



# CHOWGULE STEAMSHIPS LIMITED

CIN-L63090GA1963PLC000002

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



CSL/SE-20/2020-21

7<sup>th</sup> September, 2020

To,  
BSE Limited  
1st Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Scrip Code : 501833

Dear Sir,

**Sub: Submission of 57<sup>th</sup> Annual Report for the financial year 2019-20**

Dear Sir / Madam,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the 57<sup>th</sup> Annual Report of our Company for the financial year 2019-20 (57<sup>th</sup> Annual Report) containing the Audited Balance Sheet, Profit & Loss Account, Cash Flow Statements together with the Auditors' Report and Directors' Report, Corporate Governance Report, Auditors' Certificate on compliance of conditions of Corporate Governance, Secretarial Audit Report and Management Discussion & Analysis Report for the financial year ended 31<sup>st</sup> March 2020 and the Notice convening the 57<sup>th</sup> Annual General Meeting (57<sup>th</sup> AGM Notice) scheduled to be held on Tuesday, 29<sup>th</sup> September 2020 at 3:00 p.m. (IST) through electronic mode (Video Conference or Other Audio Visual Means). In accordance with General Circular dated 5<sup>th</sup> May 2020 of the Ministry of Corporate Affairs and SEBI Circular dated 12<sup>th</sup> May 2020, the 57<sup>th</sup> Annual Report along with the 57<sup>th</sup> AGM Notice is sent through electronic mode to the Members of the Company.

Further, the 57<sup>th</sup> Annual Report along with the 57<sup>th</sup> AGM Notice has also been uploaded on the website of the Company at [www.chowgulesteamships.co.in](http://www.chowgulesteamships.co.in).

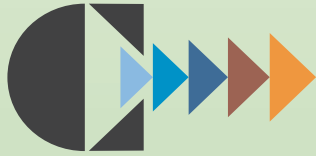
Kindly take the same on record and oblige

Thanking you,

Yours truly,

For **CHOWGULE STEAMSHIPS LIMITED**

**DARSHAN KAREKAR**  
**COMPANY SECRETARY**



**CHOWGULE**  
G ▲ R ▲ O ▲ U ▲ P  
S I N C E 1 9 1 6

**57<sup>TH</sup> ANNUAL REPORT 2019-20**



**Chowgule Steamships Limited**



## BOARD OF DIRECTORS

Padma Chowgule - Chairman	(DIN: 00006969)	Promoter Non-Executive Director
Sanjiv Nemish Shah	(DIN: 00007211)	Independent Non-Executive Director
Rohini Vishwasrao Chowgule	(DIN: 00019057)	Promoter Non-Executive Director
Farokh Jamshed Guzder	(DIN: 00108856)	Independent Non-Executive Director
Ravindra Kulkarni	(DIN: 00059367)	Independent Non-Executive Director
Aditya Jaywant Chowgule – Managing Director & CFO	(DIN: 07739364)	Promoter Executive Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Darshan Karekar

## AUDITORS

M/s CNK & Associates LLP

## REGISTERED OFFICE

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

## CORPORATE OFFICE

Bakhtawar, 4<sup>th</sup> floor  
Nariman Point, Mumbai - 400 021  
Tel : (022) 6620 2500 / Fax : (022) 6620 2545  
Email : [karekard.csl@chowgule.co.in](mailto:karekard.csl@chowgule.co.in)  
Web : [www.chowgulesteamships.co.in](http://www.chowgulesteamships.co.in)

## SHARE TRANSFER AGENTS

Link Intime India Private Limited  
C-101, 247 Park, L.B.Shastri Marg,  
Vikhroli (West), Mumbai 400 083  
Tel.: (022) 4918 6270 / Fax : (022) 4918 6060  
Email : [rnt.helpdesk@linkintime.co.in](mailto: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 Seventh Annual General Meeting (AGM) of the Members of CHOWGULE STEAMSHIPS LIMITED will be held on Tuesday, 29<sup>th</sup> September, 2020 at 03.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Standalone and consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020, together with the Report of the Board of Directors and Auditors thereon.

### SPECIAL BUSINESS

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

**"RESOLVED THAT** Ms. Padma Chowgule (DIN : 00006969), who was appointed as an Additional Director of the Company with effect from 27<sup>th</sup> July, 2019 pursuant to the provisions of Section 161 of the Companies Act, 2013 ("Act") and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer herself for appointment and in respect of whom the Company has received a notice in writing from a Member, pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Ms. Padma Chowgule for the office of Director, be and is hereby appointed as a Director and Chairman of the Company, liable to retire by rotation, with effect from the date of this Meeting.

**RESOLVED FURTHER THAT**, any director and/or Mr. Darshan Karekar, Company Secretary of the Company be and is hereby severally authorized to sign the requisite forms / documents and to do all such acts, deeds and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid resolution".

