specific duties, independence of judgement etc.



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The evaluation of Independent Directors was carried out by the entire Board and that of Chairman and Non Independent Directors was carried out by Independent Directors. The Independent Directors expressed satisfaction with the overall functioning of the Board, its various committees and performance of the other Non-executive and Executive Directors.

11. CORPORATE GOVERNANCE

In terms of the listing agreement with the BSE Ltd., the Corporate Governance Report is annexed hereto and forms 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 First Annual General Meeting held on July 9, 2014 approved appointment of M/s S B Billimoria & Co, Chartered Accountants, as the Auditors of the Company, for a term of consecutive three years from conclusion of 51st Annual General Meeting to conclusion of the 54th Annual General Meeting. Accordingly, M/s S B Billimoria & Co, Chartered Accountants, the Statutory Auditors, will retire by rotation at the conclusion of this Annual General Meeting. The Board of Directors, based on the recommendations of the Audit Committee, is seeking approval of members at the ensuing Annual General Meeting for appointment of M/s CNK & Associates LLP, Chartered Accountants as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 59th Annual General Meeting subject to ratification by members at every Annual general Meeting, if so required by law. The Auditors, being eligible, have given their consent for appointment.

Secretarial Auditors

V.N. Deodhar, Practicing Company Secretaries, were appointed to conduct the secretarial audit of the Company for the financial year 2016-17 as required under Section 204 of the Companies Act 2013 and Rules made there under. The Secretarial Audit Report for Financial Year 2016-17 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, 2017.
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 – 7X
2	Percentage increase in remuneration of Managing Director & CFO and Company Secretary	MD & CFO –NIL Company Secretary – NIL
3	Percentage increase in median remuneration of employees in the financial year	NIL
4	Number of permanent employees	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	In view of the loss suffered for the year ended March 31, 2016, there was no increase in remuneration of any of the employees including Managerial Personnel for the financial year ended on March 31, 2017.
6	Key parameters for any variable component of remuneration availed by the Directors.	Not Applicable as the remuneration of the 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 in ₹	Previous employment
1	M.S. Sawant	Managing Director & Cfo	B.Com; CA, ICWA, LLB	58	31	22.09.1986	74,65,733	A.F.Ferguson & Co, Chartered Accountants
2	Suhas Joshi	Company Secretary	B. Com; LLB, ACS	51	9	10.01.2008	20,93,667	Consultancy Services by forming own company
3	Capt. Suresh Verlekar	Vice President - Commercial	B.Sc; Master Mariner, MICS, EMBA	49	10	01.02.2007	25,47,500	Petronet LNG Limited

23. CEO / CFO CERTIFICATION

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

24. CORPORATE SOCIAL RESPONSIBILITY

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

25. EXTRACT OF ANNUAL RETURN

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

26. PREVENTION OF INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted Code of Conduct for Prevention of Insider Trading. All the Directors, employees etc. who have access to unpublished price sensitive information are governed by the code. During the year under review, there has been due compliance of the said code.



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27. 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 and on behalf of the Board of Directors

Place: Mumbai,
Date: May 12, 2017

VIJAY V. CHOWGULE
Chairman

TO THE MEMBERS OF
CHOWGULE STEAMSHIPS LIMITED

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

I, Mangesh Sawant, Managing Director & CFO of Chowgule Steamships Limited, confirm that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2017.

Place : Mumbai,
Date : May 12, 2017

MANGESH SAWANT
Managing Director & CFO

CORPORATE GOVERNANCE REPORT

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

1. CORPORATE GOVERNANCE PHILOSOPHY

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

2. BOARD OF DIRECTORS

(a) Composition / Category of Directors

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

Grand Total = 10

(b) None of the Directors on the Board hold directorships in more than 10 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, 2017 have been made by the directors. None of the directors is related to each other except Prof. Rohini Chowgule, who is sister of Mr. Vijay Chowgule, the Chairman.

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

In all, five Board Meetings were held during the financial year 2016-2017 on 06.05.2016, 29.07.2016, 12.09.2016, 14.10.2016 and 25.01.2017. The attendance of the Directors at the Board Meetings held during 2016-17 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, Non-Independent Director	4	P
Mr. Dhananjay N. Mungale	Independent Director	4	P
Mr. Jaywant Y. Chowgule	Non executive, Non-Independent Director	1	A
Mr. Sanjiv N. Shah	Independent Director	3	A
Mr. Nathan R. Chowgule	Non executive, Non-Independent Director	5	P
Prof. Rohini V. Chowgule	Non executive, Non-Independent Director	5	P
Mr. Ravindra Kulkarni	Independent Director	4	P
Mr. Farokh J. Guzder	Independent Director	4	P
Admiral Arun Prakash (Retd)	Independent Director	3	A
Mr. Mangesh Sawant	Executive, Non-Independent Director	5	P

P: Present A: Absent



CHOWGULE STEAMSHIPS LIMITED

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

Name of the Director	No. of other 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	7 – CM	1 – CC
Mr. Jaywant Y. Chowgule	0 – BM	0 – CM	0 – CC
Mr. Sanjiv N. Shah	1 – BM	2 – CM	1 – CC
Mr. Nathan R. Chowgule	0 – BM	0 – CM	0 – CC
Prof. Rohini V. Chowgule	0 – BM	0 – CM	0 – CC
Mr. Ravindra Kulkarni	6 – BM	6 – CM	3 – CC
Mr. Farokh J. Guzder	1 – BM	0 – CM	0 – CC
Admiral Arun Prakash (Retd)	0 – BM	0 – CM	0 – CC
Mr. Mangesh Sawant	0 – BM	0 – CM	0 – CC

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

3. 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. The Audit Committee met on four occasions during the financial year and the attendance details of the Committee members are as under:

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

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

Terms of Reference of the Audit Committee

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

Terms of Reference – Audit Committee

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 68 appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility
 - b. statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - c. changes, if any, in accounting policies and practices and reasons for the same;
 - d. major accounting entries involving estimates based on the exercise of judgment by management;
 - e. significant adjustments made in the financial statements arising out of audit findings;
 - f. compliance with listing and other legal requirements relating to financial statements;

- g. disclosure of any related party transactions;
 - h. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the listed entity with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 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. No meeting of the Committee was held during the year.



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1. Terms of reference of Nomination / Remuneration Committee
 - 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
 1. The Non Executive Directors are entitled to receive sitting fees for attending each meeting of the Board of Directors or any committee thereof.
 2. The amount of sitting fees shall not exceed the fees prescribed under Companies Appointment and Remuneration of Managerial Personnel) Rules 2014.
 3. The Non-executive Directors are also entitled to be reimbursed all expenses incurred by them for attending such meetings.
 - b. Managing Director & CFO
 1. Managing Director & CFO is paid remuneration as may be mutually agreed between the Company and the Managing Director within the limits prescribed under the Companies Act 2013.
 2. The Remuneration is subject to approval by the members of the Company.
 3. The remuneration is determined on the basis of recommendation of the Nomination & Remuneration Committee. While determining the remuneration, the Nomination and Remuneration Committee shall consider the following aspects:
 - i. The relationship of remuneration with performance benchmarks established.
 - ii. Responsibility required to be shouldered
 - iii. Industry benchmarks and prevalent market trends.
 - c. Senior Management Personnel
 - i. The relationship of remuneration with performance benchmarks established.
 - ii. Criticality of roles played and responsibility shouldered
 - iii. Overall experience, expertise and personal traits
 - iv. Annual increments are determined based on Individual performance vis-à-vis targets/ KRA set.
 - 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 Remuneration & Nomination Committee. The remuneration is subject to approval of the shareholders at a general meeting.

c. Details of Remuneration paid to Directors

Disclosure of remuneration paid to Managing Director

The details of the remuneration paid to Mr. Mangesh Sawant, Managing Director & CFO from April 01, 2016 to March 31, 2017 are as under:

Name	- Mangesh Sawant
Designation	- Managing Director & CFO
All elements of remuneration package Inclusive of Salary, Benefits, Provident Fund, Gratuity, Bonus, Pension, etc.	- ₹ 80.67 Lakhs
Service Contract, Notice Period etc. -	The Contract period is of three years and Notice period is of three months on either side
Stock option	- NIL
No. of Shares held in the Company	133 (jointly held with Mrs. Swapna Mangesh Sawant)

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	120,000	1,156,876
Mr. Dhananjay N. Mungale	140,000	-
Mr. Jaywant Y. Chowgule	20,000	64,750
Mr. Sanjiv N. Shah	120,000	-
Mr. Nathan R. Chowgule	100,000	-
Prof. Rohini V. Chowgule	120,000	665,266
Mr. Ravindra Kulkarni	90,000	-
Mr. Farokh J. Guzder	130,000	-
Admiral Arun Prakash (Retd)	70,000	-
Mr. Mangesh Sawant	NA	133

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

In terms of provisions of listing agreement 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.



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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 2016 and 31st March 2017, the Company received 7 complaints / queries from shareholders. As at March 31, 2017, all the complaints / queries were resolved. There were no shares pending for transfer from the shareholders as at March 31, 2017. During the year, the Committee met twice on 25th January 2017 and 17th February 2017 to transact the business.

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

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

D. RISK MANAGEMENT COMMITTEE

Though not mandatory as per the Listing Agreement, the Board of Directors has formed a Risk Management Committee comprising three Non-Executive Directors and an Independent Director as its Chairman. The purpose of the Risk Management Committee (the "Committee") is to identify, assess, monitor and manage risk. The scope, role and responsibilities of Risk Management Committee are as under:

The Risk Management Committee:

1. shall approve the Risk Management Policy of the Company and related processes and practices of the Company.
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.

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

In accordance with the requirements of listing agreement, the Company has inter alia formulated a policy on related party transaction and material subsidiaries. The said Policy is available on the Company's website.

6. DIRECTORS

Prof. Rohini Chowgule and Mr. Nathan Chowgule will retire at the ensuing Annual General Meeting and being eligible, respectively seek re-appointment. The approval of members is being sought for appointment / re-appointment of above Directors. A brief resume of the above Directors is as under:

- A) Prof. Rohini V. Chowgule, is a renowned Pulmonary Physician based in Mumbai. She has done her MBBS and MD at Grant Medical College and J J Group of Hospitals in Mumbai and thereafter was a Fellow at the Veteran Hines and Loyola Hospital in Chicago. She was Professor of Internal Medicine at Mumbai University and had been associated with Bombay Hospital. Prof. Chowgule is a Rotarian and does yeoman service at the Talwada Village in Palghar in Maharashtra. She is a member of the REHAB SUB-COMMITTEE of SRCC (CENTRE FOR CHILD DEVELOPMENT) at Haji Ali Mumbai. Prof. Rohini V. Chowgule is also Founder of Environmental Medicine Institute (NGO) in Mumbai. Prof. Rohini V. Chowgule holds 665,266 shares in the Company. Prof. Rohini Chowgule is a sister of Mr. Vijay V. Chowgule, the Chairman. Prof. Chowgule is not a Director in any public limited company and she holds directorships in the following companies::
- a. Chowgule Mediconsult Private Limited
 - b. Chowgule Mining Private Limited
 - c. Jaigad Logistics Private Limited
- B) Mr. Nathan R. Chowgule holds a Master's Degree in Business Administration from the University of Utah (USA). Mr. Nathan R. Chowgule worked with Utah Media Access as Vice President, Business Development during 2002 – 2003 and with Komatsu Equipment USA as Director, Marketing, during 2003-2004. He is with Chowgule & Company (Salt) Pvt. Ltd. as Executive Director since 2004. He has been on the Board of Directors of the Company since January 25, 2006. Mr. Nathan R. Chowgule is not a member of any of the Committees of the Board and does not hold any shares in the Company. Mr. Chowgule is a Director on the Boards of the following companies:
- a. Chowgule And Company Private Limited
 - b. Chowgule And Company (Salt) Private Limited
 - c. Angré Port Private Limited
 - d. Kolhapur Oxygen & Acetylene Private Limited
 - e. Cartybon Private Limited

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 29, 2016	11.00 a.m.
Friday	July 17, 2015(#)	11.00 a.m.
Wednesday	July 9, 2014	11.00 a.m.

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

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) Regulations 2015 and other application provisions relating to the Corporate Governance. During the year 2016-17 information as mentioned in Part A of Schedule II of the Listing Regulations has been placed before the Board for its consideration.



CHOWGULE STEAMSHIPS LIMITED

10. 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.

11. GENERAL SHAREHOLDER INFORMATION

54th Annual General Meeting

Date & Time : Friday, July 21, 2017 at 10.00 a.m.
 Venue : Chowgule House, Mormugao Harbour, Goa- 403803
 Financial Year : 2016-2017
 Book Closure Date : July 14, 2017 – July 21, 2017 (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 2016 MARCH 2017 (BSE)

Month	High (₹)	Low (₹)
April	20.19	14.49
May	18.20	16.65
June	17.30	14.60
July	17.40	14.00
August	16.85	14.25
September	16.50	13.00
October	15.09	13.00
November	14.64	12.20
December	15.45	13.00
January	15.70	13.90
February	15.11	14.04
March	14.95	13.28

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-16	25606.62	-1.79	17.51	26.88
May-16	26667.96	4.14	18.20	3.94
Jun-16	26999.72	1.24	15.10	-17.03
Jul-16	28051.86	3.90	15.70	3.97
Aug-16	28452.17	1.43	16.85	7.32
Sep-16	27865.96	-2.06	13.00	-22.85
Oct-16	27930.21	0.23	14.39	10.69
Nov-16	26652.81	-4.57	13.05	-9.31
Dec-16	26626.46	-0.10	14.90	14.18
Jan-17	27655.96	3.87	14.72	-1.21
Feb-17	28743.32	3.93	14.04	-4.62
Mar-17	29620.5	3.05	14.95	6.48

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2017 IS GIVEN BELOW:

Shareholding of Nominal Value of			Shareholders	Share Amount	
₹	₹	Number	% to Total	In Rupees	% to Total
Upto 5000		20358	90.0000	24,216,600	6.6700
5001	10000	1,186	5.2430	9,597,710	2.6430
10001	20000	512	2.2630	7,789,270	2.1450
20001	30000	167	0.7380	4,303,520	1.1850
30001	40000	73	0.3230	2587,420	0.7130
40001	50000	73	0.3230	3510800	0.9670
50001	100000	109	0.4820	7939830	2.1870
100001	And above	142	0.6280	303139100	83.4900
Total		22620	100.00	363084250	100.00

Category	No. of Shares	% Shareholding
Promoters/Person acting in concert	25145302	69.25
Banks, Financial Institution, Insurance Cos. etc	9490	0.03
Private Corporate Bodies	636263	1.75
NRIs / OCBS	255696	0.70
Mutual Funds & UTI	10423	0.03
Indian Public	10251251	28.24
TOTAL	36308425	100

About 88.39% (10416 shareholders) of the equity shares have been dematerialized as at March 31, 2017. Balance 11.61% (12204 shareholders) shares are in physical form. The total public shareholding is around 30.75% with about 22577 shareholders, which provides adequate liquidity in shares of the Company.

Dematerialisation of Shares

The shares of the company are in compulsory demat segment and are available for trading in the Depositor System. Under the Depository System. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company is INE 490A01015.

As on 31st March, 2017 out of the 22,620 shareholders, 10,416 shareholders have dematerialised their shares aggregating to 32,091,703 shares i.e. about 88.39% of the total paid-up capital of the Company.

Share Transfer Process

The Company's shares are under compulsory dematerialized list hence the shares traded on the stock exchange are transferable through depository system. Shares in physical form are processed for transfer by the share transfer agent viz. Link Intime India Pvt Ltd (Earlier known as Intime Spectrum Registry Limited) and are approved by the share transfer committee. The share transfers are processed within a period of 15 days from the date of its receipt.

Address for Correspondence:

Chowgule Steamships Limited Link

Bakhtawar, 4th Floor,
Nariman Point,
Mumbai - 400 021.

Email : joshi.csl@chowgule.co.in

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 of Directors

Place : Mumbai,
Date : May 12, 2017

Vijay V. Chowgule
Chairman



TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. JP/1363 dated August 8, 2016.
2. We, S. B. Billimoria & Co., Chartered Accountants, the Statutory Auditors of CHOWGULE STEAMSHIPS LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. 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 Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), 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 and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which 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. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
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.

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

Joe Preto
Partner
Membership No. 077491

MUMBAI,
12th May, 2017

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.)	₹ 6.53 lakhs
(ii) Earned	₹ Nil

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

Date : May 12, 2017
Place : Mumbai,



CHOWGULE STEAMSHIPS LIMITED

ANNEXURE 2

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES AS ON MARCH 31, 2017

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

Name of the subsidiary	CHOWGULE STEAMSHIPS OVERSEAS LTD		SEA BIRD LLC		SEA KING LLC		SEA LORD LLC		SEA LINK LLC	
	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	5,897.20	0.001	0.64	0.001	0.64	0.001	0.64	0.001	0.64
Reserve	66.164	42,410.85	(18.008)	(11,542.87)	(22.910)	(14,685.40)	(18.360)	(11,768.97)	(20.844)	(13,360.88)
Total Assets	98.636	63,226.20	14.973	9,597.77	16.415	10,522.06	16.654	10,675.34	17.460	11,192.02
Total Liabilities	23.854	15,290.55	32.980	21,140.01	39.324	25,206.82	35.014	22,443.67	38.303	24,552.26
Details of Investments	0.581	372.40	-	-	-	-	-	-	-	-
Total Income	0.220	141.24	1.641	1,052.06	1.772	1,135.76	1.598	1,024.36	1.731	1,109.46
Loss Before taxation	(5.341)	(3,423.41)	(1.508)	(966.55)	(1.190)	(763.05)	(1.697)	(1,087.93)	(1.186)	(760.41)
Provision For Tax	-	-	-	-	-	-	-	-	-	-
Profit after Taxation	(5.341)	(3,423.41)	(1.508)	(966.55)	(1.190)	(763.05)	(1.697)	(1,087.93)	(1.186)	(760.41)

Notes:

- For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, USD 1 = 64.10
- 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 Y. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Managing Director & CFO

SUHAS JOSHI
Company Secretary

Place: Mumbai
Date : May 12, 2017

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.

There were no transactions entered in to by the Company during the year, which were not at arm's length basis.