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

**"RESOLVED THAT** Mr. Aditya Chowgule (DIN : 07739364), who was appointed as an Additional Director of the Company with effect from 27<sup>th</sup> July, 2019 pursuant to the provisions of Section 161 of the Companies Act, 2013 ("Act") and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer herself for appointment and in respect of whom the Company has received a notice in writing from a Member, pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Mr. Aditya Chowgule for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation, with effect from the date of this Meeting."

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification or re-enactment thereof, for the time being in force and subject to such other approvals, if and as may be required, and based on the recommendation of the Nomination and Remuneration Committee, the consent and approval of the Company be and is hereby accorded to the appointment of Mr. Aditya Chowgule (DIN: 07739364) as Managing Director and Chief Financial Officer (CFO) of the Company for a period of five years w.e.f. April 01, 2020, without remuneration and liable to retire by rotation."

**RESOLVED FURTHER THAT** the Board of Directors of the Company on the recommendations of the Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds and things as it may consider necessary or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 17 of SEBI (LORD) Regulations, 2015, Ms. Mala Indiru Bhojwani (DIN 000885157), who was appointed as an Additional Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years upto 30<sup>th</sup> August, 2025."

**For Chowgule Steamships Limited**

Place: Mumbai  
Date: 31<sup>st</sup> August, 2020

Darshan Karekar  
**Company Secretary**

## NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM (Video Conferencing/Other Audio Visual Means), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. Unclaimed Dividends up to the year 1994-95 have been transferred to the General Revenue Account of the Central Government. Those shareholders, who have so far not claimed or collected their dividend up to the above financial year, may claim their dividend from the Registrar of Companies, Goa, Daman and Diu.
4. Unclaimed Dividends for the years 1995-96, 1996-97, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 have been duly transferred to the Investor Education and Protection Fund.
5. The shares of the Company are listed on BSE Limited (BSE) and the listing fees in respect thereof for the year 2019-20 have been paid to BSE.
6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [csgshenoy@gmail.com](mailto:csgshenoy@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
8. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.chowgulesteamships.co.in](http://www.chowgulesteamships.co.in), websites of the Stock Exchange - BSE Limited at [www.bseindia.com](http://www.bseindia.com).
9. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with our Registrar & Transfer Agents, Link Intime India Private Limited, in case the shares are held by them in physical form.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited for assistance in this regard.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Pvt Ltd in case the shares are held by them in physical form.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime India Pvt Ltd, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes
13. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed and forms part of this notice.



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14. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility, for its Members to enable them to cast their votes electronically on the proposed resolutions in this notice.
15. The period of e-voting shall be from 09:00 A.M. of 25<sup>th</sup> September, 2020 to 05:00 P.M. of 28<sup>th</sup> September, 2020 (both days inclusive); such voting period shall be completed a day prior to the date of the general meeting. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting is given along with attendance/ proxy form.
16. The Register of members and share Transfer Books of the Company shall remain closed from Tuesday 22<sup>nd</sup> September, 2020 to Tuesday 29<sup>th</sup> September, 2020 (both days inclusive).
17. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members. (NSDL Shall guide on this point- with additional cost).
18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
20. Instructions for e-voting and joining the AGM are as follows:

## **Voting through electronic means:**

- a. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- b. The remote e-voting period commences 09:00 A.M. of 25<sup>th</sup> September, 2020 to 05:00 P.M. of 28<sup>th</sup> September, 2020 (both days inclusive). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, 22<sup>nd</sup> September, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- c. The Board of Directors has appointed Mr. Gaurav Shenoy (Membership No. ACS 24749, CP. No. 10623) of GDS & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- d. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- e. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- f. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- g. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-voting system.

## **Details on Step 1 are mentioned below:**

How to Log-in to NSDL e-voting website?

- I. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- II. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
- III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with

your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

IV. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
A) For Members who hold shares in demat account with NSDL.	Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
B) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
C) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

V. Your password details are given below:

- a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'
  - ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

VI. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) "PhysicalUserResetPassword?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

VII. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

VIII. Now, you will have to click on "Login" button.

IX. After you click on the "Login" button, Home page of e-voting will open.

**Details on Step 2 are mentioned below:**

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.





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5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csgshenoy@gmail.com](mailto:csgshenoy@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or please contact Ms. Pallavi Mhatre, Manager, NSDL, 4<sup>th</sup> Floor, A wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in); [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in); Tel.: 91 222 4994545 / 1800 222 990

## Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account.

Physical Holding	<p>Send a request to the Registrar and Transfer Agents of the Company, Link Intime India Pvt Ltd at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> <li>a) Name and Branch of the Bank in which you wish to receive the dividend,</li> <li>b) the Bank Account type,</li> <li>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions</li> <li>d) 9 digit MICR Code Number, and</li> <li>e) 11 digit IFSC Code</li> <li>f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.</li> </ol>
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your DEMAT account, as per the process advised by your DP.

## Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [karekard.csl@chowgule.co.in](mailto:karekard.csl@chowgule.co.in)
- b) In case shares are held in Demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [karekard.csl@chowgule.co.in](mailto:karekard.csl@chowgule.co.in).

Alternatively, member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

## THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system.
2. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed.
3. The members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
4. Members are encouraged to join the Meeting through Laptops for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable WiFi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [karekard.csl@chowgule.co.in](mailto:karekard.csl@chowgule.co.in) from 26<sup>th</sup> September, 2020 (9:00 A.M. IST) to 28<sup>th</sup> September, 2020 (5:00 P.M. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

#### **Other Instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.chowgulesteamships.co.in](http://www.chowgulesteamships.co.in) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

By order of the Board  
**For Chowgule Steamships Limited**

Date: 31<sup>st</sup> August, 2020  
Place: Mumbai

Darshan Karekar  
**Company Secretary**



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND STATEMENT OF ADDITIONAL INFORMATION AS REQUIRED UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) WITH RESPECT TO FOLLOWING ITEMS OF THE NOTICE

### Item No: 2

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors appointed Ms. Padma Chowgule (DIN : 00006969), as an Additional Director with effect from 27<sup>th</sup> July, 2019, under the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Ms. Padma Chowgule holds office as an Additional Director till the date of this Annual General Meeting. A notice has been received from a Member, as required under Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Padma Chowgule for office of Director of the Company.

Ms. Padma Chowgule holds a M.A. degree from Tata Institute of Social Science. She has 40 years of experience in the corporate field. She is a Chairman and Managing Director of Chowgule And Company Private limited and Managing Director of Chowgule Industries Private Limited.

Additional information on Director recommended for reappointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Name of the Director	Ms. Padma Chowgule
Date of Birth	22 <sup>nd</sup> August, 1955
Date of First Appointment on the Board	27 <sup>th</sup> July, 2019
Qualifications	M.A. degree from Tata Institute of Social Science
Expertise in specific functional area	1. Strategy and Planning 2. Governance 3. Financial
Number of Equity Shares held in the Company	228,420 Equity Shares
Directorship held in other Indian Listed Companies	Nil
Chairman/Member of Board Committee of listed companies	1. Audit Committee of Chowgule Steamships Limited 2. Nomination and Remuneration Committee of Chowgule Steamships Limited 3. Stakeholder Relationship Committee of Chowgule Steamships Limited
Disclosure of relationships between Directors/KMP inter-se	NA

The Company has received the following documents from Ms Padma Chowgule in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013:

- consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; and
- intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Ms. Padma Chowgule is not related to any Directors, Managers or Key Managerial Personnel in the Company.

The Board of Directors recommends the resolution for the approval of the shareholders.

The Members' approval is solicited for the resolution at Item No. 2 of the accompanying Notice.

### Item No: 3 & 4

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Aditya Chowgule (DIN : 07739364), as an Additional Director with effect from 27<sup>th</sup> July, 2019, under the Articles of Association of the Company. The Board at its meeting held on 22<sup>nd</sup> October, 2019 ratified his appointment as Managing Director and Chief Financial Officer (CFO) of the Company, without any remuneration, for a period of Five years with effect from 22<sup>nd</sup> October, 2019 to 21<sup>st</sup> October, 2024. Mr. Aditya Chowgule is also a Managing Director of Chowgule Brothers Private Limited (CBPL) with remuneration and on the other terms and conditions as set out in the Board Resolution passed by its Board at the board meeting held on 22<sup>nd</sup> August, 2019. As such Mr. Aditya Chowgule draws remuneration from CBPL only.

Brief particulars of the terms of re-appointment of and remuneration payable to Mr. Aditya Chowgule are as under:

- a) Remuneration: Nil
- b) The Managing Director shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.
- c) The Managing Director shall act in accordance with the Articles of Association, of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.
- d) The Managing Director shall adhere to the Company's Code of Conduct for Directors and Senior Management Personnel.
- e) Mr. Aditya Chowgule satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Section 196 (3) of the Act for being eligible for his reappointment.

He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Aditya Chowgule under Section 190 of the Act.

Brief resume of Mr. Aditya Chowgule is given below:

Mr. Aditya Chowgule has a Master of Science in Shipping, Trade and Finance - CASS Business School, London, UK and Bachelor of Science in Entrepreneurship and Strategic Management - Babson College, MA, USA. He was previously associated with ship brokerage and research firm - Howe Robinson Partners in London. Previous to that he was associated with Chowgule Brothers Private Limited where he worked closely on port agency operations and warehousing and logistics.