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 Industries Private Limited
b)	Nature of contracts/arrangements/transactions	Repairs of car
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. ₹ 5390/- 2.100% on final repairs
e)	Date(s) of approval by the Board, if any:	12-05-2017
f)	Amount paid as advances, if any:	Nil.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 12-05-2017

Vijay V Chowgule
Chairman



ANNEXURE 4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[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, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. 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)	Subsidiary of Chowgule Steamships Ltd. (CSL)	100%	2(87)
2.	Sea Bird	Step down Subsidiary of CSL	100%	2(87)
3.	Sea Lord	Step down Subsidiary of CSL	100%	2(87)
4.	Sea King	Step down Subsidiary of CSL	100%	2(87)
5.	Sea Link	Step down Subsidiary of CSL	100%	2(87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	2,737,166	1,282,621	4,019,787	11.07	2,824,272	1,282,621	4,106,893	11.31	0.25
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corporate	17,237,932	27,750	17,265,682	47.55	17,237,932	27,750	17,265,682	47.55	NIL
e) Banks/Fl	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2) :	19,975,098	1,310,371	21,285,469	58.62	20,062,204	1,310,371	21,372,575	58.86	0.25
2. Foreign									
a) NRIs-Individuals	NIL	1511884	1511884	4.16	NIL	1511884	1511884	4.16	NIL
b) Other individuals	NIL								
c) Bodies Corp.	2260843	NIL	2260843	6.23	2260843	NIL	2260843	6.23	NIL
d) Banks/Fl	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1) :	2,260,843	1,511,884	3,772,727	10.39	2,260,843	1,511,884	3,772,727	10.39	NIL
Total Shareholding of Promoters									
(A) = (A)(1)+(A)(2)	22,235,941	2,822,255	25,058,196	69.01	22,323,047	2,822,255	25,145,302	69.25	0.25
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	10423	10423	0.03	NIL	10423	10423	0.03	NIL
b) Banks/Fl	124	6416	6540	0.02	124	6416	6540	0.02	NIL
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance companies	NIL	2950	2950	0.01	NIL	2950	2950	0.01	NIL
g) FIIS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify) - Trust	65,833	NIL	65,833	0.18	143,443	NIL	143,443	0.39	0.21
Sub-total (B)(1)	65,957	19,789	85,746	0.24	143,567	19,789	163,356	0.45	0.21
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	627,905	34,967	662,872	1.82	601,332	34,931	636,263	1.75	-0.07
ii) Overseas	NIL	1850	1850	0.01	NIL	1850	1850	0.01	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5,309,982	1,344,325	6,654,307	18.33	4,296,028	1,324,965	5,620,993	15.4812	-2.85
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,497,682	77,660	3,575,342	9.85	4,445,347	10,088	4,455,435	12.2711	2.42
c) Others (specify)									
i) Clearing Members	20,979	NIL	20,979	0.06	31,247	0	31,247	0.09	0.03
ii) Non Resident Indian - (On repatriation basis)	229,310	NIL	229,310	0.63	232,674	0	232,674	0.64	0.01
iii) Non Resident Indian (On non-repatriation basis)	16,846	2,844	19,690	0.05	18,328	2,844	21,172	0.06	0.01
iv) Directors	133	NIL	133	0.00	133	0	133	0.00	NIL
Sub-total (B)(2)	9,702,837	1,461,646	11,164,483	30.75	9,625,089	1,374,678	10,999,767	30.29	-0.46
Total Public Shareholding (B)									
= (B)(1)+(B)(2)	9,768,834	1,481,435	11,250,229	30.99	9,768,656	1,394,467	11,163,123	30.75	-0.25
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand total (A+B+C)	32,004,775	4,303,690	36,308,425	100	32,091,703	4,216,722	36,308,425	100	0.00



CHOWGULE STEAMSHIPS LIMITED

(ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% of Shares Pledged / encumbered to total shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Chowgule And Company Private Limited	16,817,554	46.3186	NIL	16,817,554	46.3186	NIL	NIL
2	Dolphin Investment Limited	305,041	0.8401	NIL	305,041	0.8401	NIL	NIL
3	Chowgule And Company Private Limited	115,337	0.3177	NIL	115,337	0.3177	NIL	NIL
4	Chowgule Real Estate & Construction Ltd	27,750	0.0764	NIL	27,750	0.0764	NIL	NIL
5	Vijay vishwasrao Chowgule	821,764	2.2633	NIL	821,764	2.2633	NIL	NIL
6	Vijay vishwasrao Chowgule	335,112	0.9230	NIL	335,112	0.9230	NIL	NIL
7	Ashok Vishwasrao Chowgule	293,761	0.8091	NIL	293,761	0.8091	NIL	NIL
8	Quail Investments Ltd	2,260,843	6.2268	NIL	2,260,843	6.2268	NIL	NIL
9	Arti Pratap Shirke Dorigo	303,125	0.8349	NIL	303,125	0.8349	NIL	NIL
10	Anita Pratap Shirke Yuravivker	303,125	0.8349	NIL	303,125	0.8349	NIL	NIL
11	Anjali Pratap Shirke	303,125	0.8349	NIL	303,125	0.8349	NIL	NIL
12	Pratap baburao Shirke	287,500	0.7918	NIL	287,500	0.7918	NIL	NIL
13	Sarita Pratap Shirke	118,285	0.3258	NIL	118,285	0.3258	NIL	NIL
14	Pratap Baburao Shirke	86,850	0.2392	NIL	86,850	0.2392	NIL	NIL
15	Sarita Pratap Shirke	71,374	0.1966	NIL	71,374	0.1966	NIL	NIL
16	Arti Pratap Shirke Dorigo	19,250	0.0530	NIL	19,250	0.0530	NIL	NIL
17	Anita Pratap Shirke Yuravivker	19,250	0.0530	NIL	19,250	0.0530	NIL	NIL
18	Laxmanrao Dattaji Chowguler	271,250	0.7471	NIL	271,250	0.7471	NIL	NIL
19	Umaji vishwasrao Chowgule	257,971	0.7105	NIL	257,971	0.7105	NIL	NIL
20	Rohini Vishwasrao Chowgule	511,178	1.4079	NIL	665,266	1.8323	NIL	0.43
21	Jagdeep Yeshwantrao Chowgule	195,325	0.5380	NIL	128,343	0.3535	NIL	-0.18
22	Indirabai Laxmanrao Chowgule	173,250	0.4772	NIL	173,250	0.4772	NIL	NIL
23	Vishwasrao Dattaji Chowgule	119,000	0.3277	NIL	119,000	0.3277	NIL	NIL
24	Vidhya Milind Vernekar	117,000	0.3222	NIL	117,000	0.3222	NIL	NIL
25	Padma Chowgule	116,285	0.3203	NIL	116,285	0.3203	NIL	NIL
26	Sheela Yeshwantrao Chowgule	115,000	0.3167	NIL	115,000	0.3167	NIL	NIL
27	Padma Vishwasrao Chowgule	112,135	0.3088	NIL	112,135	0.3088	NIL	NIL
28	Suresh Laxmanrao Chowgule	89,250	0.2458	NIL	89,250	0.2458	NIL	NIL
29	Jaywant Yeshwantrao Chowgule	64,750	0.1783	NIL	64,750	0.1783	NIL	NIL
30	Dilip Laxmanrao Chowgule	61,067	0.1682	NIL	61,067	0.1682	NIL	NIL
31	Yeshwantrao D Chowgule	60,000	0.1653	NIL	60,000	0.1653	NIL	NIL
32	Yeshwantrao D Chowgule	60,000	0.1653	NIL	60,000	0.1653	NIL	NIL
33	Chowgule Suresh Laxmanrao	55,125	0.1518	NIL	55,125	0.1518	NIL	NIL
34	Yeshwantrao D Chowgule	46,200	0.1272	NIL	46,200	0.1272	NIL	NIL
35	Laxmanrao Dattaji Chowguler	34,895	0.0961	NIL	34,895	0.0961	NIL	NIL
36	Ramesh Laxmanrao Chowgule	31,500	0.0868	NIL	31,500	0.0868	NIL	NIL
37	Santosh Laxmanrao Chowgule	26,172	0.0721	NIL	26,172	0.0721	NIL	NIL
38	Ashok Vishwasrao Chowgule	24,675	0.0680	NIL	24,675	0.0680	NIL	NIL
39	Yeshwantrao D Chowgule	15,750	0.0434	NIL	15,750	0.0434	NIL	NIL
40	Chowgule Satish laxmanrao	8,567	0.0236	NIL	8,567	0.0236	NIL	NIL
41	Daulatrao Y Chowgule	1,400	0.0039	NIL	1,400	0.0039	NIL	NIL
42	Ewart Lazarus	1,313	0.0036	NIL	1,313	0.0036	NIL	NIL
43	Nishikant Shivajirao Chowgule	92	0.0003	NIL	92	0.0003	NIL	NIL
		25,058,196	69.01		25,145,302	69.26		0.25

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

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Prof. Rohini Chowgule	511,178	1.4079				511,178	1.4079
				01.04.2016	405	Transfer	511,583	1.4090
				05.04.2016	600	Transfer	512,183	1.4106
				07.04.2016	817	Transfer	513,000	1.4129
				09.12.2016	35,000	Transfer	548,000	1.5093
				13.12.2016	7,229	Transfer	555,229	1.5292
				14.12.2016	6,450	Transfer	561,679	1.5470
				15.12.2016	5,025	Transfer	566,704	1.5608
				16.12.2016	18,300	Transfer	585,004	1.6112
				19.12.2016	2,600	Transfer	587,604	1.6184
				20.12.2016	5,291	Transfer	592,895	1.6329
				21.12.2016	2,891	Transfer	595,786	1.6409
				22.12.2016	992	Transfer	596,778	1.6436
				27.12.2016	19	Transfer	596,797	1.6437
				28.12.2016	1,400	Transfer	598,197	1.6475
				29.12.2016	1,500	Transfer	599,697	1.6517
				30.12.2016	2,200	Transfer	601,897	1.6577
				02.01.2017	7,960	Transfer	609,857	1.6797
				03.01.2017	100	Transfer	609,957	1.6799
				09.01.2017	1,900	Transfer	611,857	1.6852
				10.01.2017	3,100	Transfer	614,957	1.6937
				11.01.2017	850	Transfer	615,807	1.6960
				12.01.2017	4,534	Transfer	620,341	1.7085
				13.01.2017	7,970	Transfer	628,311	1.7305
				16.01.2017	1,199	Transfer	629,510	1.7338
				17.01.2017	5,500	Transfer	635,010	1.7489
				01.02.2017	4,179	Transfer	639,189	1.7604
				02.02.2017	6,072	Transfer	645,261	1.7772
				03.02.2017	2,100	Transfer	647,361	1.7829
				06.02.2017	380	Transfer	647,741	1.7840
				07.02.2017	5	Transfer	647,746	1.7840
				09.02.2017	3,500	Transfer	651,246	1.7936
				13.02.2017	1,395	Transfer	652,641	1.7975
				15.02.2017	2,400	Transfer	655,041	1.8041
				16.02.2017	1,500	Transfer	656,541	1.8082
				17.02.2017	2,685	Transfer	659,226	1.8156
				20.02.2017	2,234	Transfer	661,460	1.8218
				21.02.2017	3,806	Transfer	665,266	1.8323
	TOTAL						665,266	1.8323



CHOWGULE STEAMSHIPS LIMITED

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
2	Jagdeep Chowgule	195,325	0.5380	01-04-2016			195,325	0.5379
				16-08-2016	-1000	Transfer	194,325	0.5352
				19-08-2016	1000	Transfer	195,325	0.5379
				02-09-2016	-4500	Transfer	190,825	0.5256
				09-09-2016	-50	Transfer	190,775	0.5254
				18-09-2016	-1600	Transfer	189,175	0.5210
				25-11-2016	-1000	Transfer	188,175	0.5183
				23-12-2016	-9000	Transfer	179,175	0.4935
				30-12-2016	-1500	Transfer	177,675	0.4893
				31-12-2016	-1000	Transfer	176,675	0.4866
				06-01-2017	-2000	Transfer	174,675	0.4811
				13-01-2017	-1300	Transfer	173,375	0.4775
				20-01-2017	-3044	Transfer	170,331	0.4691
				03-02-2017	-9000	Transfer	161,331	0.4443
				10-02-2017	-11000	Transfer	150,331	0.4140
				17-02-2017	-7400	Transfer	142,931	0.3936
				24-02-2017	-2000	Transfer	140,931	0.3881
				03-03-2017	-850	Transfer	140,081	0.3858
				10-03-2017	-3500	Transfer	136,581	0.3761
				17-03-2017	-2005	Transfer	134,576	0.3706
				24-03-2017	-3233	Transfer	131,343	0.3617
				31-03-2017	-3000	Transfer	128,343	0.3535

(iv) Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRS and ADRS) - Annexure As on 31.03.2017

	Name of the Shareholder	Shareholding at the beginning of the year as on 31.03.2016		Cumulative Shareholding at the end of the year as on 31.03.2017	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Chitra P Mahatme	1,280,945	3.5280	1,280,945	3.5280
2	Nilesh Talak Dechia	454,129	1.2508	503,370	1.3864
3	Balram Bharwani	236,200	1.0025	426,666	1.1751
4	Dilip R Fakte	161,518	0.4448	161,518	0.4448
5	New Commercial Mills Co. Ltd	146,513	0.4035	146,513	0.4035
6	Oriental Pharmaceutical Ind Ltd	121,558	0.3348	121,558	0.3348
7	Nilesh Mahendra Popat	119,083	0.3280	119,083	0.3280
8	Hitesh Narayandasji Jhawar	113,793	0.3134	113,793	0.3134
9	Narayandas Gokuldas Jhawar	84,000	0.2284	84,000	0.2284
10	Monika Hitesh Jhawar	82,915	0.2049	82,915	0.2049
	Total	2,800,654	8.0391	3,040,361	8.3473



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 (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
DIRECTORS								
1	Vijay V. Chowgule	1,156,876 1,156,876	3.18 3.18	01.04.2016 31.03.2017	0	NIL movement during the year	1,156,876	3.18
2	Dhananjay N. Mungale	0 0	0 0	01.04.2016 31.03.2017	0	NIL movement during the year	0	0
3	Jaywant Y. Chowgule	64,750 64,750	0.18 0.18	01.04.2016 31.03.2017	0	NIL movement during the year	64,750	0.18
4	Sanjiv N. Shah	0 0	0 0	01.04.2016 31.03.2017	0	NIL movement during the year	0	0
5	Nathan R. Chowgule	0 0	0 0	01.04.2016 31.03.2017	0	NIL movement during the year	0	0
6	Prof. Rohini V. Chowgule	511,178	1.408	01.04.2016				
				01.04.2016	405	Transfer	511,583	1.408
				05.04.2016	600	Transfer	512,183	1.411
				07.04.2016	817	Transfer	513,000	1.413
				09.12.2016	35000	Transfer	548,000	1.509
				13.12.2016	7229	Transfer	555,229	1.529
				14.12.2016	6450	Transfer	561,679	1.547
				15.12.2016	5025	Transfer	566,704	1.561
				16.12.2016	18300	Transfer	585,004	1.611
				19.12.2016	2600	Transfer	587,604	1.618
				20.12.2016	5291	Transfer	592,895	1.633
				21.12.2016	2891	Transfer	595,786	1.641
				22.12.2016	992	Transfer	596,778	1.644
				27.12.2016	19	Transfer	596,797	1.644
				28.12.2016	1400	Transfer	598,197	1.648
				29.12.2016	1500	Transfer	599,697	1.652
				30.12.2016	2,200	Transfer	601,897	1.658
				02.01.2017	7,960	Transfer	609,857	1.68
				03.01.2017	100	Transfer	609,957	1.68
				09.01.2017	1,900	Transfer	611,857	1.685
				10.01.2017	3,100	Transfer	614,957	1.694

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				11.01.2017	850	Transfer	615,807	1.696
				12.01.2017	4,534	Transfer	620,341	1.709
				13.01.2017	7,970	Transfer	628,311	1.731
				16.01.2017	1,199	Transfer	629,510	1.734
				17.01.2017	5,500	Transfer	635,010	1.749
				01.02.2017	4,179	Transfer	639,189	1.761
				02.02.2017	6,072	Transfer	645,261	1.777
				03.02.2017	2,100	Transfer	647,361	1.783
				06.02.2017	380	Transfer	647,741	1.784
				07.02.2017	5	Transfer	64,774,662	1.784
				09.02.2017	3,500	Transfer	651,246	1.794
				13.02.2017	1,395	Transfer	652,641	1.798
				15.02.2017	2,400	Transfer	655,041	1.804
				16.02.2017	1,500	Transfer	656,541	1.808
				17.02.2017	2,685	Transfer	659,226	1.816
				20.02.2017	2,234	Transfer	661,460	1.822
				21.02.2017	3,806	Transfer	665,266	1.832
				31.03.2017			665,266	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	



CHOWGULE STEAMSHIPS LIMITED

V. Indebtedness

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

(₹ in lakhs)

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, Executive Director & CFO	Total Amount (₹ In lakhs)
1.	Gross Salary		74.66
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	74.34	
	(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)		74.66
	Ceiling as per the Act		84.00

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Dhananjay Mungale	Mr. Sanjiv Shah	Mr. Ravindra Kulkarni	Mr. Farokh Guzder	Admiral Arun Prakash	
1.	Independent Directors						
	<ul style="list-style-type: none"> Fees for attending board/committee meetings Commission Others, please specify 	140,000	120,000	90,000	130,000	70,000	550,000
	Total (1)	140,000	120,000	90,000	130,000	70,000	550,000
		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 	120,000	20,000	100,000	120,000		360,000
	Total (2)	120,000	20,000	100,000	120,000		360,000
	Total (B) = (1+2)						910,000
	Total Managerial Remuneration	NA					
	Overall Ceiling per Act	Name of Directors					

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 lakhs)
1.	Gross Salary		20.94
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	20.94	
	(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	20.94
2.	Stock Option		Nil
3.	Sweat Equity		Nil
4.	Commission: - as % of profit - others, specify		Nil
5.	Others, please specify		Nil
	Total (A)		20.94
	Ceiling as per the Act		NA

VII. Penalties / Punishment/ Compounding of Offences

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

ANNEXURE 5

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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, 2017 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, 2017 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 applicable specifically to the Company.

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 Committees of the Board as case may be.

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

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

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

Place : Mumbai

Date : 12th May, 2017.

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 STEAMSHIPS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and 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 the 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 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 (Ind AS) prescribed under section 133 of the Act.