The Board of Directors recommends the resolutions for the approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 & 4.

#### **Item No: 5**

Ms. Mala Indiru Bhojwani (DIN 0008855157) is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company on 31<sup>st</sup> August, 2020.

Ms. Mala Indiru Bhojwani holds a Bachelor degree of Arts, University of Delhi. She has attended an international program on Residential Mortgage Lending at the National Mortgage Institute, Fairfield University, Connecticut, USA (1988). She has 38 years of work experience at HDFC across various functions from Retail Lending Operations, Management Services, Policy and Process formulation/compliance, Western region offices coordination and business analytics/process support through technology.

- Process formulation and automation with logic building and front ends.
- Formulation of lending policies
- Data field points and collation from analytics and compliance perspective – qualitative and quantitative

She has expertise in specific functional area like Strategy and Planning and Financial.

She does not hold by herself or for any other person on a beneficial basis, any shares in the Company. The Company has received from Ms. Mala Indiru Bhojwani (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 (ii) a declaration to the effect that she meets the criteria of Independence as provided in sub-section 6 of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms. Mala Indiru Bhojwani fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Mala Indiru Bhojwani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, upto the date of AGM.

This Statement may also be regarded as a disclosure under the Listing Agreement with the Stock Exchange.

Except Ms. Mala Indiru Bhojwani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 5. The Board recommends the resolution set forth in Item No. 5 for the approval of the members

By order of the Board  
**For Chowgule Steamships Limited**

Date: 31<sup>st</sup> August, 2020  
Place: Mumbai

Darshan Karekar  
**Company Secretary**



## DIRECTORS' REPORT 2019-20

To  
The Shareholders,

Your Directors present the Fifty Seventh Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2020.

### 1. FINANCIAL RESULTS

(₹ in Lakhs)

	Standalone		Consolidated	
	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Profit / (Loss) before financial charges, depreciation, exceptional item & tax	769.66	(82.53)	1,640.02	(3,271.33)
Financial charges	(190.73)	(72.93)	(3,073.63)	(2,695.94)
Depreciation	(72.63)	(131.21)	(2,237.39)	(3,202.89)
Loss before exceptional item & tax impairment	506.30	(286.67)	(3,671.00)	(9,170.16)
Impairment	–	–	(2,909.76)	–
Profit / (Loss) before deferred tax provision	506.30	(286.67)	(6,580.76)	(9,170.16)
(Provision)/Reversal of provision for deferred tax (net)	(150.53)	93.28	(150.53)	93.28
Profit / (Loss) after tax	355.77	(193.39)	(6,731.29)	(9,076.88)
Other comprehensive income	1.53	(37.77)	(865.09)	300.46
Total comprehensive income	357.30	(231.16)	(7,596.38)	(8,776.42)
Brought forward from previous year	779.44	1,010.60	(13,421.67)	(4,645.25)
Surplus / (Deficit) in statement of profit and loss	1,136.74	779.44	(21,018.05)	(13,421.67)

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

The spread of COVID-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Shipping industry was struggling since last couple of years and suffered more as compared to other industries due to this COVID 19 pandemic. Consequent to the Government advisories issued for controlling the spread of COVID 19, the operations of Company were suspended from 23<sup>rd</sup> March, 2020. The Company resumed the operations partially since 4<sup>th</sup> May, 2020 in line with the regular lockdown relaxation measures issued by Ministry of Home Affairs. As a result of lockdown, the revenue for the month of March 2020 has been impacted to some extent. During quarter ended 31<sup>st</sup> March, 2020, the group estimate loss revenue i.e. upto 17% of targeted revenue.

The company's financial assets comprise of its exposure in its wholly owned subsidiary (WOS) as on 31<sup>st</sup> March 2020 amounting to ₹ 12,115.67 lakhs consisting of investment in equity and convertible redeemable preference shares of ₹ 9,549.59 lakhs and loan provided of ₹ 2,566.07 Lakhs (against a net worth of ₹ 11,849.07 lakhs). The WOS has incurred a loss during the year of ₹ 7,085.05 lakhs and the networth of the WOS as on 31.3.2020 is negative. The Management of the WOS, on the basis of future operational plans, is confident of restructuring the operations to recoup the losses and arranging requisite financing as has been done in the past years also. Further the market value of the assets held by the Company would sufficiently cover shortfall if any. Hence the accounts have been prepared on a going concern basis.

#### INTERNAL FINANCIAL CONTROL SYSTEM

The Company has effective systems of internal controls, which are periodically reviewed by the Audit Committee of the Board of Directors. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), our audit committee has concluded that, as of 31<sup>st</sup> March, 2020 our internal financial controls were adequate and operating effectively.