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

Auditor's Responsibility

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

In conducting 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 obtained by us 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 standalone 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, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive loss, 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 Section 143 (3) of the Act, we report, to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (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 Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 26 to the standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.
2. As required by the Companies (Auditors' Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Joe Pretto
Partner
Membership No. 077491

MUMBAI, 12th May, 2017



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of CHOWGULE STEAMSHIPS LIMITED (“the Company”) as of 31st March, 2017 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Joe Preto
Partner
Membership No. 077491

MUMBAI, 12th May, 2017



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds, Agreement of Assignment and Agreement for Sale provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of buildings whose title deeds had been pledged as security for loan are held in the name of the Company based on attested copies of the deeds.
- (ii) As explained to us, inventories were physically verified during the year on a quarterly basis by independent ship manager, who manage the Company’s vessel at reasonable intervals. In our opinion and having regard to the nature of the Company’s business, the interval of physical verification is reasonable. In our opinion and according to the information and explanations given to us, the Company’s inventories comprise lube oil, fuel oil and paints on board the ship. Having regard to the nature of the Company’s business and scale of operations, quantities are determined by physical count and it is not considered necessary to maintain records of movements of inventories of such items by the vessel in which they are carried. As quantities are determined by physical count and records of movement are not maintained on board the vessel, the question of discrepancies on physical verification does not arise.
- (iii) According to the information and explanations given to us, the Company had granted loan, unsecured, to a company, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
 - (b) In the absence of stipulation, the amount overdue cannot be determined.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit. Hence reporting under clause (v) of the order is not applicable.
- (vi) Having regard to the nature of the Company’s business / activities reporting under clause (vi) the of order is not applicable.
- (vii) According to the information and explanation given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-Tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities. Employees’ State Insurance, Sales Tax, Customs Duty, Excise Duty are not applicable to the company. There were no undisputed amounts payable in respect of Provident Fund, Income-Tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
 - (b) Details of dues of Income-tax and Sales Tax which have not been deposited as on 31st March , 2017 on account of disputes are given below:

Name of statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Lakhs)
The Tamil Nadu General Sales Tax Act, 1959	Sales Tax	High Court of Madras	FY 1995-96	237.00*
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2003-04	9.28#
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2004-05	7.42#
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2011-12	16.02#

* ₹ 47.40 Lakhs paid as deposit

₹ 32.72 Lakhs adjusted against Refund by Income Tax Authority

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to bank. The Company has not obtained any borrowings from financial institution and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of Initial Public Offer of further public offer (including debt instruments) or term loan and hence reporting under clause (ix) of the order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company or its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable to the company.
- (xiii) In our opinion and according to the information and explanation given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them and hence the provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Joe Pretto
Partner
Membership No. 077491

MUMBAI, 12th May, 2017

BALANCE SHEET AS AT MARCH 31, 2017

₹ in Lakhs

	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	4	2,589.82	2,766.28	4,018.44
(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	9,549.59
ii) Trade receivables		-	-	-
iii) Loans		-	-	-
iv) Other financial assets	6	1.80	1.80	2.31
(i) Deferred tax assets (net)		-	-	-
(j) Other non-current assets	7	266.75	235.93	245.83
		<u>12,407.96</u>	<u>12,553.60</u>	<u>13,816.17</u>
2 Current Assets				
(a) Inventories	8	10.08	0.74	22.73
(b) Financial assets				
i) Investments	9	259.92	480.63	560.51
ii) Trade receivables	10	-	2.61	165.72
iii) Cash and cash equivalents	11.1	89.79	87.63	19.28
iv) Bank balances other than (iii) above	11.2	16.03	24.95	33.83
v) Loans	12	830.00	830.00	830.00
vi) Other financial assets	13	207.41	132.93	121.62
(c) Current tax assets (net)		-	-	-
(d) Other current assets	14	18.44	17.68	22.43
		<u>1,431.67</u>	<u>1,577.17</u>	<u>1,776.12</u>
		<u>13,839.63</u>	<u>14,130.77</u>	<u>15,592.29</u>
TOTAL ASSETS				
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	3,630.84	3,630.84	3,630.84
(b) Other equity	16	8,451.33	8,695.97	9,297.50
		<u>12,082.17</u>	<u>12,326.81</u>	<u>12,928.34</u>
Liabilities				
1 Non-current liabilities				
(a) Financial liabilities				
i) Borrowings		-	-	-
ii) Trade payables		-	-	-
iii) Other financial liabilities	17	1,599.62	1,464.12	77.79
(b) Provisions	18	58.74	71.66	36.61
(c) Deferred tax liabilities (net)	19	-	72.20	464.32
(d) Other non-current liabilities	20	-	6.66	13.31
		<u>1,658.36</u>	<u>1,614.64</u>	<u>592.03</u>
2 Current liabilities				
(a) Financial liabilities				
i) Borrowings	21	-	-	193.26
ii) Trade payables	22	43.45	90.07	615.81
iii) Other financial liabilities	23	16.03	24.95	1,232.12
(b) Other current liabilities	24	29.51	64.86	22.57
(c) Provisions	25	10.11	9.44	8.16
(d) Current tax liabilities (net)		-	-	-
		<u>99.10</u>	<u>189.32</u>	<u>2,071.92</u>
		<u>13,839.63</u>	<u>14,130.77</u>	<u>15,592.29</u>
TOTAL EQUITY AND LIABILITIES				

See accompanying notes to the financial statements

 In terms of our report attached
 For **S. B. BILLIMORIA & CO.**
 Chartered Accountants

JOE PRETTO
 Partner

 Place: Mumbai
 Date: May 12, 2017

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 PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

₹ in Lakhs

	Note No.	Year ended 31st March 2017	Year ended 31st March 2016
I. Revenue from operations	27	51.58	555.08
II. Other income	28	364.87	323.89
III. Total income (I + II)		416.45	878.97
IV. Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		-	-
Employee benefits expense	29	178.44	218.92
Finance costs	30	135.49	41.75
Depreciation and amortisation expense	31	177.56	456.76
Other expenses	32	285.20	1,043.07
Total expenses (IV)		776.69	1,760.50
V. Profit/(loss) before exceptional items and tax(III-IV)		(360.24)	(881.53)
VI. Exceptional items	33	-	(41.65)
VII. Profit/(loss) before tax (V-VI)		(360.24)	(923.18)
VIII. Tax expense:			
Current tax		-	-
Deferred tax	19	84.16	368.82
TOTAL		84.16	368.82
IX. Profit/(Loss) for the year from continuing operations (VII-VIII)		(276.08)	(554.36)
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)		(276.08)	(554.36)
XIV. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plan		43.40	(70.47)
(ii) Income tax relating to items that will not be reclassified to profit or loss	19	(11.96)	23.30
TOTAL		31.44	(47.17)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
TOTAL		-	-
XV. Total comprehensive income for the year (XIII+XIV) (comprising loss and other comprehensive income for the year)		(244.64)	(601.53)
XVI. Earnings per equity share (for continuing operation):			
(i) Basic	37	(0.76)	(1.53)
(ii) Diluted	37	(0.76)	(1.53)
XVII. Earnings per equity share (for discontinued operation):			
(i) Basic		-	-
(ii) Diluted		-	-
XVIII. Earnings per equity share (for discontinued & continuing operation):			
(i) Basic	37	(0.76)	(1.53)
(ii) Diluted	37	(0.76)	(1.53)

See accompanying notes to the financial statements

In terms of our report attached
For **S. B. BILLIMORIA & CO.**
Chartered Accountants

For and on behalf of the Board of Directors

JOE PRETTO
Partner

Place: Mumbai
Date: May 12, 2017

SUHAS JOSHI
Company Secretary

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



CHOWGULE STEAMSHIPS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

A. Equity share capital

	₹ in Lakhs
	Amount
Balance as at 1st April, 2015	3,630.84
Changes in equity share capital during the period	-
Balance as at 31st March, 2016	3,630.84
Changes in equity share capital during the period	-
Balance as at 31st March, 2017	<u>3,630.84</u>

B Other equity

	₹ in Lakhs					
	Reserve and surplus					
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings *	Total equity
As at 1st April 2015	11.96	30.00	2,922.01	4,117.52	2,216.01	9,297.50
Profit / (Loss) for the year 2015-16	-	-	-	-	(554.36)	(554.36)
Other comprehensive income	-	-	-	-	(47.17)	(47.17)
Total comprehensive income for the year	-	-	-	-	<u>(601.53)</u>	<u>(601.53)</u>
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	-	-	-	-	<u>(244.64)</u>	<u>(244.64)</u>
As at 31st March 2017	<u>11.96</u>	<u>30.00</u>	<u>2,922.01</u>	<u>4,117.52</u>	<u>1,369.84</u>	<u>8,451.33</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 **S. B. BILLIMORIA & CO.**
Chartered Accountants

JOE PRETTO
Partner
Place: Mumbai
Date : May 12, 2017

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

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Year ended 31-Mar-2017	₹ in Lakhs Year ended 31-Mar-2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(276.08)	(554.36)
Adjustments for:		
Depreciation	177.56	456.76
Income tax expenses	(84.16)	(368.82)
Provision for employee benefits	(5.76)	13.91
Sundry balance written back	(18.20)	(0.71)
Foreign exchange translation differences	1.86	8.81
Interest income	(87.18)	(89.25)
Dividend income	(0.04)	(0.07)
Rent income	(225.25)	(209.44)
Claims written off	-	65.71
Balances written off	1.00	-
Gain arising on financial assets designated as at FVTPL	(34.03)	(24.42)
Loss/(profit) on sale of property plant and equipment	(0.01)	41.65
Investments written off	0.04	-
Finance cost	135.49	41.75
Operating loss before working capital changes	(414.76)	(618.48)
Adjustments for:		
Decrease / (increase) in trade receivables	2.61	163.11
Decrease / (increase) in other current assets	(0.76)	4.75
Decrease / (increase) in other non current assets	(0.09)	(4.66)
(Decrease) / increase in other current liabilities	1.57	(5.75)
Movement in restricted Bank balances	8.92	8.88
Decrease / (increase) in inventories	(9.34)	21.99
(Decrease) / increase in trade payables	(28.42)	(518.16)
Decrease / (increase) in non current financial assets others	-	0.50
Cash generated from operations	(440.27)	(947.82)
Less: net income tax refund / (paid)	(31.73)	14.49
Net cash flow used in operating activities (A)	(472.00)	(933.33)
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(1.13)	(207.29)
Proceeds from disposal of property, plant & equipment	0.04	2,332.72
Rental income from operating lease	222.58	198.82
Sale of current investments	255.37	1,300.41
Purchase of current investments	(0.67)	(1,196.09)
Interest received	8.73	16.21
Dividend received	0.04	0.07
Net cash flow from investing activities (B)	484.96	2,444.85
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(1,229.85)
Interest paid	-	(34.08)
Unclaimed dividend paid	(8.92)	(8.88)
Net cash flow used in financing activities (C)	(8.92)	(1,272.81)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	4.04	238.71
Cash and cash equivalents - opening balance	87.63	(173.98)
Cash and cash equivalents - closing balance	91.67	64.73
Effect of exchange rate changes on cash and cash equivalents		
Cash on hand and balances with Banks	91.67	64.73
Effect of exchange rate changes on the balance held in foreign currency	(1.88)	22.90
Cash & cash equivalents as restated (Refer to note no 11.1)	89.79	87.63

See accompanying notes to the financial statements

In terms of our report attached
For **S. B. BILLIMORIA & CO.**
Chartered Accountants

For and on behalf of the Board of Directors

JOE PRETTO
Partner

Place: Mumbai
Date: May 12, 2017

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 & domiciled in India whose shares are publically traded on Bombay Stock Exchange. CSL is a shipping company which presently owns and operates a fleet of 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. Recent accounting pronouncement:

Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes.

The requirements of the amendment have no impact on the financial statements applicable as the Company does not have any share based payments.

3 Significant Accounting Policies :

3.1 Statement of compliance:

The financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note No. 3.21 for the details of first time adoption exemptions availed by the Company.

3.2 Basis of preparation and Presentation:

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 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 that are within the scope of Ind AS 102, 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

3.3 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.

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, 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. All of these key factors are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and any future periods affected.

3.4 Property, plant and equipment:

Property, plant and equipment 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.

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

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

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

Depreciation on Property, plant and equipment assets 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



NOTES TO THE FINANCIAL STATEMENTS

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

3.5 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.

3.6 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.

3.7 Impairment of tangible assets:

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

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

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

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.

3.8 Foreign currency transactions and translation:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

3.9 Borrowing costs:

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

3.10 Employee benefits:

3.10.1 Short term:

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

3.10.2 Retirement benefit costs:

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

3.10.2.1 Defined-contribution plans:

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

3.10.2.2 Defined-benefit plans:

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

3.10.3 Other long-term employee benefits:

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

3.11 Taxation:

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

3.11.1 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.



NOTES TO THE FINANCIAL STATEMENTS

3.11.2 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 to the extent that it is probable that taxable profits will be available against which those deductible temporary differences 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.

3.12 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.

3.13 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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.14 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

3.14.1 Rendering of service:

Time charter earnings are accrued on a time proportion basis.

3.14.2 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).

NOTES TO THE FINANCIAL STATEMENTS

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.

3.14.3 Rental income:

The Company's policy for recognition of revenue from operating leases is described in note 3.6 above

3.15 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.

3.16 Financial assets:

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

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Impairment of financial assets

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

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



NOTES TO THE FINANCIAL STATEMENTS

Derecognition of financial assets

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

3.17 Financial liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

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

Financial Liabilities

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

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

Derecognition of financial liabilities

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

3.18 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

3.19 Earnings per equity share:

Basic earnings per equity share is computed by dividing the net profit after tax 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 net profit after tax 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. 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.

3.20 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.

3.21 First-time adoption – mandatory exceptions, optional exemptions:

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date)

- i) By recognizing all asset and liabilities whose recognition is required by Ind AS.
- ii) Not recognizing items of assets or liabilities which are not permitted by Ind AS,
- iii) By reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
- iv) Applying Ind AS in measurement of recognized assets and liabilities. However this principles is subject to the certain exception and certain optional exemption availed by the company as detailed below:

3.21.1 Derecognition of financial assets and financial liabilities:

The Company has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April , 2015 (the transition date).

3.21.2 Impairment of financial assets:

The Company has applied the impairment requirement of Ind AS 109 (for recognition and measurement of expected credit losses) retrospectively subject to certain exemptions provided under Ind AS 101.

3.21.3 Deemed cost for property, plant and equipment:

The Company has elected to continue with the carrying value of all property, plant and equipment recognized as of 1st April, 2015 (the transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.21.4 Long term foreign currency monetary items:

The Company has elected to continue policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items as previously followed under Indian GAAP for assets and liabilities at the date of transition to Ind AS.

3.21.5 Investments in subsidiary:

The Company has measured its Investment in subsidiary at cost in accordance with Ind AS 27 i.e previous GAAP carrying amount.



NOTES TO THE FINANCIAL STATEMENTS

4 Property, plant and equipment

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Carrying amounts of			
Land			
Free hold	224.18	224.18	224.18
Building			
On Free hold (See foot note no. 1)	43.57	47.88	52.63
On Lease hold (See foot note no. 2 & 3)	787.64	887.09	999.09
Furniture & fixture	3.58	5.75	9.23
Vehicles	5.95	8.72	12.79
Office equipments	10.97	14.61	22.00
Vessel	1,513.93	1,578.05	2,698.52
TOTAL	<u>2,589.82</u>	<u>2,766.28</u>	<u>4,018.44</u>

	Free hold land	Building On free hold On lease hold		Furniture & fixture	Vehicles	Office equipments	Vessel	Total
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Deemed cost

Balance at 1st April, 2015	224.18	52.63	999.09	9.23	12.79	22.00	2,698.52	4,018.44
Additions	-	-	-	-	-	0.42	1,578.52	1,578.94
Disposals	-	-	-	-	-	-	(2,374.34)	(2,374.34)
Balance at 31st March, 2016	<u>224.18</u>	<u>52.63</u>	<u>999.09</u>	<u>9.23</u>	<u>12.79</u>	<u>22.42</u>	<u>1,902.70</u>	<u>3,223.04</u>
Additions	-	-	-	-	-	1.13	-	1.13
Disposals	-	-	-	-	-	(0.30)	-	(0.30)
Balance at 31st March, 2017	<u>224.18</u>	<u>52.63</u>	<u>999.09</u>	<u>9.23</u>	<u>12.79</u>	<u>23.25</u>	<u>1,902.70</u>	<u>3,223.87</u>

Accumulated depreciation and impairment

Balance at 1st April, 2015	-	-	-	-	-	-	-	-
Eliminated on disposals of assets	-	-	-	-	-	-	-	-
Depreciation expenses	-	4.75	112.00	3.48	4.07	7.81	324.65	456.76
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	-	<u>9.06</u>	<u>211.45</u>	<u>5.65</u>	<u>6.84</u>	<u>12.28</u>	<u>388.77</u>	<u>634.05</u>

Carrying value of assets

Balance at 1st April, 2015	224.18	52.63	999.09	9.23	12.79	22.00	2,698.52	4,018.44
Additions	-	-	-	-	-	0.42	1,578.52	1,578.94
Disposals	-	-	-	-	-	-	(2,374.34)	(2,374.34)
Depreciation expenses	-	(4.75)	(112.00)	(3.48)	(4.07)	(7.81)	(324.65)	(456.76)
Balance at 31st March, 2016	<u>224.18</u>	<u>47.88</u>	<u>887.09</u>	<u>5.75</u>	<u>8.72</u>	<u>14.61</u>	<u>1,578.05</u>	<u>2,766.28</u>
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	<u>224.18</u>	<u>43.57</u>	<u>787.64</u>	<u>3.58</u>	<u>5.95</u>	<u>10.97</u>	<u>1,513.93</u>	<u>2,589.82</u>

NOTES TO THE FINANCIAL STATEMENTS

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. Secured also as first equitable mortgage for cash credit facility from State Bank of India (Refer to note no 21)
- 3) Office premises includes an amount of ₹ 666.06 lakhs given on lease. Depreciation for the same is ₹ 66.30 lakhs (2016 - ₹ 74.67 lakhs, 2015 - ₹ 79.65 lakhs) Future minimum rent receipts are as under:

	₹ in Lakhs		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Not later than one year	-	-	158.12
Later than one year and not later than five years	-	-	-
TOTAL	-	-	158.12

5 Other investments

	No of Shares	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
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)	9,200,000	4,191.79	4,191.79	4,191.79
b) Convertible redeemable preference shares (CRPS)				
Chowgule Steamships Overseas Limited- (CRPS of USD 1 each fully paid)	9,500,000	5,357.80	5,357.80	5,357.80
TOTAL		9,549.59	9,549.59	9,549.59
Aggregate value of unquoted investments		9,549.59	9,549.59	9,549.59

6 Other financial assets

Bank deposits with more than 12 months	-	-	0.50
Interest accrued on above	-	-	0.01
Security deposits (Unsecured, considered good unless otherwise stated)	1.80	1.80	1.80
TOTAL	1.80	1.80	2.31

7 Other non current assets

Unsecured, considered good unless otherwise stated			
Advance payment of taxes (net of provision for tax ₹ 819 lakhs) (Refer to note no 26)	183.32	151.59	166.08
Disputed sales tax deposit (Refer to note no 26)	47.40	47.40	47.40
Security deposits	3.51	4.44	4.64
Capital advance	32.52	32.50	27.71
TOTAL	266.75	235.93	245.83

NOTES TO THE FINANCIAL STATEMENTS
8 Inventories

	As at 31st March 2017	As at 31st March 2016	₹ in Lakhs As at 1st April 2015
Lower of cost and net realisable value (Refer foot notes 1 to 4)			
Lube oil	0.34	0.74	19.85
Fuel oil	9.60	-	-
Paints	0.14	-	2.88
TOTAL	10.08	0.74	22.73

Foot notes:

1. Secured for cash credit facilities taken from Bank (Refer to note no 21)
2. The cost of inventories recognised as an expense during the year was ₹ 2.01 Lakhs (2016: ₹107.86 Lakhs)
3. Full Inventory are expected to be recovered within 12 months
4. The mode of valuation of inventories has been stated in note 3.5

NOTES TO THE FINANCIAL STATEMENTS

9 Investments

₹ in Lakhs

	No. of Shares / Units	As at 31st March 2017	No. of Shares / Units	As at 31st March 2016	No. of Shares / Units	As at 1st April 2015
Investments in equity instruments carried at fair value through profit or loss (FVTPL)						
Equity shares (quoted) of ₹ 10 each fully paid up:						
Mahindra Lifespace Developers Limited	16	0.06	16	0.07	16	0.08
ICICI Bank Limited	750	2.08	750	1.77	750	2.36
GOL Offshore Services Limited	50	0.02	50	0.09	50	0.32
Essar Shipping Limited	233	0.07	233	0.06	233	0.05
Essar Ports Limited		-		-	466	0.02
GOL Offshore Limited #	30	-	30	0.01	30	0.02
The Great Eastern Shipping Company Limited	121	0.50	121	0.38	121	0.44
Shreyas Shipping and Logistics Limited	100	0.32	100	0.26	100	0.40
Varun Shipping Limited		-		-	150	0.01
The Shipping Corporation of India Limited	75	0.06	75	0.05	75	0.03
Equity shares (unquoted) of ₹ 10 each fully paid up:						
Essar Ports Limited	466	0.02	466	0.02		-
Varun Global Limited #	150	-	150	-		-
Varun Resources Limited	600	0.02	600	0.02		-
Investment Written-Off		(0.04)		-		-
Investment in Mutual Funds (unquoted) carried at fair value through profit or loss (FVTPL)						
Birla Sun Life Dynamic Bond Fund - Retail - Growth-Regular Plan		-	53,573	14.10	53,573	13.09
Franklin India Low Duration Fund - Growth	1,217,711	224.82	1,217,711	204.01		-
Religare Invesco Credit Opportunities Fund-Institutional Growth	1,723	31.99	14,600	252.53		-
DHFL Pramerica Short Term Floating Rate Fund - Growth (Earlier - DWS Treasury Fund Investment Regular Plan - Growth)		-	21,259	3.51	1,763,942	271.87
IDFC Banking Debt Fund-Regular Plan-Growth		-	28,839	3.75	2,268,599	271.82
# Value less than ₹ 500						
TOTAL		<u>259.92</u>		<u>480.63</u>		<u>560.51</u>
Aggregate book value of quoted investments		3.11		2.69		3.73
Aggregate market value of quoted investments		3.11		2.69		3.73
Aggregate carrying value of unquoted investments		256.81		477.94		556.78

NOTES TO THE FINANCIAL STATEMENTS
10 Trade receivables

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured (refer foot notes below)			
Considered good	-	2.61	165.72
Considered doubtful	41.67	41.67	41.67
Less : Allowance for doubtful debts (expected credit loss allowance)	(41.67)	(41.67)	(41.67)
TOTAL	<u>-</u>	<u>2.61</u>	<u>165.72</u>

₹ in Lakhs

Foot notes :

- Secured for cash credit facilities taken from Bank (Refer to note no 21)
- 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. Of the trade receivables balance as at 2017: ₹ Nil (2016 : ₹ Nil; 2015: ₹ 165.72 lakhs) is due from on of the Company's a customer. There are no other customers who represent more than 5% of the total balance of trade receivables.

Ageing of receivables	2016-17	2015-16	2014-15
Within the credit period of			
1-30 days past due	-	2.61	165.72
More than 180 days past due	41.67	41.67	41.67

11 Cash and cash equivalents

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
11.1 Cash & cash equivalents			
Balance with Banks in current accounts	22.39	16.58	12.77
Balance with Banks in foreign currency accounts	67.40	71.05	6.51
Total Cash & cash equivalents	89.79	87.63	19.28
11.2 Other Bank balances			
Earmarked balances for unpaid dividend with Bank	16.03	24.95	33.83
TOTAL	<u>105.82</u>	<u>112.58</u>	<u>53.11</u>

12 Loans

Unsecured considered good			
Loan to related party (Refer to note no. 13) (Refer foot note below)	830.00	830.00	830.00
TOTAL	<u>830.00</u>	<u>830.00</u>	<u>830.00</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

13 Other financial assets

	As at 31st March 2017	As at 31st March 2016	₹ in Lakhs As at 1st April 2015
Rent receivable	-	3.96	-
Interest accrued on loan (Refer to note no. 12)	207.41	128.97	55.91
Claims receivable	-	-	65.71
TOTAL	207.41	132.93	121.62

14 Other current assets

Prepaid expenses	14.88	16.93	21.66
Advances for expenses	3.56	0.75	0.77
TOTAL	18.44	17.68	22.43

NOTES TO THE FINANCIAL STATEMENTS
15 Equity Share Capital

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
₹ in Lakhs			
AUTHORISED			
50,000,000 Equity shares of ₹ 10/- each	5,000.00	5,000.00	5,000.00
2,500,000 Redeemable preference shares of ₹ 10/- each	2,500.00	2,500.00	2,500.00
	<u>7,500.00</u>	<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	3,630.84
TOTAL	<u>3,630.84</u>	<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 2017	As at 31st March 2016	As at 1st April 2015
Chowgule and Company Private Limited	16,932,891	16,932,891	16,932,891
	46.64%	46.64%	46.64%
Quail Investments Limited	2,260,843	2,260,843	2,260,843
	6.23%	6.23%	6.23%

16 Other equity

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
₹ in Lakhs			
Balances at the end of year			
(a) Capital reserve	11.96	11.96	11.96
(b) Capital redemption reserve	30.00	30.00	30.00
(c) Securities premium reserve	2,922.01	2,922.01	2,922.01
(d) General reserve	4,117.52	4,117.52	4,117.52
(e) Retained earnings			
Balance at beginning of year	1,614.48	2,216.01	-
Add : Loss for the year	(244.64)	(601.53)	-
Balance at end of year	<u>1,369.84</u>	<u>1,614.48</u>	<u>2,216.01</u>
TOTAL	<u>8,451.33</u>	<u>8,695.97</u>	<u>9,297.50</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 security share 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.

17 Other financial liabilities

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security deposit	91.58	84.40	77.79
Payable on purchase of property, plant and equipment	1,508.04	1,379.72	-
TOTAL	1,599.62	1,464.12	77.79

18 Provisions

Provision for employee benefits	58.74	71.66	36.61
TOTAL	58.74	71.66	36.61

19 Deferred tax liabilities (net)

Deferred tax liabilities	644.34	843.57	1,089.89
Deferred tax assets (refer foot note below)	(644.34)	(771.37)	(625.57)
TOTAL	-	72.20	464.32

Foot note:

Deferred tax asset for the year 31st March, 2017 has been restricted to the extent of deferred tax liability.



NOTES TO THE FINANCIAL STATEMENTS

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

₹ in Lakhs

2016-17

Deferred tax liabilities / (assets) 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	-

2015-16

Deferred tax liabilities / (assets) 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)	-	-	(13.78)
Defined benefit obligations	(17.47)	(4.59)	(23.30)	(45.36)
Unused tax losses	(504.10)	(134.06)	-	(638.16)
Exchange fluctuation	(16.15)	16.15	-	-
Unused tax credit	(74.07)	-	-	(74.07)
Security deposit	0.53	0.01	-	0.54
Property, plant and equipment	1,070.32	(372.22)	-	698.10
Trade payable for property, plant and equipment	-	138.96	-	138.96
Investments	19.04	(13.07)	-	5.97
TOTAL	464.32	(368.82)	(23.30)	72.20

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

	Year ended 31st March 2017	Year ended 31st March 2016
Loss before tax	(360.24)	(923.18)
Income tax expense being loss	-	-
Effect of expenses that are non-deductible in determining taxable profit	(211.00)	(258.06)
Effect of previously unrecognised and unused tax losses now recognised as deferred tax losses	124.36	(134.06)
Effect on deferred tax balances due to change in income tax rate from 33.063% to 27.5525%	14.44	-
Income tax expense recognised in Statement of Profit and Loss	(72.20)	(392.12)

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs

20 Other non current liabilities

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance rent received	-	6.66	13.31
TOTAL	-	6.66	13.31

21 Borrowings

Cash credit from Bank(Refer to note no 4, 8 & 10) Secured against hypothecation of book debts and stocks / stores aboard the vessel and first equitable mortgage on the Company's office premises	-	-	193.26
TOTAL	-	-	193.26

22 Trade payables

Total outstanding dues of micro enterprises & small enterprises (Refer foot notes below)	6.21	1.73	1.89
Total outstanding dues of other than micro enterprises & small enterprises:			
Shipping cost payable	12.79	53.40	594.42
Payable on purchase of property, plant and equipment	-	-	6.87
Provision for other expenses	24.45	34.94	12.63
TOTAL	43.45	90.07	615.81

Foot notes:

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

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

23 Other financial liabilities

Secured			
Current maturities of long term debt (Refer foot note below)	-	-	1,198.14
Interest Accrued but not due on borrowings	-	-	0.15
Unpaid dividends	16.03	24.95	33.83
TOTAL	16.03	24.95	1,232.12

Foot note :

Terms of repayment of secured term loan for the year 2014-15

From: DVB Group Merchant Bank (Asia) Ltd.

No. of installments outstanding	-	-	3.00
Amount of installment	-	-	USD 200,000
Installments payable	-	-	Quarterly
Amount of ballon payment	-	-	USD 1,500,000
Interest payment	-	-	3 months LIBOR+ 2%



NOTES TO THE FINANCIAL STATEMENTS

24 Other current liabilities

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance rent received	6.66	6.66	6.66
Advance received from customer	2.96	-	-
Payable to gratuity fund (Refer note no 34)	19.16	56.08	8.03
Other payables statutory remittances	1.43	2.12	7.88
TOTAL	29.51	64.86	22.57

25 Provisions

Provision for employee benefits	10.11	9.44	8.16
TOTAL	10.11	9.44	8.16

26 Contingent liabilities

i) Sales tax demand not provided for: (Refer to note no 7)	237.00	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 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.			
ii) Income Tax demand not provided for	32.84	42.61	479.71
The Company has filed appeal in respect of the same.			
Note : Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.			

NOTES TO THE FINANCIAL STATEMENTS

27 Revenue from operations

	Year ended 31st March 2017	Year ended 31st March 2016
Sale of service:		
Charter hire receipts	51.58	467.05
Claims received	-	88.03
TOTAL	51.58	555.08

₹ in Lakhs

28 Other income

Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
- Loan	87.15	87.39
- Security deposit	0.03	-
- Bank deposit	-	0.06
- Income tax refund	-	1.80
Operating lease rental income	225.25	209.44
Dividend income	0.04	0.07
Net gain arising on financial assets designated as at FVTPL (Refer foot note)	34.03	24.42
Profit on sale of property plant and equipment	0.01	-
Sundry receipts	0.16	-
Sundry balance written back	18.20	0.71
TOTAL	364.87	323.89

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 gain in fair value of ₹ 12.59 lakhs (2016: loss of ₹ 39.53 lakhs).

29 Employee benefits expenses

Salaries, wages and other benefits (Refer to note no 34)	135.37	185.87
Contributions to provident and other funds (Refer to note no 34)		
Superannuation contribution	16.05	13.69
Gratuity (L I C contribution)	13.54	4.87
Contribution to Provident fund @ 12%	11.57	11.64
Staff welfare expenses	1.91	2.85
TOTAL	178.44	218.92

30 Finance costs

Interest on term loan	-	17.25
Interest on cash credit	-	16.68
Interest on others	135.49	7.82
TOTAL	135.49	41.75

NOTES TO THE FINANCIAL STATEMENTS
31 Depreciation and amortisation expenses

	Year ended 31st March 2017	Year ended 31st March 2016
Depreciation on property, plant and equipment pertaining to continuing operations (Refer note no 4)	177.56	456.76
TOTAL	177.56	456.76

₹ in Lakhs

32 Other expenses

Power and fuel	7.92	8.31
Legal and professional expenses	28.55	21.84
Postage, telephone, telexes etc.	10.70	11.76
Rent	0.49	0.49
Rates and taxes	18.88	18.49
Auditors' remuneration		
For statutory audit	4.00	4.00
For tax audit	0.80	0.80
For other services	3.70	3.70
Service tax on above	1.28	1.25
Director's sitting fees	10.45	8.77
Net foreign currency translation differences	5.43	28.59
Travelling expenses (including foreign travelling)	29.85	65.84
Repairs to building	38.55	42.95
Investment written off	0.04	-
Subscriptions	17.68	16.98
Miscellaneous expenses	41.42	49.63
Operating expenses		
Manning cost	26.30	316.04
Fuel and oil	2.01	107.86
Stores and spare parts consumed	8.84	24.30
Port disbursement, stevedorage, light dues etc.	-	0.43
Ship repairs and survey charges	1.33	12.61
Insurance & protection club dues	12.65	76.64
Brokerage and agency fees	2.47	14.32
Claims paid	0.24	0.53
Claims written - off	-	65.71
Sundry balance written - off	1.00	-
Ship management fees	8.15	76.87
Crew expenses	0.72	67.49
Quality & safety facilities	1.56	3.75
Handling & transport	0.19	(6.88)
TOTAL	285.20	1,043.07

33 Exceptional items

Loss on sale of vessel	-	(41.65)
TOTAL	-	(41.65)

NOTES TO THE FINANCIAL STATEMENTS

34 Employee benefit plans

a) Defined Contribution plans

Provident Fund :

The Company makes contributions to Provident Fund which is defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The fund is administered by the Trustees. The contributions payable by the 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)	
	2016-17	2015-16
i) Provident fund	11.57	11.64
ii) Superannuation fund	16.05	13.69

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:

	2016-17	2015-16	2014-15
i) Discount rate at 31st March	7.31% p.a.	7.97% p.a.	7.80% p.a.
ii) Rate of increase in compensation	12.00% p.a.	15.00% p.a.	10.00% p.a.
iii) Attrition rate	0.50% p.a.	0.50% p.a.	0.50% p.a.
vi) Mortality table	Indian Assured Lives Mortality (2006-08)	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:

	2016-17	2015-16
		(₹ in Lakhs)
Service cost		2015-16
Current Service cost	11.08	9.94
Past Service cost and (gain)/loss from settlements	-	-
Net interest expense	4.07	(0.77)
Components of defined benefit costs recognised in the statement of profit and loss	15.15	9.17
Remeasurement on the net defined benefit liability :		
Return on the plan assets (excluding amount included in net interest expenses)	0.38	1.21
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(16.05)	36.20
Actuarial (gains)/losses arising from experience adjustments	(27.73)	33.06
Others (describe)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	(43.40)	70.47
TOTAL	(28.25)	79.64

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:

	2016-17	2015-16	2014-15
Present value of funded defined benefit obligations	171.34	188.98	101.84
Fair value of plan assets	152.17	132.90	93.81
Funded status Deficit/(Surplus)	19.17	56.08	8.03
Restrictions on assets recognised	-	-	-
Net liability arising from defined benefit obligation	19.17	56.08	8.03

NOTES TO THE FINANCIAL STATEMENTS

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

	₹ in Lakhs	
	2016-17	2015-16
Opening defined benefit obligations	188.98	101.84
Current service cost	11.08	9.94
Interest cost	15.06	7.94
Remeasurement (gains)/loss:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(16.05)	36.20
Actuarial (gains)/losses arising from experience adjustments	(27.73)	33.06
Benefits paid	-	-
Closing defined benefit obligation	171.34	188.98

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

	₹ in Lakhs	
	2016-17	2015-16
Opening fair value of plan assets	132.90	93.81
Adjustment to opening fair value of plan asset	1.45	4.29
Interest income	11.00	8.72
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expenses)	(0.38)	(1.22)
Contribution from the employer	7.20	27.30
Benefits paid	-	-
Closing defined benefit obligation	152.17	132.90

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		
		2016-17	2015-16	2014-15
Discount rate	PVO DR + 1%	164.98	179.91	96.15
	PVO DR - 1%	178.36	199.02	108.17
Expected Salary escalation rate	PVO ER + 1%	177.96	198.26	107.96
	PVO ER - 1%	165.20	180.40	96.23

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	1.50	1.61	124.31	0.33	0.35	13.93

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

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

NOTES TO THE FINANCIAL STATEMENTS

The contribution expected to be made by the Company during the financial year 2017 is ₹ 19.17 lakhs (2016 - ₹ 7.20 lakhs, 2015 - ₹ 7.50 lakhs).

Experience adjustments

	2012-13	2013-14	2014-15	2015-16	2016-17
Present value of the obligation	74.75	88.41	101.84	188.98	171.34
Fair value of the plan assets	55.43	74.82	93.81	132.90	152.17
Surplus/ (deficit)	(19.32)	(13.59)	(8.03)	(56.08)	(19.17)
Experience adjustment on plan liabilities	7.14	(0.96)	(14.84)	33.06	(27.73)
Experience adjustment on plan assets	0.32	(5.98)	(2.43)	(1.44)	(0.38)

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

i. List of subsidiaries:

Name of the Company	Country of Incorporation	% of Holding		
		31st March 2017	31st March 2016	31st March 2015
Chowgule Steamships Overseas Ltd (CSOL)	Guernsey	100%	100%	100%
Sea Bird LLC	The Marshall Islands	100%	100%	100%
Sea Lord LLC	The Marshall Islands	100%	100%	100%
Sea Green LLC	The Marshall Islands		Company was wound up	100%
Sea King LLC	The Marshall Islands	100%	100%	100%
Sea Link LLC	The Marshall Islands	100%	100%	100%

ii. Compensation to key management personnel

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

	31-Mar-2017	31-Mar-2016
Short-term benefits	80.67	81.20

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance and market trends. The same excludes gratuity and compensated absences.

36 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.

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

	2016-17	2015-16
a. Profit/(Loss) for the year (₹ in lakhs)	(276.08)	(554.36)
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 ₹)	(0.76)	(1.53)
d. Basic and diluted earnings per equity share (for discontinued operation) (in ₹)	-	-
e. Basic and diluted earnings per equity share (for continuing & discontinued operation) (in ₹)	(0.76)	(1.53)

NOTES TO THE FINANCIAL STATEMENTS

- 38** During the year, the Company had Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of SBN held and transacted during the period from 8 November, 2016 to 30 December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

	(₹ in Lakhs)		
	SBNs	Other denomination notes	Total
Closing Balance as at 8 November 2016	0.70	0.08	0.78
Add: Receipts for permitted transactions	-	2.52	2.52
Less : Paid for permitted transactions	-	1.82	1.82
Less: Deposited in bank accounts	0.70	-	0.70
Closing balance as at 30 December 2016	-	0.78	0.78

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E), dated the 8 November, 2016.

39. Financial instruments

39.1 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 21 & 23 and off set by cash and bank balance) and total equity of the Company.

39.1.1 Gearing ratio

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

	₹ in Lakhs		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Debt (Refer foot note (i) below)	-	-	1,391.40
Cash and Bank balances	105.82	112.58	53.11
Net debt	(105.82)	(112.58)	1,338.29
Equity (Refer foot note (ii) below)	12,082.17	12,326.81	12,928.34
Net debt to equity ratio	-	-	0.10

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 15 and 16).

39.2 Categories of financial instruments

Financial assets

Measured at amortised cost

(a) Cash and bank balances	105.82	112.58	53.11
(b) Other financial assets at amortised cost			
(i) Other financial assets	209.21	134.73	123.93
(ii) Other loans	830.00	830.00	830.00
(iii) Trade receivables	-	2.61	165.72

Measured at fair value through profit or loss

(a) Investments	259.92	480.63	560.51
TOTAL	1,404.95	1,560.55	1,733.27

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial liabilities			
Measured at amortised cost			
(i) Other financial liabilities	1,615.65	1,489.07	1,309.91
(ii) Borrowings	-	-	193.26
(iii) Trade payables	43.45	90.07	615.81
TOTAL	1,659.10	1,579.14	2,118.98

The above excludes investment in subsidiary.