#### GOVERNMENT POLICIES

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

## INDUSTRIAL RELATIONS

The industrial relations during the year were very cordial and there were no industrial disputes.

## THREATS, RISKS & CONCERNS

**Freight Risks:** The Hire income is subject to freight rate risks and therefore the Company, at group level, follows the policy of mixture of short period and long period time charter contracts with first class charters to mitigate volatility in freight rates.

**Interest Rate Risk:** With a view to avoid uncertainty in the interest rate, the necessary forward cover is taken at regular intervals.

**Forex Risk:** As major portion of the Group's revenues is generated from international business in the US Dollar terms, the same creates a natural hedge against foreign exchange exposures. The Company reviews Rupee - US Dollar parity on regular basis to protect itself from currency fluctuation risks.

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

**Counter Party Risks:** The Company engages into charter contracts with the reputed charters to avoid the risks to the freight earnings.

**Government Policies:** The Company regularly reviews the changes in the applicable government policies affecting operations of the Company.

**Human Resources:** There is a scarcity of floating staff. In view of outsourcing of crew management, the Company gets the benefit of having efficient and cost effective floating staff from the Ship Manager's pool.

## 3. DIVIDEND

Considering the liquidity and the cash flow position of the Company, the Board of Directors did not recommend any dividend for the financial year under review.

## 4. RESERVES

The Board of Directors have decided to retain the entire amount of profits for the FY 2019-20 in the Profit and Loss Account and hence has not transferred any amount to the reserves.

## 5. SHARE CAPITAL

The paid-up equity share capital of the Company as on 31<sup>st</sup> March, 2020 was ₹ 3,630.84 lakhs comprising of 36,308,425 shares of ₹ 10/- each. During the year under review there has been no change in the capital structure of the Company.

## 6. 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 as Annexure 1.

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.

## 7. INSURANCE

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

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Aditya Chowgule, Managing Director and Mr. Darshan Karekar, Company Secretary have been designated as Key Managerial Personnel in accordance with provisions of Section 203 of the Companies Act, 2013. During the year there were change in Key Managerial Personnel.

Mr. Mangesh Sawant, Managing Director and CFO and Mr. Suhas Joshi, Company Secretary of the Company has resigned on 31<sup>st</sup> July, 2019 and 19<sup>th</sup> August, 2019 respectively.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence prescribed under section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations (hereinafter to be referred as "SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.



# CHOWGULE STEAMSHIPS LIMITED

Mr. Sanjiv N. Shah and Mr. Farokh Guzder were re-appointed for the second term of 5 years as an independent Directors and . and Mr. Ravindra Kulkarni was re-appointed as an independent Director for the term period of one year at the Fifty Sixth Annual General Meeting (AGM) held on 26<sup>th</sup> July, 2019

Ms. Padma Chowgule was appointed as an Additional Director and designated as Chairman of the Company at the board meeting held on 26<sup>th</sup> July, 2019. Mr. Aditya Chowgule was appointed Additional Director at the board meeting held on 26<sup>th</sup> July, 2019. Further his appointment was ratified as a Managing Director and Chief Financial Officer (CFO) at the board meeting held on 22<sup>nd</sup> October, 2019 subject to the approval of shareholders. A resolution seeking shareholders' approval for his appointment forms a part of the Notice.

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent directors) which includes criteria for performance evaluation of Non-Executive Directors and Executive Directors. The evaluation process inter-alia considers attendance of the Directors at the Board and the Committee meetings, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, etc.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

## 9. CORPORATE GOVERNANCE

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

## 10. 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.

## 11. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees.

- a) Observations of board evaluation carried out for the year - There were no observations in the Board Evaluation carried for the year
- b) Previous year's observations and actions taken - There were no observations of the Board for the last financial year
- c) Proposed actions based on current year observations - Not applicable

The manner in which the evaluation has been carried out has been given in the Corporate Governance Report.

## 12. REMUNERATION POLICY

The Board has, on recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of Remuneration Policy are stated in the Corporate Governance Report.

## 13. MEETINGS

During the year 4 Board Meetings and 4 Audit Committee Meetings were convened and held. The details of the same are given in the Corporate Governance Report which is part of this report. The intervening gap between the Meetings was within the period prescribed under the Act.

## 14. AUDIT COMMITTEE

The composition of the Audit Committee is in line with the provisions of Section 177 of the Act read with Regulation 18 of SEBI Listing Regulations. The Chairman of the Audit Committee is an Independent Director. The details of the composition of the Audit Committee are given in the Corporate Governance Report which is part of this report. During the year all the recommendation of the Audit Committee were accepted by the Board.

## 15. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee (SRC) is in line with the Section 178 of the Act read with Regulation 20 of SEBI Listing Regulations.

## 16. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee (NRC) is in line with the Section 178 of the Act read with Regulation 19 of SEBI Listing Regulations. The details of meetings and their attendance are included in the Corporate Governance Report.

## 17. CORPORATE SOCIAL RESPONSIBILITY

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

## 18. EXTRACT OF ANNUAL RETURN

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

## 19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, hereby state and confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and the profit of the Company for that period.
- c) proper and sufficient care has been taken for the 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 fraud and other irregularities.
- d) the annual accounts have been prepared on a 'going concern' basis.
- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 20. AUDITORS

### Statutory Auditors

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

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

### Secretarial Auditors

M/S V.N. Deodhar & CO., Company Secretaries were appointed to conduct the secretarial audit of the Company for the financial year 2019-20 as required under Section 204 of the Companies Act, 2013 and the Rules made thereunder.

The Secretarial Audit Report for financial year 2019-20 forms part of the Annual Report.

## 21. 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.

## 22. LOANS, INVESTMENT AND GUARANTEES ETC

During the year the Company has given a loan of about US \$ 1.144 million to its subsidiary company viz. Chowgule Steamships Overseas Limited, which is outstanding.

## 23. 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 2)





# CHOWGULE STEAMSHIPS LIMITED

## 24. STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

The information required under section 197 of the Act read with Rule 5(1)(i) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is enclosed as "Annexure - 3" to this report.

25. The Company has formulated a policy on materiality of Related Party Transactions for dealing with such transactions in line with the requirements of Listing Regulations. The policy on Related Party Transactions is available on the Company's website viz. [chowgulesteamships.co.in](http://chowgulesteamships.co.in). Particulars of Contract or arrangement with related parties as referred to in Section 188 of the Companies Act 2013 in the format AOC 2 is enclosed as Annexure 4.

26. The Risk Management Policy of the Company evaluates various risks surrounding the business of the Company and its subsidiaries and seeks to review and upgrade its risk management process. The Board of Directors formulates strategies and takes necessary steps

## 27. ACKNOWLEDGEMENTS

Directors place on record their appreciation for the continuing support and co-operation from the customers, vendors, dealers, distributors, resellers, bankers, shareholders, State Industries Electricity and other Government departments.

The Directors also take this opportunity to thank the employees for their dedicated service throughout the year in mitigating these risks.

For Chowgule Steamships Limited

Place: Mumbai  
15<sup>th</sup> June, 2020

Padma Chowgule  
Chairman

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TO THE MEMBERS OF  
**CHOWGULE STEAMSHIPS LIMITED**

### **Declaration by the Managing Director & CFO under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations**

I, Mr. Aditya Chowgule, Managing Director & Chief Financial Officer (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 31<sup>st</sup> March, 2020.

Place : Goa  
Date : 15<sup>th</sup> June, 2020

Aditya Chowgule  
Managing Director & CFO

## CORPORATE GOVERNANCE REPORT

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

#### 1. CORPORATE GOVERNANCE PHILOSOPHY

Chowgule Steamships Limited (CSL) believes that good corporate governance is essential to achieve long term corporate goals and to enhance shareholder value. Your Company believes in functioning in a transparent manner and believes in proper accountability, auditing, disclosure and reporting. CSL's operations and accounts are audited at two levels – Internal Audit and Statutory Audit. CSL continues to follow procedures and practices in conformity with the Principles of Corporate Governance as enunciated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Board has also laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company.

#### 2. BOARD OF DIRECTORS

(a) Composition / Category of Directors as at 31<sup>st</sup> March, 2020

(i) Promoter Director		(ii) Non-Promoter Director	
• Executive Director	1	• Executive Director	Nil
• Non - Executive Director	2	• Non - Executive Director	Nil
		(iii) Independent Non - Executive Directors	3
TOTAL	<u>3</u>	TOTAL	<u>3</u>

GRAND TOTAL = 6

(b) None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors are related to each other except Ms. Padma Chowgule and Prof. Rohini Chowgule, who are sisters.