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

39.3 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.

39.4 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.

39.5 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 carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	2016-17		2015-16		2014-15		
	(₹ in Lakhs)	USD in Million	(₹ in Lakhs)	USD in Million	(₹ in Lakhs)	USD in Million	
Receivables							
Other current assets	4.34	0.01	1.35	#	-	174.21	0.28
Cash & cash equivalents	67.40	0.10	71.05		0.11	6.51	0.01
Payables							
Term loan form foreign Bank	-	-	-	-	1,198.14		1.90
Trade payables	1.01	#	-	12.47	0.02	392.85	0.63

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.

NOTES TO THE FINANCIAL STATEMENTS

39.6 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.

39.7 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.

39.8 Credit risk management

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

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

39.9 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.

39.9.1 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. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	₹ in lakhs Carrying Amount
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

						₹ in lakhs	
	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	Carrying Amount	
March 31, 2016							
Non-interest bearing							
Trade payables		90.07	-	-	90.07	90.07	
Other financial liabilities		24.95	-	-	24.95	24.95	
Fixed interest rate instruments							
Payable on purchase of property, plant and equipment	9.30%	-	1,800.00	-	1,800.00	1,379.72	
Security deposit	8.50%	-	99.36	-	99.36	84.40	
April 1, 2015							
Non-interest bearing							
Trade payables		615.81	-	-	615.81	615.81	
Other financial liabilities		33.98	-	-	33.98	33.98	
Variable interest rate instruments							
Term loan from Bank	2.88%	1,198.14	-	-	1,198.14	1,198.14	
Cash credit from Bank	13.50%	193.26	-	-	193.26	193.26	
Fixed interest rate instruments							
Security deposit	8.50%	-	99.36	-	99.36	77.79	

39.9.2 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		
March 31, 2017							
Non-interest bearing							
Other financial assets		1.80	-	-	1.80		
Investments		229.28	-	-	229.28		
Cash and Bank balance		105.82	-	-	105.82		
Fixed interest rate instruments							
Other financial assets		78.44	128.97	-	207.41		
Loans	10.50%	-	830.00	-	830.00		
March 31, 2016							
Non-interest bearing							
Other financial assets		5.76	-	-	5.76		
Investments		462.58	-	-	462.58		
Trade receivable		2.61	-	-	2.61		
Cash and Bank balance		112.58	-	-	112.58		
Fixed interest rate instruments							
Other financial assets		73.06	128.97	-	202.03		
Loans	10.50%	-	830.00	-	830.00		

NOTES TO THE FINANCIAL STATEMENTS

	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	₹ in lakhs Total
April 1, 2015					
Non-interest bearing					
Other financial assets		68.02	-	-	68.02
Investments		502.95	-	-	502.95
Trade receivable		165.72	-	-	165.72
Cash and Bank balance		53.11	-	-	53.11
Fixed interest rate instruments					
Other financial assets		55.91	-	-	55.91
Loans	10.50%	-	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.

39.9.3 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 2017**:

	Fair value measurement using			₹ in Lakhs 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 amount Level 1, Level 2 and Level 3 during the year.

NOTES TO THE FINANCIAL STATEMENTS

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 2016**:

₹ 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	-	-	112.58	112.58
(b) Other financial assets at amortised cost				
(i) Other financial assets	-	-	134.73	134.73
(ii) Other loans	-	-	830.00	830.00
(iii) Trade receivables	-	-	2.61	2.61
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	2.69	-	-	2.69
Investments in equity shares (unquoted)	-	-	0.04	0.04
Investments in mutual funds (unquoted)	477.90	-	-	477.90
Financial liabilities				
Financial liabilities held at amortised cost:				
(i) Other financial liabilities	-	-	1,489.07	1,489.07
(ii) Trade payables	-	-	90.07	90.07

There have been no transfers amount 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 **1st April, 2015**:

₹ 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	-	-	53.11	53.11
(b) Other financial assets at amortised cost				
(i) Other financial assets	-	-	123.93	123.93
(ii) Other loans	-	-	830.00	830.00
(iii) Trade receivables	-	-	165.72	165.72
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	3.73	-	-	3.73
Investments in mutual funds (unquoted)	556.78	-	-	556.78
Financial liabilities				
Financial liabilities held at amortised cost:				
(i) Other financial liabilities	-	-	1,309.91	1,309.91
(ii) Borrowings	-	-	193.26	193.26
(iii) Trade payables	-	-	615.81	615.81

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

NOTES TO THE FINANCIAL STATEMENTS

40 Explanation of transition to Ind AS

The Company's financial statements for the year ended 31st March, 2017 are the first annual financial statements prepared by the Company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1st April, 2015 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarised in the reconciliations provided below. Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Reconciliations

The accounting policies as stated in note 3 have been applied in preparing the financial statements for the year ended 31st March, 2017, the financial statements for the year ending 31st March, 2016 and the preparation of an opening Ind AS statement of financial position as at 1st April, 2015. In preparing its opening Ind AS balance sheet and statement of profit and loss for the year ended 31st March, 2016, the Company has adjusted amounts reported in financial statements prepared in accordance with Previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables.

i Reconciliations of equity:

₹ in Lakhs			
	Notes	As at 31st March 2016 (End of last period presented under previous GAAP)	As at 1st April 2015 (Date of transition)
(I) Total equity (shareholder's funds) under previous GAAP		11,989.46	12,771.67
(II) Investment measuring at fair value through profit or loss	b	18.05	57.58
Security deposit measuring at fair value on initial recognition and subsequently at amortised cost through statement of profit or loss	c	1.64	1.60
Liability measuring at fair value on initial recognition and subsequently at amortised cost through statement of profit or loss	a	(1.07)	-
Recognition of deferred taxes using the balance sheet approach under Ind AS	e	318.72	97.49
Total equity under Ind AS		<u>12,326.80</u>	<u>12,928.34</u>

ii Reconciliation of total comprehensive income

₹ in Lakhs			
	Notes	Year Ended 31st March 2016 (Latest period presented under previous GAAP)	
Loss as per previous GAAP		(782.21)	
Adjustments :			
Actuarial loss on defined benefit plan considered under other comprehensive income (Net of Tax)	d	47.17	
Effect of measuring investments at fair value through Profit & Loss	b	(39.53)	
Effect of measuring liability at fair value on initial recognition & subsequently at amortised cost through statement of Profit & Loss	a	(1.07)	
Effect of measuring security deposit at fair value on initial recognition & subsequently at amortised cost through statement of profit & loss	c	0.05	
Deferred tax adjustments	f	221.23	
Net loss after tax as per Ind AS		(554.36)	
Other comprehensive Income	d	(47.17)	
Total comprehensive income / (loss) under Ind AS		<u>(601.53)</u>	

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.



NOTES TO THE FINANCIAL STATEMENTS

iii Explanation of material adjustments to statement of cash flow for the year ended 31st March, 2016

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of an entity's cash management system are included in cash and cash equivalent for the purpose of presentation of statement of cash flows. Whereas under previous GAAP, there was no similar guidance and hence, bank overdrafts were considered similar to other borrowings and the movements therein were reflected in cash flows from financing activities. The effect of this is that bank overdrafts of ₹ 193.26 Lakhs as at 31st March, 2015 have been considered as part of cash and cash equivalents under Ind AS for the purpose of presentation of statement of cash flows. Consequently, the cash outflow from financing activities as per the statement of cash flows for the year ended 31st March, 2016 prepared as per Ind AS is lower to the extent of this net movement of ₹ 193.26 Lakhs

Notes to the reconciliations

- a) Under previous GAAP, payment for property, plant and equipment is deferred beyond normal credit terms, its cost is the cash price equivalent unless interest element is specifically identified in the arrangement. Under Ind AS the difference between the purchase price under normal credit terms and the total amount incurred would be recognised as interest expense over the period of the credit term. Accordingly, the Company has derecognised ₹ 421.48 lakhs from gross block and ₹ 0.14 lakhs from depreciation and an equivalent amount has been recognised in statement of profit and loss as on 31st March, 2016. The net effect of these changes is a decrease in total equity as at 31st March, 2016 of ₹ 1.07 lakhs and increase of ₹ 1.07 lakhs in Loss before tax and increase of ₹ 0.71 lakhs in loss after tax for the year ended 31st March, 2016.
- b) Under previous GAAP, current investment were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on date of transition. The fair value changes are recognised in profit or loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP, resulting in an increase in carrying amount by ₹ 18.05 lakhs as at 31st March, 2016 and increase by ₹ 57.58 lakhs as at 1st April, 2015. The net effect of these changes is an decrease in total equity as at 31st March, 2016 of ₹ 18.05 lakhs (₹ 57.58 lakhs increase as at 1st April 2015) and increase in loss before tax of ₹ 39.53 lakhs.
- c) Under the previous GAAP, Interest free security deposit (that are refundable in cash on completion of the lease term) are recorded at their transactional value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposit under Ind AS. Difference between the fair value and transaction value of the security deposit has been considered as advance rent receivable from lessee. This is recognized as additional rental income on a straight line basis over the lease term. Interest will be accreted on the fair value recognised on inception to bring fair value to deposit amount will be repaid. Consequent to this change, the amount of security deposit decreased by ₹ 14.96 lakhs as at 31st March, 2016 (1st April 2015 - ₹ 21.57 lakhs) and advance rent Increased by ₹ 6.66 lakhs as at 31st March, 2016 (1st April, 2015 - ₹ 13.31 lakhs). The loss for the year decreased by ₹ 6.65 lakhs due to recognition of additional rental income which is partially off-set by notional interest expense of ₹ 6.60 lakhs recognised on security deposit consequently, total equity as at 31st March, 2016, increased by 1.64 lakhs (1st April, 2015 - ₹ 1.60 lakhs).
- d) Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss, The actuarial loss for the year ended 31st March, 2016 were ₹ 70.47 lakhs and the tax effect thereon ₹ 23.30 lakhs. This change does not affect total equity, but there is a decrease in loss before tax of ₹ 70.47 lakhs and in total loss of ₹ 47.17 lakhs for the year ended 31st March, 2016.

- e) Due to transition to Ind AS from previous GAAP following adjustments were made to deferred tax liability (DTL) (net) as on 31st March, 2016 and 1st April, 2015 :

	₹ in Lakhs	
	As at 31st March 2016	As at 1st April 2015
(I) Balance as per previous GAAP	464.99	635.88
(II) Recognised / reversed through profit or loss		
Decrease in DTL on account of unused tax losses	(638.16)	(504.10)
Increase in DTL on account of measuring security deposit at fair value on initial recognition & subsequently at amortised cost through statement of profit & loss	0.54	0.53
DTL reversed due to carrying value of property, plant and equipment considered as deemed cost	133.65	387.04
Increase in DTL on account of measuring liability at fair value on initial recognition & subsequently at amortised cost through statement of profit & loss	179.28	-
Increase in DTL on account of measuring investments at fair value through profit & loss	5.97	19.04
Total adjustment in equity	<u>(318.72)</u>	<u>(97.49)</u>
(III) Unused tax credit	<u>(74.07)</u>	<u>(74.07)</u>
Balance as per Ind-AS	<u>72.20</u>	<u>464.32</u>

- f) Reconciliation of deferred tax expenses/(credit) for the year ended 31st March, 2016

	Amount in ₹ Lakhs
Deferred tax credit as per Previous GAAP	(170.89)
Charge / (reversed) to statement of profit and loss account on account of DTL reversed due to carrying value of property, plant and equipment considered as deemed cost	333.79
Foreign currency gain	(16.15)
Deferred tax impact on remeasurement of defined benefit obligation	27.89
Expenses on recognition of measuring security deposit at fair value on initial recognition & subsequently at amortised cost through statement of profit & loss	0.54
Income on recognition of measuring investments at fair value through profit & loss	5.97
Expenses on recognition of measuring liability at fair value on initial recognition & subsequently at amortised cost through statement of profit & loss	138.96
Unused tax losses	(638.16)
Unused tax credit	(74.07)
Total adjustment in total comprehensive income	<u>(221.23)</u>
Deferred tax income as per Ind-AS	<u>(392.12)</u>

41 Events after the reporting period

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

42 Approval of financial statements

The financial statements were approved and taken on record by the Board of Directors at its meeting held on May 12, 2017.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Managing Director & CFO

Place: Mumbai
Date : May 12, 2017

SUHAS JOSHI
Company Secretary

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 (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 Parent'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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditor in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, 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 and other auditor on separate financial statements, the subsidiaries, referred to below in the Other Matter paragraph, 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, of the consolidated state of affairs of the Group, as at 31st March, 2017, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) **We did not audit the financial** statements of five subsidiaries, whose financial statements reflect total assets of ₹ 44,045.26 lakhs as at 31st March, 2017, total revenues of ₹ 4,624.06 lakhs and net cash outflow amounting to ₹ 376.20 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 auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

- (b) The comparative financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 in respect of five subsidiaries included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditor and have been relied upon by us.

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 the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2017 taken on record by the Board of Directors of the Parent none of the directors of the Parent is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Separate Report in "Annexure A", which is based on the auditors' report of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 28 (i) to the consolidated Ind AS financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent.
 - iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by Parent for the purpose of preparation of the consolidated Ind AS financial statements.

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

Joe Pretto
Partner
Membership No. 077491

MUMBAI, 12th May, 2017



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting (“IFCoFR”) of **CHOWGULE STEAMSHIPS LIMITED** (hereinafter referred to as “Parent”).

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Joe Pretto
Partner
Membership No. 077491

MUMBAI, 12th May, 2017



CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

₹ in Lakhs

	Note No.	As at		As at
		31st March 2017	31st March 2016	1st April 2015
I ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	4	43,740.86	47,915.42	57,716.48
(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	920.51	1,869.16
ii) Trade receivables		-	-	-
iii) Loans		-	-	-
iv) Other financial assets	6	1.80	1.80	2.31
(i) Deferred tax assets (net)		-	-	-
(j) Other non-current assets	7	1,859.43	5,727.93	9,151.63
		<u>45,921.33</u>	<u>54,565.66</u>	<u>68,739.58</u>
2 Current assets				
(a) Inventories	8	130.54	111.92	174.70
(b) Financial assets				
i) Investments	9	259.92	480.63	3,189.81
ii) Trade receivables	10	120.06	71.94	612.99
iii) Cash and cash equivalents	11.1	486.83	882.84	633.98
iv) Bank balances other than (iii) above	11.2	16.03	24.95	33.83
v) Loans	12	958.20	830.00	830.00
vi) Other financial assets	13	208.73	132.93	126.38
(c) Current tax assets (net)		-	-	-
(d) Other current assets	14	233.74	77.12	93.26
		<u>2,414.05</u>	<u>2,612.33</u>	<u>5,694.25</u>
TOTAL ASSETS		<u>48,335.38</u>	<u>57,177.99</u>	<u>74,433.83</u>
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	3,630.84	3,630.84	3,630.84
(b) Other equity	16	1,888.05	9,651.96	27,425.74
		<u>5,518.89</u>	<u>13,282.80</u>	<u>31,056.58</u>
Non - controlling interest	17	<u>5,769.00</u>	<u>5,932.80</u>	<u>5,599.80</u>
		<u>11,287.89</u>	<u>19,215.60</u>	<u>36,656.38</u>
Liabilities				
1 Non-current liabilities				
(a) Financial liabilities				
i) Borrowings	18	27,908.60	29,948.38	31,234.66
ii) Trade payables		-	-	-
iii) Other financial liabilities	19	1,599.62	1,464.12	77.79
(b) Provisions	20	58.74	71.66	36.61
(c) Deferred tax liabilities (net)	21	-	72.20	464.32
(d) Other non-current liabilities	22	-	6.66	13.31
		<u>29,566.96</u>	<u>31,563.02</u>	<u>31,826.69</u>
2 Current liabilities				
(a) Financial liabilities				
i) Borrowings	23	3,205.00	1,812.80	193.26
ii) Trade payables	24	1,479.89	1,166.42	1,197.64
iii) Other financial liabilities	25	2,620.90	3,289.13	4,496.35
(b) Other current liabilities	26	164.63	121.58	55.35
(c) Provisions	27	10.11	9.44	8.16
(d) Current tax liabilities (net)		-	-	-
		<u>7,480.53</u>	<u>6,399.37</u>	<u>5,950.76</u>
TOTAL EQUITY AND LIABILITIES		<u>48,335.38</u>	<u>57,177.99</u>	<u>74,433.83</u>

See accompanying notes to the consolidated financial statements

In terms of our report attached
For **S. B. BILLIMORIA & CO.**
Chartered Accountants

JOE PRETTO
Partner

Place: Mumbai
Date: May 12, 2017

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

₹ in Lakhs

	Note No.	Year ended 31st March 2017	Year ended 31st March 2016
I. Revenue from operations	29	4,373.92	5,429.34
II. Other income	30	632.15	715.64
III. Total income (I + II)		5,005.37	6,144.98
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	178.44	218.92
Finance costs	32	1,367.94	1,089.95
Depreciation and amortisation expense	33	2,980.69	3,873.03
Other expenses	34	4,568.17	6,134.63
Total expenses (IV)		9,095.24	11,316.53
V. Profit/(loss) before exceptional items and tax (III-IV)		(4,089.87)	(5,171.55)
VI. Exceptional items	35	(3,271.71)	(14,527.32)
VII. Profit/(loss) before tax (V-VI)		(7,361.58)	(19,698.87)
VIII. Tax expense:			
Current tax		-	-
Deferred tax	21	84.16	368.82
TOTAL		84.16	368.82
IX. Profit/(Loss) for the year from continuing operations (VII-VIII)		(7,277.42)	(19,330.05)
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)		(7,277.42)	(19,330.05)
XIV. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	-
- Remeasurement of Defined Benefit plan		43.40	(70.47)
(ii) Income tax relating to items that will not be reclassified to profit or loss	21	(11.96)	23.30
TOTAL		31.44	(47.17)
B (i) Items that will be reclassified to profit or loss			
- Investments carried at fair value through other comprehensive income		(227.92)	(42.42)
- Exchange differences on translation of financial statements of foreign operation		(290.01)	1,645.86
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
TOTAL		(517.93)	1,603.44
XV. Total comprehensive income for the year (XIII+XIV) (comprising loss and other comprehensive income for the year)		(7,763.91)	(17,773.78)
XVI. Earnings per equity share (for continuing operation):			
(i) Basic	39	(20.04)	(53.24)
(ii) Diluted	39	(20.04)	(53.24)
XVII. Earnings per equity share (for discontinued operation):			
(i) Basic		-	-
(ii) Diluted		-	-
XVIII. Earnings per equity share (for discontinued & continuing operation):			
(i) Basic	39	(20.04)	(53.24)
(ii) Diluted	39	(20.04)	(53.24)

See accompanying notes to the consolidated financial statements

In terms of our report attached
For **S. B. BILLIMORIA & CO.**
Chartered Accountants