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

In all, four Board Meetings were held during the financial year 2019-20 on 16.05.2019, 26.07.2019, 22.10.2019 and 05.02.2020. The attendance of the Directors at the Board Meetings held during 2019-20 and at the last Annual General Meeting is as under:

Name of the Director	Category	No. of Board Meetings attended during 2019-20	Attendance of AGM held on 26 <sup>th</sup> July, 2019	No. of other Directorships (As on 31.03.2020)##	No. of Committee Positions in Mandatory Committee##	
					Member	Chairman
Padma Chowgule #	Chairman - Non-Executive Promoter Director	3	Present	0	0	0
Sanjiv Nemish Shah	Non-Executive Independent Director	2	Absent	1	1	1
Rohini Vishwasrao Chowgule	Non-Executive Non Independent Promoter Director	3	Absent	0	0	0
Ravindra Krishna Kulkarni	Non-Executive Independent Director	2	Present	5	4	2
Farokh Jamshed Guzder	Non-Executive Independent Director	4	Present	0	0	0
Aditya Jaywant Chowgule #	Executive Director & CFO	3	Present	0	0	0



# CHOWGULE STEAMSHIPS LIMITED

Name of the Director	Category	No. of Board Meetings attended during 2019-20	Attendance of AGM held on 26 <sup>th</sup> July, 2019	No. of other Directorships (As on 31.03.2020)##	No. of Committee Positions in Mandatory Committee##	
					Member	Chairman
Vijay Chowgule (upto 26 <sup>th</sup> July, 2019)	Chairman - Non-Executive Promoter Director	2	Present	0	0	0
Jaywant Chowgule (upto 26 <sup>th</sup> July, 2019)	Non-Executive Non Independent Promoter Director	1	Present	0	0	0
Dhananjay Narendra Mungale (upto 8 <sup>th</sup> July, 2019)	Non-Executive Independent Director	1	NA	4	6	1
Nathan Ramesh Chowgule (upto 26 <sup>th</sup> July, 2019)	Non-Executive Non Independent Promoter Director	1	Absent	0	0	0
Arun Prakash (upto 8 <sup>th</sup> July, 2019)	Non-Executive Independent Director	1	NA	0	0	0
Mangesh Sawant (upto 31 <sup>st</sup> July, 2019)	Executive Director & CFO	2	Present	0	0	0

# Ms. Padma Chowgule appointed as an Additional Director and designated as Chairman of the Company on 26<sup>th</sup> July, 2019.

# Mr. Aditya Chowgule appointed as an Additional Director on 26<sup>th</sup> July, 2019. Further he was appointed as a Managing Director and Chief Financial Officer (CFO) on 22<sup>nd</sup> October, 2019 subject to the approval of shareholders.

## Excludes Directorships in Private and Foreign companies & CSL

Note: For considering the limit of Committee membership / chairmanship of a director, membership / chairmanship of only audit and stakeholder relationship committees have been considered.

(d) Certification from Company Secretary in Practice

Mr. V. N. Deodhar, Practicing Company Secretary, has issued certificate as required under the Listing Regulations, confirming that none of the Directors of the Board of Company has been debarred or disqualified from being appointed or continuing as Director of the Companies by the SEBI / Ministry of Corporate affairs or any such statutory authority. The certificate is enclosed in this section as annexure.

(e) CEO / CFO Certification

The CEO/CFO has issued a certificate pursuant to the provisions of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The provisions of corporate social responsibility are applicable to the Company however due to occurrence of net losses for preceding three years, contribution towards CSR activities during the year is Nil.

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

(f) Key Board qualifications, expertise and attributes

The Chowgule Board comprises of qualified members who bring in the required skills, competence and expertise that allows them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Chowgule Board is in compliance with the highest standard of Corporate Governance.

The Board has identified the following skills / expertise / competencies fundamental for effective functioning of the Company which are currently available with the Board:

Financial	Leadership of financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial report processes or experience in actively supervising auditors or person performing similar functions.
Strategy and Planning	Appreciation of long term trends, strategy choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and maintaining accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Sales and Marketing	Experience in developing strategies to grow sales and market share and equity, and enhance enterprise reputation

The Board of Directors as on 31<sup>st</sup> March, 2020

Sr No	Name of the Director	Designation	Area of Expertise
1	Padma Chowgule	Non-Executive Director	1. Strategy and Planning 2. Governance 3. Financial
2	Sanjiv Nemish Shah	Non-Executive Independent Director	1. Financial 2. Strategy and Planning 3. Governance 4. Sales and Marketing
3	Rohini Vishwasrao Chowgule	Non-Executive Non- Independent Director	1. Strategy and Planning 2. Governance
4	Ravindra Krishna Kulkarni	Non-Executive Independent Director	1. Financial 2. Strategy and Planning 3. Governance 4. Sales and Marketing
5	Farokh Jamshed Guzder	Non-Executive Independent Director	1. Financial 2. Strategy and Planning 3. Sales and Marketing
6	Aditya Jaywant Chowgule	Executive Director	1. Financial 2. Strategy and Planning 3. Governance 4. Sales and Marketing

(g) Details of Equity shares of the Company held by the Directors as on 31<sup>st</sup> March, 2020 are given below:

The Chowgule Board comprises of qualified members who bring in the required skills, competence and expertise that allows them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Chowgule Board is in compliance with the highest standard of Corporate Governance.