JOE PRETTO
Partner

Place: Mumbai
Date: May 12, 2017

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



CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

A. Equity share capital

	₹ in Lakhs
	Amount
Balance as at 1st April, 2015	3,630.84
Changes in equity share capital during the period	-
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

B. Other Equity

	Reserve and surplus					Other comprehensive income		
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings*	Foreign currency translation reserve	Investment revaluation reserve	Total equity
As at 1st April 2015	11.96	30.00	2,922.01	4,117.52	20,344.25	-	-	27,425.74
Profit / (loss) for the year 2015-16	-	-	-	-	(19,330.05)	-	-	(19,330.05)
Other comprehensive income	-	-	-	-	(47.17)	1,645.86	(42.42)	1,556.27
Total comprehensive income for the year	-	-	-	-	(19,377.22)	1,645.86	(42.42)	(17,773.78)
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

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

For and on behalf of the Board of Directors

JOE PRETTO
Partner
Place: Mumbai
Date : May 12, 2017

SUHAS JOSHI
Company Secretary

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Year ended 31-Mar-2017	Year ended 31-Mar-2016
₹ in Lakhs		
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(7,277.42)	(19,330.05)
Adjustments for:		
Depreciation	2,980.69	3,873.03
Provision / (reversal) for impairment of vessel	(51.56)	8,325.88
Income tax expenses	(84.16)	(368.82)
Provision for employee benefits	(5.77)	13.91
Advances written off	3,323.27	6,159.79
Sundry balance written back	(31.88)	(0.71)
Foreign exchange translation differences	(4.68)	43.63
Interest income	(89.04)	(89.91)
Dividend income	(0.04)	(5.01)
Rent income	(225.25)	(209.44)
Claims written off	-	65.71
Investment written off	0.04	-
Sundry balances written off	1.00	-
Loss / (gain) arising on financial assets designated as at FVTPL	91.23	(410.57)
Loss/(profit) on sale of property plant & equipment	(0.01)	41.65
Finance cost	1,367.94	1,089.95
Operating Loss before working capital changes	(5.64)	(800.96)
Adjustments for:		
Decrease / (increase) in trade receivables	(48.12)	540.35
(Increase) / decrease in non current financial assets others	-	0.50
Decrease / (increase) in other current assets	(156.61)	16.15
Decrease / (increase) in other non current assets	436.41	(433.00)
(Decrease)/ increase in other current liabilities	86.41	12.27
Movement in restricted Bank balances	8.92	8.88
Decrease / (increase) in inventories	(18.62)	62.78
(Decrease)/ increase in trade payables	339.41	(17.74)
Cash generated from operations	642.16	(610.77)
Less: Net income tax refund / (paid)	(31.73)	14.49
Net cash flow (used in) / generated from operating activities (A)	610.43	(596.28)
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(1.13)	(1,995.23)
Proceeds from disposal of property, plant & equipment	0.04	2,332.72
Loan given to other party	(128.20)	-
Sale of non current investment	222.68	1,310.30
Rental income from operating lease	222.58	198.82
Sale of current investments	255.37	4,179.38
Purchase of current investments	(0.67)	(1,196.09)
Interest received	9.28	21.62
Dividend received	0.04	5.01
Net cash flow from investing activities (B)	579.99	4,856.53
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	1,442.25	1,812.80
Repayment of borrowings	(1,977.15)	(4,598.50)
Interest paid	(1,040.73)	(1,046.45)
Unclaimed dividend paid	(8.92)	(8.88)
Net cash flow used in financing activities (C)	(1,584.55)	(3,841.03)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(394.13)	419.22
Cash and cash equivalents - opening balance	882.84	440.72
Cash and cash equivalents - closing balance	488.71	859.94
Effect of exchange rate changes on cash and cash equivalents		
Cash on hand and balances with Banks	488.71	859.94
Effect of exchange rate changes on the balance held in foreign currency	(1.88)	22.90
Cash & cash equivalents as restated (Refer to note no 11.1)	486.83	882.84
See accompanying notes to the consolidated financial statements		

In terms of our report attached
For **S. B. BILLIMORIA & CO.**
Chartered Accountants

JOE PRETTO
Partner

Place: Mumbai
Date : May 12, 2017

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



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 (including that of its wholly owned subsidiaries) for seaborne transportation of bulk cargo. CSL is a Limited Company incorporated and 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. Recent accounting pronouncement:

Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of Cash Flows’ and Ind AS 102, ‘Share-based payment.’ These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, ‘Statement of Cash Flows’ and IFRS 2, ‘Share-based payment,’ respectively. The amendments are applicable from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes.

The requirements of the amendment have no impact on the financial statements applicable as the Group does not have any share based payments.

3 Significant Accounting Policies:

3.1 Statement of compliance:

The consolidated financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group’s first Ind AS consolidated financial statements. The date of transition to Ind AS is 1st April, 2015. Refer Note No. 3.21 for the details of first time adoption exemptions availed by the Group.

3.2 Basis of preparation and Presentation:

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, that are within the scope of Ind AS 102, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

3.2.1 Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. 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.

All intra group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.3 Use of estimates:

The preparation of the consolidated 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Group’s accounting policies arise in relation to property, plant and equipment, 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. All of these key factors are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and any future periods affected.

3.4 Property, plant and equipment:

Property, plant and equipment 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.

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

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

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.

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

Assets	Basis
Vessels	Straight line method
Other assets	Written down value method

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

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

The subsidiary companies, 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.

For transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date

3.5 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 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.

3.7 Impairment of tangible assets:

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

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

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

3.8 Foreign currency transactions and translation:

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

In preparing the individual financial statements of the Companies transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are 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.

3.9 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets,



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

3.10 Employee benefits:

3.10.1 Short term:

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

3.10.2 Retirement benefit costs:

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

3.10.2.1 Defined-contribution plans:

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

3.10.2.2 Defined-benefit plans:

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

3.10.3 Other long-term employee benefits:

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

3.11 Taxation:

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

3.11.1 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.

3.11.2 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 to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

3.12 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.

3.13 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 the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.14 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

3.14.1 Rendering of service:

Time charter earnings are accrued on a time proportion basis.

3.14.2 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 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.14.3 Rental income:

The Company's policy for recognition of revenue from operating leases is described in note 3.6 above

3.14.4 Commission Income:

Commission income from operation is recognised when the right to receive the payment has been established (provided that it is probable that the economic benefits will flow to the subsidiary Company and the amount of income can be measured reliably).

3.15 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 financial 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.

3.16 Financial assets:

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

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Impairment of financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

3.17 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 expire.

3.18 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

3.19 Earnings per equity share:

Basic earnings per equity share is computed by dividing the net profit after tax 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 net profit after tax 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. 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.

3.20 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.

3.21 First-time adoption – mandatory exceptions, optional exemptions:

The Group has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date)

- i) By recognising all asset and liabilities whose recognition is required by Ind AS.
- ii) Not recognising items of assets or liabilities which are not permitted by Ind AS,
- iii) By reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
- iv) Applying Ind AS in measurement of recognized assets and liabilities. However this principles is subject to the certain exception and certain optional exemption availed by the Group as detailed below:

3.21.1 Derecognition of financial assets and financial liabilities:

The Group has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

3.21.2 Impairment of financial assets:

The Group has applied the impairment requirement of Ind AS 109 (for recognition and measurement of expected credit losses) retrospectively subject to certain exemptions provided under Ind AS 101.

3.21.3 Deemed cost for property, plant and equipment:

The Group has elected to continue with the carrying value of all property, plant and equipment recognized as of 1st April, 2015 (the transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.21.4 Long term foreign currency monetary items:

The Group has elected to continue policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items as previously followed under Indian GAAP for assets and liabilities at the date of transition to Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Property, plant and equipment

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Carrying Amounts of			
Land			
Free hold	224.18	224.18	224.18
Buildings			
On Free hold (See foot note no. 1)	43.57	47.88	52.63
On Lease hold (See foot note no. 2 & 3)	787.64	887.09	999.09
Furniture & fixture	3.58	5.75	9.23
Vehicles	5.95	8.72	12.79
Office equipments	10.97	14.61	22.00
Vessels	42,664.97	46,727.19	56,396.56
TOTAL	43,740.86	47,915.42	57,716.48

	Free hold land	Building		Furniture & fixtures	Vehicles	Office equipments	Vessels	Total
		On free hold	On lease hold					
Deemed cost								
Balance at 1st April, 2015	224.18	52.63	999.09	9.23	12.79	22.00	56,396.56	57,716.48
Additions	-	-	-	-	-	0.42	1,578.52	1,578.94
Disposals	-	-	-	-	-	-	(2,374.34)	(2,374.34)
Effect of foreign currency exchange differences	-	-	-	-	-	-	3,193.25	3,193.25
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
Accumulated depreciation and impairment								
Balance at 1st April, 2015	-	-	-	-	-	-	-	-
Depreciation expenses	-	4.75	112.00	3.48	4.07	7.81	3,740.92	3,873.03
Impairment losses	-	-	-	-	-	-	8,325.88	8,325.88
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	₹ in Lakhs							
	Free hold land	Building		Furniture & fixtures	Vehicles	Office equipments	Vessels	Total
		On free hold	On lease hold					
Carrying value of assets								
Balance at 1st April, 2015	224.18	52.63	999.09	9.23	12.79	22.00	56,396.56	57,716.48
Additions	-	-	-	-	-	0.42	1,578.52	1,578.94
Disposals	-	-	-	-	-	-	(2,374.34)	(2,374.34)
Depreciation expenses	-	(4.75)	(112.00)	(3.48)	(4.07)	(7.81)	(3,740.92)	(3,873.03)
Impairment losses	-	-	-	-	-	-	(8,325.88)	(8,325.88)
Effect of foreign currency exchange differences	-	-	-	-	-	-	3,193.25	3,193.25
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	<u>224.18</u>	<u>43.57</u>	<u>787.64</u>	<u>3.58</u>	<u>5.95</u>	<u>10.97</u>	<u>42,664.97</u>	<u>43,740.86</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. Secured also as first equitable mortgage for cash credit facility from State Bank of India (Refer to note no 28).
- 3) Office premises includes an amount of ₹ 666.06 lakhs given on lease. Depreciation for the same is ₹ 66.30 lakhs (2016: ₹ 74.67 lakhs & 2015 - ₹ 79.65 lakhs). Future minimum rent receipts are as under:

	₹ in Lakhs		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Not later than one year	-	-	158.12
Later than one year and not later than five years	-	-	-
TOTAL	<u>-</u>	<u>-</u>	<u>158.12</u>

5 Other investments

Unquoted			
Others (unquoted) carried at fair value through other comprehensive income			
Northern Shipping Fund - I LLC	319.24	920.51	1,430.00
Sister Maritime LLC	-	-	439.16
TOTAL	<u>319.24</u>	<u>920.51</u>	<u>1,869.16</u>
Aggregate value of unquoted investment	319.24	920.51	1,869.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 Other financial assets

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Bank deposits with more than 12 months	-	-	0.50
Interest accrued on above	-	-	0.01
Security deposits (Unsecured, considered good unless otherwise stated)	1.80	1.80	1.80
TOTAL	1.80	1.80	2.31

₹ in Lakhs

7 Other non current assets

Unsecured, considered good unless otherwise stated			
Advance payment of taxes (net of provision for tax ₹ 819 lakhs) (Refer to note no 28)	183.32	151.59	166.08
Disputed sales tax deposit (Refer to note no 28)	47.40	47.40	47.40
Security deposits	3.51	432.92	4.64
Capital advance	1,625.20	5,096.02	8,933.51
TOTAL	1,859.43	5,727.93	9,151.63

8 Inventories

Lower of cost and net realisable value (Refer foot notes 1 to 4)			
Lube oil	120.80	111.92	171.82
Fuel oil	9.60	-	-
Paints	0.14	-	2.88
TOTAL	130.54	111.92	174.70

Foot notes:

1. Secured for cash credit facilities taken from Bank (Refer to note no 23)
2. The cost of inventories recognised as an expense during the year was ₹ 129.21 Lakhs (2016 : ₹ 773.09 Lakhs)
3. Full Inventory are expected to be recovered within 12 months
4. The mode of valuation of inventories has been stated in note 3.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
9 Investments

₹ in Lakhs

	No. of Shares / Units	As at 31st March 2017	No. of Shares / Units	As at 31st March 2016	No. of Shares / Units	As at 1st April 2015
Investments in equity instruments carried at fair value through profit or loss						
Equity shares (quoted) of ₹ 10 each fully paid up at :						
Mahindra Lifespace Developers Limited	16	0.06	16	0.07	16	0.08
ICICI Bank Limited	750	2.08	750	1.77	750	2.36
GOL Offshore Services Limited	50	0.02	50	0.09	50	0.32
Essar Shipping Limited	933	0.07	933	0.06	933	0.05
Essar Ports Limited		-		-	466	0.02
GOL Offshore Limited #	30	-	30	0.01	30	0.02
The Great Eastern Shipping Company Limited	121	0.50	121	0.38	121	0.44
Shreyas Shipping and Logistics Limited	100	0.32	100	0.26	100	0.40
Varun Shipping Limited		-		-	150	0.01
The Shipping Corporation of India Limited	75	0.06	75	0.05	75	0.03
Equity shares (unquoted) of ₹ 10 each fully paid up:						
Essar Ports Limited	466	0.02	466	0.02		-
Varun Global Limited #	150	-	150	-		-
Varun Resources Limited	600	0.02	600	0.02		-
Investment Written-Off		(0.04)		-		-
Investment in Mutual Funds (Unquoted) carried at fair value through profit or loss						
Birla Sun Life Dynamic Bond Fund - Retail - Growth- Regular Plan		-	53,573	14.10	53,573	13.09
Franklin India Low Duration Fund - Growth	1,217,711	224.82	1,217,711	204.01		-
Religare Invesco Credit Opportunities Fund- Ins Grw	1,723	31.99	14,600	252.53		-
DHFL Prameria Short Term Floating Rate Fund - Growth (Earlier - DWS Treasury Fund Investment Regular Plan - Growth)		-	21,259	3.51	1,763,942	271.87
IDFC Banking Debt Fund-Regular Plan-Growth		-	28,839	3.75	2,268,599	271.82
4.75% European Medium Term - Notes Syndicate Bank Ltd.		-		-	4,000	257.72
Kimco Japan Long / Short Fund Ltd.		-		-	2,019	156.39
Persistent Edge Asia Partners Ltd		-		-	350	207.81
Alkeon Growth Offshore Fund Ltd		-		-	4,000	250.19
Blackrock Global Funds- Euro Market Fund Capitalisation		-		-	12,403	220.56
Credit Suisse Nova (Lux)- Global Senior Loan Fund Distribution		-		-	9,477	612.89
Goldman Sachs Fund -Goldman Sachs Global Startegic Income Bond		-		-	6,493	454.76
AXA IM Fixed Income Investment Startegies FCP-US Short Duration High Yield Capitalisation		-		-	5,385	468.98
# Value less than ₹ 500						
TOTAL		<u>259.92</u>		<u>480.63</u>		<u>3,189.81</u>
Aggregate book value of quoted investments		3.11		2.69		3.73
Aggregate market value of quoted investments		3.11		2.69		3.73
Aggregate carrying value of unquoted investments		256.81		477.94		3,186.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Trade receivables

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured (refer foot notes below)			
Considered good	120.06	71.94	612.29
Considered doubtful	41.67	41.67	41.67
Less : Allowance for doubtful debts (expected credit loss allowance)	(41.67)	(41.67)	(41.67)
TOTAL	120.06	71.94	612.29

₹ in Lakhs

Foot notes :

- Secured for cash credit facilities taken from Bank (Refer to note no 23)
- 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 31 March, 2017 of ₹ 116.22 lakhs is due from one customer (2016 : ₹ 67.35 lakhs are due from two customers; 2015: ₹ 606.98 lakhs are due from four customers). There are no other customers who represent more than 5% of the total balance of trade receivables.

	2016-17	2015-16	2014-15
Ageing of receivables			
Within the credit period			
1-30 days past due	116.22	62.72	598.28
31-60 days past due	-	-	8.71
61-90 days past due	-	9.22	-
More than 90 days past due	3.84	-	-
More than 180 days past due	41.67	41.67	41.67

11 Cash and cash equivalents

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
11.1 Cash & cash equivalents			
Cash on hand	1.92	2.64	2.49
Balance with Banks in current accounts	22.39	16.58	12.77
Balance with Banks in foreign currency accounts	462.52	863.62	618.72
Total Cash & cash equivalent	486.83	882.84	633.98
11.2 Other Bank balances			
Earmarked balances for unpaid dividend with Bank	16.03	24.95	33.83
TOTAL	502.86	907.79	667.81

12 Loans

Unsecured considered good			
Loans to related party (Refer foot note 1 below)	830.00	830.00	830.00
Loan to other party (Refer to note no 13) (Refer foot note 2 below)	128.20	-	-
TOTAL	958.20	830.00	830.00

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 ₹ 128.20 Lakhs @ 3% p.a. repayable on demand.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****13 Other financial assets**

	As at 31st March 2017	As at 31st March 2016	₹ in Lakhs As at 1st April 2015
Rent receivable	-	3.96	-
Claims receivable	-	-	65.71
Accrued interest			
On loan to related party (Refer to note no 12)	207.41	128.97	55.91
On loan to other party (Refer to note no 12)	1.32	-	-
On bonds	-	-	4.76
TOTAL	208.73	132.93	126.38

14 Other current assets

Prepaid expenses	34.71	45.77	58.11
Advance for expenses	38.78	31.35	35.15
Commission receivables	160.25	-	-
TOTAL	233.74	77.12	93.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 Equity share capital

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
AUTHORISED			
50,000,000 Equity shares of ₹ 10/- each	5,000.00	5,000.00	5,000.00
2,500,000 Redeemable preference shares of ₹ 10/- each	2,500.00	2,500.00	2,500.00
	<u>7,500.00</u>	<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	3,630.84
TOTAL	<u>3,630.84</u>	<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 2017	As at 31st March 2016	As at 1st April 2015
Chowgule and Company Private Limited	16,932,891 46.64%	16,932,891 46.64%	16,932,891 46.64%
Quail Investments Limited	2,260,843 6.23%	2,260,843 6.23%	2,260,843 6.23%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Other equity

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balances at the end of year			
(a) Capital reserve	11.96	11.96	11.96
(b) Capital redemption reserve	30.00	30.00	30.00
(c) Securities premium reserve	2,922.01	2,922.01	2,922.01
(d) General reserve	4,117.52	4,117.52	4,117.52
(e) Investment revaluation reserve			
Balance at beginning of year	(42.42)	-	-
Less : Loss on fair value of investment	(227.92)	(42.42)	-
Balance at end of year	(270.34)	(42.42)	-
(f) Foreign currency translation reserve			
Balance at beginning of year	1,645.86	-	-
Add /(Less) : Exchange difference arising on translating the foreign operation	(290.01)	1,645.86	-
Balance at end of year	1,355.85	1,645.86	-
(g) Retained earnings			
Balance at beginning of year	967.03	20,344.25	20,344.25
Add : Loss for the year	(7,245.98)	(19,377.22)	-
Balance at end of year	(6,278.95)	967.03	20,344.25
TOTAL	1,888.05	9,651.96	27,425.74

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 security share 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.

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 Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 Non-controlling interest

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
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	5,769.00	5,932.80	5,599.80
TOTAL	<u>5,769.00</u>	<u>5,932.80</u>	<u>5,599.80</u>

18 Borrowings

Term loan from Banks (refer note no. 25) (refer foot notes below)	27,908.60	29,948.38	31,234.66
Secured by mortgage of vessels forming part of the fleet			
TOTAL	<u>27,908.60</u>	<u>29,948.38</u>	<u>31,234.66</u>

Foot notes:

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)	8,210,623	6,468,960	10,525,000	7,612,500

Terms of repayment of secured term loans for the year 2015-16

	Credit Suisse AG	Credit Suisse AG	DVB Group Merchant Bank (Asia) Ltd.	DVB Group Merchant Bank (Asia) Ltd.
No. of installments outstanding	20	24	9	14
Amount of installment (in USD)	357,821	281,920	325,000	341,250 & 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)	7,137,160	5,623,200	9,900,000	7,280,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Terms of repayment of secured term loans for the year 2014-15

	Credit Suisse AG	Credit Suisse AG	DVB Group Merchant Bank (Asia) Ltd.	DVB Group Merchant Bank (Asia) Ltd.	DVB Group Merchant Bank (Asia) Ltd.
No. of installments outstanding	24	28	13	18	3
Amount of installment in USD	357,821	281,920	325,000	341,250 & 227,500	200,000
Interval of installment	Quarterly	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%	3 months LIBOR + 2.00%
Amount of balloon in USD	7,137,160	5,623,200	9,900,000	7,280,000	1,500,000

19 Other financial liabilities

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security deposit	91.58	84.40	77.79
Payable on purchase of property, plant and equipment	1,508.04	1,379.72	-
TOTAL	1,599.62	1,464.12	77.79

20 Provisions

Provision for employee benefits	58.74	71.66	36.61
TOTAL	58.74	71.66	36.61

21 Deferred tax liabilities (net)

Deferred tax liabilities	644.34	843.57	1,089.89
Deferred tax assets (refer foot note below)	(644.34)	(771.37)	(625.57)
TOTAL	-	72.20	464.32

Foot note :

Deferred tax asset for the year 31st March, 2017 has been restricted to the extent of deferred tax liability. Components of net deferred tax liabilities / (assets) as at the end of the year is as follows:

2016-17

₹ in Lakhs

Deferred tax liabilities / (assets) 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	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2015-16

₹ in Lakhs

Deferred tax liabilities / (assets) 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)	-	-	(13.78)
Defined benefit obligations	(17.47)	(4.59)	(23.30)	(45.36)
Unused tax losses	(504.10)	(134.06)	-	(638.16)
Exchange fluctuation	(16.15)	16.15	-	-
Unused tax credit	(74.07)	-	-	(74.07)
Security deposit	0.53	0.01	-	0.54
Property, plant and equipment	1,070.32	(372.22)	-	698.10
Trade payable for property, plant and equipment	-	138.96	-	138.96
Investments	19.04	(13.07)	-	5.97
TOTAL	464.32	(368.82)	(23.30)	72.20

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

₹ in Lakhs

	As at 31st March 2017	As at 31st March 2016
Loss before tax	(360.24)	(923.18)
Income tax expense being loss	-	-
Effect of expenses that are non-deductible in determining taxable profit	(211.00)	(258.06)
Effect of previously unrecognised and unused tax losses now recognised as deferred tax losses	124.36	(134.06)
Effect on deferred tax balances due to change in income tax rate from 33.063% to 27.5525%	14.44	-
Income tax expense recognised in Statement of Profit and Loss	(72.20)	(392.12)

22 Other non current liabilities

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance rent received	-	6.66	13.31
TOTAL	-	6.66	13.31

23 Borrowings

Cash credit from Bank (Refer to note no 4,8 & 10)			
Secured against hypothecation of book debts and stocks/ stores aboard the vessel and first equitable mortgage on the Company's office premises	-	-	193.26
Unsecured borrowing			
From other party (refer foot note below)	3,205.00	1,812.80	-
TOTAL	3,205.00	1,812.80	193.26

Foot note:

The loan outstanding as on 31st March,2017 is USD 5 million (2016 : USD 2.750 million) repayable with interest @ 4% per annum in full or part without penalty on or before 30th September, 2017 (2016 - payable on or before 31st March 2017).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 Trade payables

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Total Outstanding dues of micro enterprises & small enterprises (Refer foot notes below)	6.21	1.73	1.89
Total Outstanding dues of other than micro enterprises & small enterprises			
Shipping cost payable	1,416.85	1,115.18	1,148.36
Payable on purchase of property, plant and equipment	-	-	6.87
Provision for other expenses	56.83	49.51	40.52
TOTAL	<u>1,479.89</u>	<u>1,166.42</u>	<u>1,197.64</u>

₹ in Lakhs

Foot note:

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

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

25 Other financial liabilities

Secured			
Current maturities of long term debt (Refer to note no 18)	2,992.68	3,143.70	4,377.72
Secured by mortgage of vessels forming part of fleet (Refer to note no 18)			
Interest accrued but not due on borrowings			
On Loans	219.02	99.72	84.80
On Other	93.17	20.76	-
Unpaid dividends	16.03	24.95	33.83
TOTAL	<u>2,620.90</u>	<u>3,289.13</u>	<u>4,496.35</u>

26 Other current liabilities

Advance rent received	6.66	6.66	6.66
Charter hire (received in advance)	135.12	50.82	32.78
Advance received from customers	2.26	5.90	-
Payable to gratuity fund (refer note no 36)	19.16	56.08	8.03
Statutory remittances	1.43	2.12	7.88
TOTAL	<u>164.63</u>	<u>121.58</u>	<u>55.35</u>

27 Provisions

Provision for employee benefits	10.11	9.44	8.16
TOTAL	<u>10.11</u>	<u>9.44</u>	<u>8.16</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 Contingent Liabilities & Commitments

	As at 31st March 2017	As at 31st March 2016	₹ in Lakhs As at 1st April 2015
a) Contingent liabilities			
i) Sales Tax demand not provided for: (Refer to note no 7) 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 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.	237.00	237.00	237.00
ii) Income tax demand not provided for The Company has filed appeal in respect of the same. Note : Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.	32.84	42.61	479.71
iii) During the previous year one of the vessel was arrested under "meritime lien" in relation to non payment of bunker stemmed by charterers. The CSOL had paid ₹ 428.48 lakhs (USD 0.650 Million) to North of England P & I club as security deposit (Refer note no 7) for the undertaking given by them for lifting the arrest of vessel. The CSOL does not expect any liability to devolve on it in respect of the above and therefore no provision is held. During the current year the vessel has been realised.	-	428.48	-
b) Commitments			
i) 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	6,410.00	6,592.00	6,922.00
ii) Estimated amount of contracts remaining to be executed on capital account not provided for - The Group has a commitment for the construction of one (2016 - two) (2015 -three) hulls	14,807.10	24,938.18	61,683.49



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 Revenue from Operations

	Year Ended 31st March 2017	₹ in Lakhs Year Ended 31st March 2016
Sale of Service:		
Charter hire receipts	4,373.92	5,219.97
Claims received	-	209.37
TOTAL	4,373.92	5,429.34

30 Other Income

Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Loans	89.01	87.39
Security deposit	0.03	-
Bank deposit	-	0.06
Income tax refund	-	1.80
Others	-	0.66
Operating lease rental income	925.25	209.44
Dividend income	0.04	5.01
Net gain arising on financial assets designated as at FVTPL	-	410.57
Profit /(Loss) on sale of property plant and equipment	0.01	-
Sundry receipts	21.92	-
Commission receivable	264.01	-
Sundry balance written back	31.88	0.71
TOTAL	632.15	715.64

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 gain in fair value of ₹ 12.59 lakhs (2016: loss of ₹ 39.53 lakhs).

31 Employee benefits expenses

Salaries, wages and other benefits (Refer to note no 36)	135.37	185.87
Contributions to provident and other funds (Refer to note no 36)		
Superannuation contribution	16.05	13.69
Gratuity (L I C contribution)	13.54	4.87
Contribution to provident fund @ 12%	11.57	11.64
Staff welfare expenses	1.91	2.85
TOTAL	178.44	218.92

32 Finance costs

Interest on term loan	1,232.45	1,065.45
Interest on cash credit	-	16.68
Interest on others	135.49	7.82
TOTAL	1,367.94	1,089.95

33 Depreciation and amortisation expenses

Depreciation on property, plant and equipment pertaining to continuing operations (Refer note no 4)	2,980.69	3,873.03
TOTAL	2,980.69	3,873.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Other expenses

	Year Ended 31st March 2017	₹ in Lakhs Year Ended 31st March 2016
Power and fuel	7.92	8.31
Legal and professional expenses	179.21	130.13
Postage, telephone, telexes etc.	22.95	20.02
Rent	0.49	0.49
Rates and taxes	29.33	30.31
Auditors' remuneration		
For statutory audit	4.00	4.00
For tax audit	0.80	0.80
For other services	3.70	3.70
Service tax on above	1.28	1.25
Director's sitting fees	10.45	8.77
Net foreign currency translation differences	4.31	42.10
Travelling expenses (Including foreign travelling)	33.32	67.55
Repairs to building	38.55	42.95
Subscriptions	17.68	16.98
Loss on sale of investment	91.23	-
Investment written off	0.04	-
Miscellaneous expenses	63.51	78.86
Operating expenses		
Manning cost	2,172.95	2,587.70
Fuel and oil	129.21	773.09
Stores and spare parts consumed	316.43	281.58
Port disbursement, stevedorage, light dues etc.	13.49	1.80
Ship repairs and survey charges	157.49	181.55
Dry docking charges	204.64	399.45
Insurance & protection club dues	243.45	379.50
Brokerage and agency fees	159.05	188.43
Claims paid	8.82	0.53
Sundry balance written - off	1.00	-
Claims written - off	-	65.71
Ship management fees	315.83	409.10
Crew expenses	285.08	346.15
Quality & safety facilities	40.04	41.51
Handling & transport	11.92	22.31
TOTAL	4,568.17	6,134.63

35 Exceptional items

Loss on sale of vessel	-	(41.65)
Impairment in value of assets (Refer to note no 4)	51.56	(8,325.88)
Advance written off	(3,323.27)	(6,159.79)
TOTAL	(3,271.71)	(14,527.32)

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)

	2016-17	2015-16
i) Provident fund	11.57	11.64
ii) Superannuation fund	16.05	13.69

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 both during and after their employment. 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:

	2016-17	2015-16	2014-15
i) Discount rate at 31st March	7.31% p.a.	7.97% p.a.	7.80% p.a.
ii) Rate of increase in compensation	12.00% p.a.	15.00% p.a.	10.00% p.a.
iii) Attrition rate	0.50% p.a.	0.50% p.a.	0.50% p.a.
iv) Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Foot notes:

- The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- The estimate of future salary increase considered, takes into account the inflation, seniority, promotion, increments and other relevant factors, such as supply and demand in the employment market.
- The fair value of the plan assets are based on the LIC Fund balance position as at the balance sheet date. The composition and the categories of plan assets are unavailable with the Company.
- The expected rate of return on plan assets is based on the average long-term rate of return expected on investment of funds during the estimated term of obligation.

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

	₹ in Lakhs	
	2016-17	2015-16
Service cost		
Current service cost	11.08	9.94
Past service cost and (gain)/loss from settlements	-	-
Net Interest expense	4.07	(0.77)
Components of defined benefit costs recognised in the consolidated statement of profit and loss	15.15	9.17
Remeasurement on the net defined benefit liability :		
Return on the plan assets (excluding amount included in net interest expenses)	0.38	1.21
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(16.05)	36.20
Actuarial (gains)/losses arising from experience adjustments	(27.73)	33.06
Others (describe)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	(43.40)	70.47
TOTAL	(28.25)	79.64

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:

	₹ in Lakhs		
	2016-17	2015-16	2014-15
Present value of funded defined benefit obligations	171.34	188.98	101.84
Fair value of plan assets	152.17	132.90	93.81
Funded status deficit/(surplus)	19.17	56.08	8.03
Restrictions on assets recognised	-	-	-
Net liability arising from defined benefit obligation	19.17	56.08	8.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Movements in the present value of the defined benefit obligations are as follows:

	2016-17	2015-16
Opening defined benefit obligations	188.98	101.84
Current service cost	11.08	9.94
Interest cost	15.06	7.94
Remeasurement (gains)/loss:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(16.05)	36.20
Actuarial (gains)/losses arising from experience adjustments	(27.73)	33.06
Benefits paid	-	-
Closing defined benefit obligation	171.34	188.98

₹ in Lakhs

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

Opening fair value of plan assets	132.90	93.81
adjustment to opening fair value of plan asset	1.45	4.29
Interest income	11.00	8.72
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expenses)	(0.38)	(1.22)
Contribution from the employer	7.20	27.30
Benefits paid	-	-
Closing defined benefit obligation	152.17	132.90

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		
		2016-17	2015-16	2014-15
Discount rate	PVO DR + 1%	164.98	179.91	96.15
	PVO DR - 1%	178.36	199.02	108.17
Expected Salary escalation rate	PVO ER + 1%	177.96	198.26	107.96
	PVO ER - 1%	165.20	180.40	96.23

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	1.50	1.61	124.31	0.33	0.35	13.93

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 2017 is ₹ 19.17 lakhs (2016 - ₹ 7.20 lakhs, 2015 - ₹ 7.50 lakhs).

	₹ in Lakhs				
	2012-13	2013-14	2014-15	2015-16	2016-17
Experience adjustments					
Present value of the obligation	74.75	88.41	101.84	188.98	171.34
Fair value of the plan assets	55.43	74.82	93.81	132.90	152.17
Surplus/ (Deficit)	(19.32)	(13.59)	(8.03)	(56.08)	(19.17)
Experience adjustment on plan liabilities	7.14	(0.96)	(14.84)	33.06	(27.73)
Experience adjustment on plan assets	0.32	(5.98)	(2.43)	(1.44)	(0.38)

37 Related party disclosures, as required by Ind AS 24 "Related Party Disclosures" as notified under the Companies (Accounting Standard) Rules, 2006, are given below.

i. List of subsidiaries:

Name of the Company	Country of Incorporation	% of Holding		
		31st March 2017	31st March 2016	31st March 2015
Chowgule Steamships Overseas Ltd (CSOL)	Guernsey	100%	100%	100%
Sea Bird LLC	The Marshall Islands	100%	100%	100%
Sea Lord LLC	The Marshall Islands	100%	100%	100%
Sea Green LLC	The Marshall Islands		Company was wound up	100%
Sea King LLC	The Marshall Islands	100%	100%	100%
Sea Link LLC	The Marshall Islands	100%	100%	100%

ii. Compensation to key management personnel

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

	₹ in Lakhs	
	31-Mar-2017	31-Mar-2016
Short-term benefits	80.67	81.20

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance and market trends. The same excludes gratuity and compensated absences.

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 ₹ 51.58 lakhs (2016: ₹2.27 lakhs), Outside India ₹4,321.64 lakhs (2016: ₹ 5,427.07 lakhs)

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

In India ₹ 2,856.57 lakhs (2016: ₹ 3,002.21 lakhs, 2015: ₹ 4,264.27 lakhs), Outside India ₹ 42,743.72 lakhs (2016: ₹ 50,641.14 lakhs, 2015: ₹ 62,603.84 lakhs)

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



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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	
	31-Mar-2017	31-Mar-2016
a. Profit/(Loss) for the year (₹ in Lakhs)	(7,277.42)	(19,330.05)
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 ₹)	(20.04)	(53.24)
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 ₹)	(20.04)	(53.24)

40 During the year, the Company had Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of SBN held and transacted during the period from 8 November, 2016 to 30 December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

	₹ in Lakhs		
	SBNs	Other denomination notes	Total
Closing Balance as at 8 November 2016	0.70	0.08	0.78
Add: Receipts for permitted transactions	-	2.52	2.52
Less : Paid for permitted transactions	-	1.82	1.82
Less: Deposited in bank accounts	0.70	-	0.70
Closing balance as at 30 December 2016	-	0.78	0.78

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E), dated the 8 November, 2016.

41. Financial Instruments

41.1 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 18, 23 & 25 and off set by cash and bank balance) and total equity of the Group.

41.1.1 Gearing ratio

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

	₹ in Lakhs		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Debt (Refer foot note (i) below)	31,113.60	31,761.18	31,427.92
Cash and Bank balances	(502.86)	(907.79)	(667.80)
Net debt	30,610.74	30,853.39	30,760.12
Equity (Refer foot note (ii) below)	11,287.89	19,215.60	36,656.38
Net debt to equity ratio	2.71	1.61	0.84

Notes:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41.2 Categories of financial instruments

	₹ in Lakhs		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial assets			
Measured at amortised cost			
(a) Cash and bank balances	502.86	907.79	667.80
(b) Other financial assets at amortised cost			
(i) Other financial assets	210.53	134.73	128.69
(ii) Other loans	958.20	830.00	830.00
(iii) Trade receivables	120.06	71.94	612.99
Measured at fair value through profit or loss			
(a) Investments	259.92	480.63	3,189.81
Measured through other comprehensive income			
(a) Investments	319.24	920.51	1,869.16
TOTAL	2,370.81	3,345.60	7,297.75
Financial liabilities			
Measured at amortised cost			
(i) Other financial liabilities	4,220.52	4,753.26	4,574.14
(ii) Borrowings	31,113.60	31,761.18	31,427.92
(iii) Trade payables	1,479.89	1,166.42	1,197.64
TOTAL	36,814.01	37,680.86	37,199.70

The above excludes investment in subsidiary.

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

41.3 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.

41.4 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.

41.5 Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group's exposure to currency risk relates primarily to the Group's operating activities and borrowings when transactions are denominated in a different currency from the Group's functional currency. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2016-17		2015-16		2014-15		
	(₹ in Lakhs)	USD in Million	(₹ in Lakhs)	USD in Million	(₹ in Lakhs)	USD in Million	
Receivables							
Other current assets	4.34	0.01	1.35	#	-	174.21	0.28
Cash & cash equivalents	67.40	0.10	71.05		0.11	6.51	0.01
Payables							
Term loan form foreign Bank	-	-	-		-	1,198.14	1.90
Trade payables	1.01	#	-	12.47	0.02	392.85	0.63

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.

41.6 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.

41.7 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.

41.8 Credit risk management

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

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

41.9 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.

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 tables have 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 tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

						₹ in lakhs
	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	Carrying Amount
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						
Borrowing	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
Borrowing	4%	3,205.00	-	-	3,205.00	3,205.00
March 31, 2016						
Non-interest bearing						
Trade payables		1,166.42	-	-	1,166.42	1,166.42
Other financial liabilities		(289.80)	-	-	(289.80)	(289.80)
Variable interest rate instruments						
Borrowings	3.39%	-	22,250.22	7,698.16	29,948.38	29,948.38
Other financial liabilities		3,143.70	-	-	3,143.70	3,143.70
Fixed interest rate instruments						
Payable on purchase of property, plant and equipment	9.30%	-	1,800.00	-	1,800.00	1,379.72
Security deposit	8.50%	-	99.36	-	99.36	84.40
Borrowings	4%	1,812.80	-	-	1,812.80	1,812.80
April 1, 2015						
Non-interest bearing						
Trade payables		1,197.64	-	-	1,197.64	1,197.64
Other financial liabilities		97.06	-	-	97.06	97.06
Variable interest rate instruments						
Borrowings	3.10%	1,198.14	21,001.34	10,233.32	32,432.80	32,432.80
Other financial liabilities		3,179.58	-	-	3,179.58	3,179.58
Cash credit from Bank	13.50%	193.26	-	-	193.26	193.26
Fixed interest rate instruments						
Security deposit	8.50%	-	99.36	-	99.36	77.79



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
March 31, 2017					
Non-interest bearing					
Other financial assets		3.12	-	-	3.12
Investments		601.68	-	-	601.68
Trade receivable		120.06	-	-	120.06
Cash and Bank balance		502.86	-	-	502.86
Fixed interest rate instruments					
Other financial assets		78.44	128.97	-	207.41
Loans	10.50%	-	830.00	-	830.00
Loans	3%	128.20	-	-	128.20
March 31, 2016					
Non-interest bearing					
Other financial assets		5.76	-	-	5.76
Investments		1,203.52	-	-	1,203.52
Trade receivable		71.94	-	-	71.94
Cash and Bank balance		907.79	-	-	907.79
Fixed interest rate instruments					
Other financial assets		73.06	55.91	-	128.97
Loans	10.50%	-	830.00	-	830.00
April 1, 2015					
Non-interest bearing					
Other financial assets		72.78	-	-	72.78
Investments		4,791.84	-	-	4,791.84
Trade receivable		612.29	-	-	612.29
Cash and Bank balance		667.80	-	-	667.80
Fixed interest rate instruments					
Other financial assets		55.91	-	-	55.91
Loans	10.50%	-	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 Group do not enjoy working capital facility. The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. 9.1.3 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Companies financial assets/ liabilities that are measured at fair value or where fair value disclosure is required as at 31st March 2017:

	Fair value measurement using			₹ in Lakhs
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	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
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	-	-	4,920.52	4,920.52
(ii) Borrowings	-	-	31,113.60	31,113.60
(iii) Trade payables	-	-	1,479.89	1,479.89

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

The following table provides the fair value measurement hierarchy of the Companies financial assets / liabilities that are measured at fair value or where fair value disclosure is required as at 31st March 2016:

	Fair value measurement using			₹ in Lakhs
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	Financial Assets			
Measured at amortised cost				
(a) Cash and bank balances	-	-	907.79	907.79
(b) Other financial assets at amortised cost				
(i) Other Financial assets	-	-	134.73	134.73
(ii) Other loans	-	-	830.00	830.00
(iii) Trade receivables	-	-	71.94	71.94
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	2.69	-	-	2.69
Investments in equity shares (unquoted)	-	-	0.04	0.04
Investments in mutual funds (unquoted)	477.90	-	-	477.90
Measured through other comprehensive income				
(a) Investments	920.51	-	-	920.51
Financial Liabilities				
Financial Liabilities held at amortised cost:				
(i) Other Financial liabilities	-	-	4,753.26	4,753.26
(ii) Borrowings	-	-	31,761.18	31,761.18
(iii) Trade Payables	-	-	1,166.42	1,166.42

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table provides the fair value measurement hierarchy of the Companies financial assets / liabilities that are measured at fair value or where fair value disclosure is required as at 1st April 2015:

	Fair value measurement using			₹ in Lakhs
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial asset				
Measured at amortised cost				
(a) Cash and bank balances	-	-	667.80	667.80
(b) Other financial assets at amortised cost				
(i) Other Financial assets	-	-	128.69	128.69
(ii) Other loans	-	-	830.00	830.00
(iii) Trade receivables	-	-	612.99	612.99
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	3.73	-	-	3.73
Investments in mutual funds (unquoted)	3,186.08	-	-	3,186.08
Measured through other comprehensive income				
(a) Investments	1,869.16	-	-	1,869.16
Financial liabilities				
Financial liabilities held at amortised cost:				
(i) Other financial liabilities	-	-	4,574.14	4,574.14
(ii) Borrowings	-	-	31,427.92	31,427.92
(iii) Trade payables	-	-	1,197.64	1,197.64

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

42 Explanation of transition to Ind AS

The Group's consolidated statements for the year ended 31st March, 2017 are the first consolidated annual financial statements prepared by the Company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1st April, 2015 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below. Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Reconciliations

The accounting policies as stated in note 3 have been applied in preparing the consolidated financial statements for the year ended 31st March, 2017, the consolidated financial statements for the year ending 31st March, 2016 and the preparation of an opening Ind AS statement of consolidated financial position as at 1st April, 2015. In preparing its opening Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31st March, 2016, the Company has adjusted amounts reported in consolidated financial statements prepared in accordance with Previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's consolidated financial position, consolidated performance and cash flow is set out in the following tables.

i Reconciliations of equity:

	Notes	₹ in Lakhs	
		As at 31st March 2016 (End of last period presented under previous GAAP)	As at 1st April 2015 (Date of transition)
(I) Total equity (shareholder's funds) under previous GAAP		12,765.74	30,690.21
(II) Investments measuring at fair value through profit or loss	b	18.05	57.58
Investment measuring at fair value through other comprehensive income	e	179.72	209.70
Security deposit measuring at fair value on initial recognition and subsequently at amortised cost through statement of profit or loss	c	1.64	1.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Notes	As at 31st March 2016 (End of last period presented under previous GAAP)	As at 1st April 2015 (Date of transition)
Liability measuring at fair value on initial recognition and subsequently at amortised cost through statement of profit or loss	a	(1.07)	-
Recognition of deferred taxes using the balance sheet approach under Ind AS	g	318.72	97.49
Total adjustment to equity		517.06	366.37
Total equity under Ind AS		13,282.80	31,056.58

ii Reconciliation of total comprehensive income

₹ in Lakhs

	Notes	Year Ended 31st March 2016 (Latest period presented under previous GAAP)
Loss as per previous GAAP		(19,557.89)
Adjustments :		
Actuarial loss on defined benefit plan considered under other comprehensive income (net of tax)	d	47.17
Effect of measuring investments at fair value through Profit & Loss	b	(39.53)
Effect of measuring liability at fair value on initial recognition & subsequently at amortised cost through statement of Profit & Loss	a	(1.07)
Effect of measuring security deposit at fair value on initial recognition & subsequently at amortised cost through statement of Profit & Loss	c	0.05
Deferred tax adjustments		221.23
Net loss after tax as per Ind AS		(19,330.04)
Other comprehensive income	d,e,f	1556.26
Total comprehensive income / loss under Ind AS		(17,773.78)

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

iii Explanation of material adjustments to consolidated statement of cash flow for the year ended 31st March, 2016

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of an entity's cash management system are included in cash and cash equivalent for the purpose of presentation of consolidated statement of cash flows. Whereas under previous GAAP, there was no similar guidance and hence, bank overdrafts were considered similar to other borrowings and the movements therein were reflected in cash flows from financing activities. The effect of this is that bank overdrafts of ₹ 193.26 Lakhs as at 31st March, 2015 have been considered as part of cash and cash equivalents under Ind AS for the purpose of presentation of consolidated statement of cash flows. Consequently, the cash outflow from financing activities as per the consolidated statement of cash flows for the year ended 31st March, 2016 prepared as per Ind AS is lower to the extent of this net movement of ₹ 193.26 Lakhs.

Notes to the reconciliations

- "Under previous GAAP, Payment for Property, Plant and Equipment is deferred beyond normal credit terms, its cost is the cash price equivalent unless interest element is specifically identified in the arrangement. Under Ind AS the difference between the purchase price under normal credit terms and the total amount incurred would be recognized as interest expense over the period of the credit term. Accordingly, the Company has derecognised ₹ 421.48 Lakhs from gross block and ₹ 0.14 lakhs from depreciation and an equivalent amount has been recognised in Consolidated Statement of Profit and Loss as on 31st March, 2016. The net effect of these changes is a decrease in total equity as at 31st March, 2016 of ₹ 1.07 Lakhs and increase of ₹ 1.07 Lakhs in Loss before tax and increase of ₹ 0.71 Lakhs in loss after tax for the year ended 31st March, 2016."
- Under previous GAAP, current investment were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on date of transition. The fair value changes are recognised in profit or loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP, resulting

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

in an increase in carrying amount by ₹ 18.05 lakhs as at 31st March, 2016 and increase by ₹ 57.58 lakhs as at 1st April, 2015 . The net effect of these changes is decrease in total equity as at 31st March, 2016 of ₹ 18.05 lakhs (₹ 57.58 lakhs increase as at 1st April 2015), and increase in loss before tax of ₹ 39.53 lakhs.

- c) Under the previous GAAP, Interest free security deposit (that are refundable in cash on completion of the lease term) are recorded at their transactional value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposit under Ind AS. Difference between the fair value and transaction value of the security deposit has been considered as advance rent receivable from lessee. This is recognised as additional rental income on a straight line basis over the lease term. Interest will be accreted on the fair value recognised on inception to bring fair value to deposit amount that will be repaid. Consequent to this change, the amount of security deposit decreased by ₹ 14.96 lakhs as at 31st March, 2016 (1st April 2015 - ₹21.57 lakhs), and advance rent increased by ₹ 6.66 lakhs as at 31st March, 2016 (1st April, 2015 - ₹ 13.31 lakhs). The loss for the year ended 31st March 2016 decreased by ₹ 6.65 lakhs due to recognition of additional rental income which is partially off-set by notional interest expense of ₹ 6.61 recognised on security deposit. Consequently total equity as at 31st March, 2016 increased by ₹ 1.64 lakhs(1st April, 2015 - ₹ 1.60 lakhs).
- d) Under previous GAAP, actuarial gains and losses were recognised in Consolidated profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss, The actuarial loss for the year ended 31st March, 2016 were ₹ 70.47 lakhs and the tax effect thereon ₹ 23.30 lakhs . This change does not affect total equity, but there is a decrease in loss before tax of ₹ 70.47 lakhs, and in total loss of ₹ 47.17 lakhs for the year ended 31st March, 2016.
- e) Under previous GAAP, current investment were measured at lower of cost or fair value. Under Ind AS, these consolidated assets have been classified as FVTOCI on date of transition. The fair value changes are recognised in profit or loss. On transitioning to Ind AS, these consolidated assets have been measured at their fair values which is higher than cost as per previous GAAP, resulting in an decrease in carrying amount by ₹ 29.98 lakhs (net of foreign exchange translation difference of ₹ 12.44 lakhs) as at 31st March, 2016 and increase by ₹ 209.70 lakhs as at 1st April, 2015. The net effect of these changes is an decrease in total equity as at 31st March, 2016 of ₹ 179.72 lakhs (₹ 209.70 lakhs increase as at 1st April 2015), and an increase in loss before tax for the year ended 31st March, 2016 of ₹ 42.42 lakhs (₹ 209.67 lakhs decrease as at 1st April 2015).
- f) 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. The foreign exchange difference arising on translating the foreign operation for the year ended 31st March, 2016 of ₹ 1,645.86 lakhs . Consequently total equity as at 31st March, 2016 increased by ₹ 1,645.86 lakhs.
- g) Due to transition to Ind AS from previous GAAP following adjustments were made to deferred tax liability (DTL) (net) as on 31st March, 2016 and 1st April, 2015.

	₹ in Lakhs	
	As at 31st March 2016	As at 1st April 2015
(I) Balance as per previous GAAP	464.99	635.88
(II) Recognised / Reversed through Profit or Loss		
Decrease in DTL on account of unused tax losses	(638.16)	(504.10)
Increase in DTL on account of measuring security deposit at fair value on initial recognition & subsequently at amortised cost through statement of Profit & Loss	0.54	0.53
DTL reversed due to carrying value of property, plant and equipment considered as deemed cost	133.65	387.04
Increase in DTL on account of measuring liability at fair value on initial recognition & subsequently at amortised cost through statement of Profit & Loss	179.28	-
Increase in DTL on account of measuring investments at fair value through Profit & Loss	5.97	19.04
	<u>(318.72)</u>	<u>(97.49)</u>
(III) Unused tax credit	<u>(74.07)</u>	<u>(74.07)</u>
Balance as per Ind-AS	<u>72.20</u>	<u>464.32</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

h) Reconciliation of deferred tax expenses/(credit) for the year ended March 31, 2016

	Amount in ₹ Lakhs
Deferred tax credit as per Previous GAAP	(170.89)
Charge / (reversed) to consolidated statement of profit and loss account on account of DTL reversed due to carrying value of property, plant and equipment considered as deemed cost	333.79
Foreign currency gain	(16.15)
Deferred tax impact on remeasurement of defined benefit obligation	27.89
Expenses on recognition of measuring security deposit at fair value on initial recognition & subsequently at amortised cost through statement of profit & loss	0.54
Income on recognition of measuring investments at fair value through profit & loss	5.97
Expenses on recognition of measuring liability at fair value on initial recognition & subsequently at amortised cost through statement of profit & loss	138.96
Unused tax losses	(638.16)
Unused tax credit	(74.07)
Total adjustment in total comprehensive income	<u>(221.23)</u>
Deferred tax income as per Ind-AS	<u>(392.12)</u>

43 "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, 2017

(₹ in Lakhs)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(₹ in Lakhs)	As % of consolidated Loss	(₹ in Lakhs)	As % of consolidated Loss	(₹ in Lakhs)	As % of consolidated Loss	(₹ in Lakhs)
Parent								
Chowgule Steamships Ltd	92.44%	2,532.58	3.79%	(276.08)	-6.46%	31.44	3.15%	(244.64)
Foreign Subsidiary								
Chowgule Steamships Overseas Limited	77.56%	8,755.31	96.21%	(7,001.34)	106.46%	(517.93)	96.85%	(7,519.27)
TOTAL	100.00%	11,287.89	100.00%	(7,277.42)	100.00%	(486.49)	100.00%	(7,763.91)

b) As at and for the year ended 31 March, 2016

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(₹ in Lakhs)	As % of consolidated Loss	(₹ in Lakhs)	As % of consolidated Loss	(₹ in Lakhs)	As % of consolidated Loss	(₹ in Lakhs)
Parent								
Chowgule Steamships Ltd	14.45%	2,777.22	2.87%	(554.36)	-3.03%	(47.17)	3.38%	(601.53)
Foreign Subsidiary								
Chowgule Steamships Overseas Limited	85.55%	16,438.38	97.13%	(18,775.69)	103.03%	1,603.44	96.62%	(17,172.25)
TOTAL	100.00%	19,215.60	100.00%	(19,330.05)	100.00%	1,556.27	100.00%	(17,773.78)

44 Events after the reporting period

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

45 Approval of consolidated financial statements

The financial statements were approved and taken on record by the Board of Directors at its meeting held on May 12, 2017.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

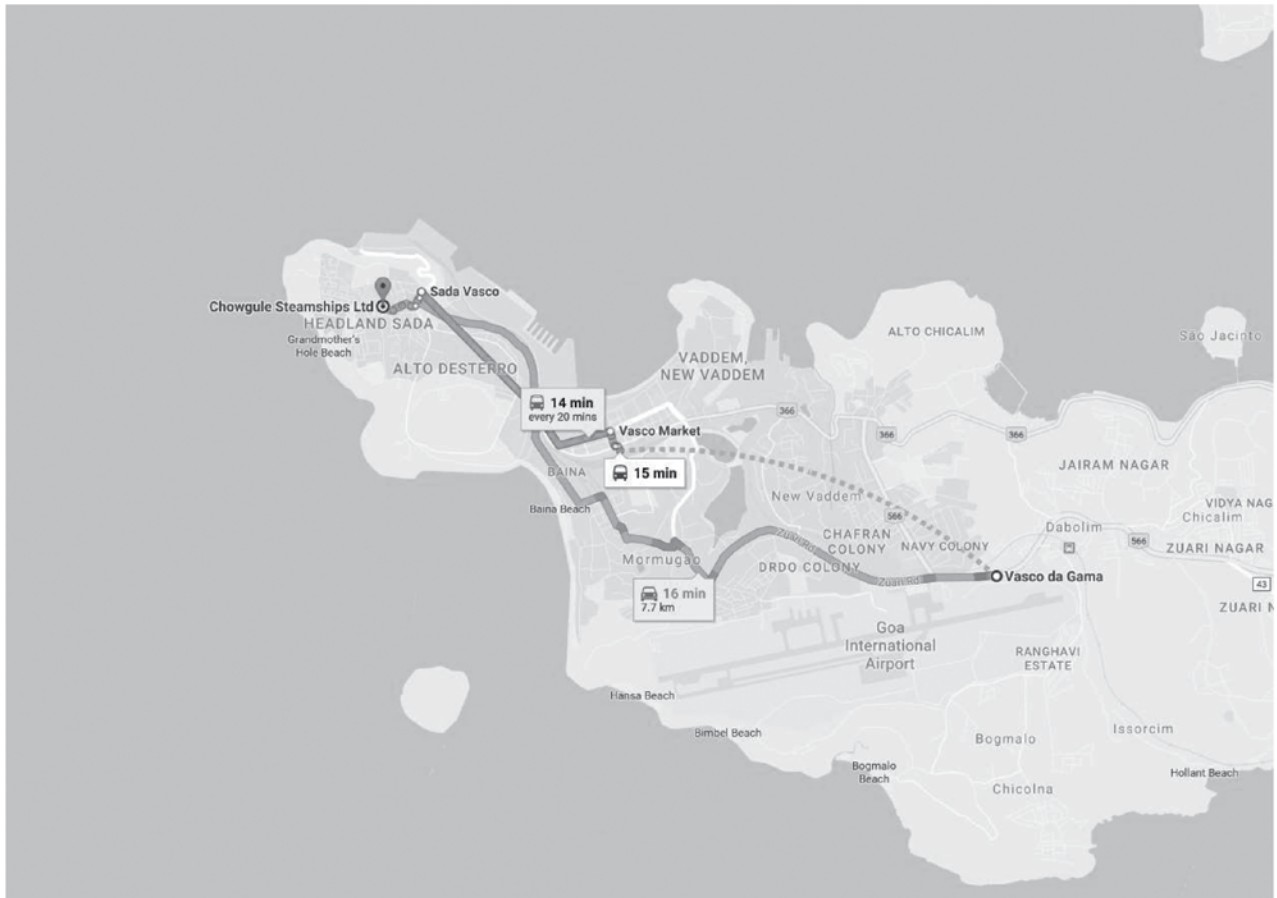
D. N. MUNGALE
Director

MANGESH SAWANT
Managing Director & CFO

Place: Mumbai
Date: May 12, 2017

SUHAS JOSHI
Company Secretary

ROUTE MAP For ANNUAL GENERAL MEETING



Fleet Profile

CHOWGULE STEAMSHIPS LIMITED

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

CHOWGULE STEAMSHIPS OVERSEAS LIMITED

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