Name of the Director	Number of equity shares
Padma Chowgule #	228,420
Rohini Vishwasrao Chowgule	665,266
Vijay Chowgule (upto 26 <sup>th</sup> July, 2019)	1,796,262
Jaywant Chowgule (upto 26 <sup>th</sup> July, 2019)	64,750
TOTAL	27,54,698

# Ms. Padma Chowgule appointed as an Additional Director and designated as Chairman of the Company on 26<sup>th</sup> July, 2019.



# CHOWGULE STEAMSHIPS LIMITED

## (h) Familiarisation Programmes for Board Members

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company including Finance, Sales, overview of business operations of subsidiaries. The details of such familiarization programmes for the Independent Directors are available on the website of the Company.

### 3. COMMITTEES OF THE BOARD

With a view to have better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee.

#### A. AUDIT COMMITTEE

With a view to have better governance and accountability, the Board has constituted an Audit Committee in line with the provisions of Regulation 18 of SEBI Listing Regulation and Section 177 of the Companies Act, 2013.

Composition and Attendance of Members of Audit Committee at the Meetings held during the year

Names	Designation	Category of Director	No. of meeting attended
Ravindra Kulkarni	Chairman	Independent, Non-Executive	2
Sanjiv Shah	Member	Independent, Non-Executive	2
Farokh Guzdar	Member	Independent, Non-Executive	4
Padma Chowgule*	Member	Non-Executive Promoter	2
Dhananjay N. Mungale (upto 8 <sup>th</sup> July, 2019)	Chairman	Independent, Non-Executive	1
Vijay V. Chowgule (upto 26 <sup>th</sup> July, 2019)	Member	Non-Executive Promoter	2

\* Appointed on on 26<sup>th</sup> July, 2019

The Audit Committee was re-constituted due to the changes in the Board of Directors vide circular resolution passed on 19<sup>th</sup> September, 2019. Four Audit Committee meetings were held during the year and the gap between two meetings did not exceed 120 days. The Audit Committee meetings were held on 16<sup>th</sup> May, 2019, 25<sup>th</sup> July, 2019, 22<sup>nd</sup> October, 2019 and 5<sup>th</sup> February, 2020. Necessary quorum was present at the above meetings.

Mr. Aditya Chowgule, Managing Director & CFO attended the meetings of the Audit Committee as invitee. The Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors along with its representative have attended all four meetings. At all the Audit Committee meetings a detailed report of the Internal Auditors was presented to the Chairman of the Committee.

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

#### Terms of Reference – Audit Committee

The role of the audit committee shall include the following:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
22. 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).

## Committee governance

The Committee is comprised of independent directors and Non-Executive Director and fulfills the requirements of :

- Section 149 and 177 of the Companies Act, 2013
- Regulation 18 of the Listing Regulations

The Committee, to carry out its responsibilities efficiently and transparently, relies on the Management's financial expertise and that of the internal and the Statutory Auditors. The Management is responsible for the Company's internal control over financial



reporting and the financial reporting process. The Statutory Auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the Generally Accepted Auditing Principles and for issuing a report based on the audit.

## **B. NOMINATION AND REMUNERATION COMMITTEE**

The Company has constituted a Nomination and Remuneration Committee as required under section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 1. Terms of Reference

- a) Formulate criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel, and other personnel.
- b) Identifying and assessing potential individuals with reference to their expertise, skills, qualifications, attributes and personal and professional standing for appointment/ re-appointment as Directors/Independent Directors/Key managerial Personnel in the Company.
- c) Support the Board of Directors for formulating policies for evaluation of performance of Directors.
- d) Recommend to the board all remuneration, in whatever form, payable to the Executive Directors, Non Executive Directors and Senior Managerial Personnel.
- e) Devising a policy on diversity of board of Directors to ensure a larger, varied talent pool is available for deliberations.
- f) Quorum – The quorum for a meeting of the Nomination and Remuneration Committee shall be at least 1/3rd of total members or two members of which at least one should be an Independent Director member, whichever is higher.
- g) Meetings- At least one meeting of the Nomination and Remuneration Committee should be held in a year.

### 2. Objectives and responsibilities of the Committee

The main objectives and responsibilities of the nomination and remuneration committee of the Board is to :

- i. Assist the Board in discharging its responsibilities relating to compensation of the Company's directors, Key Managerial Personnel (KMP) and senior management
- ii. Evaluate and approve the adequacy of the compensation plans, policies, programs and succession plans for the Company's executive directors, KMP and senior management
- iii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and for performance evaluation of directors on the Board
- iv. Oversee the Company's nomination process for the KMP and senior management and identify, screen and review individuals qualified to serve as directors, KMP and senior management consistent with the criteria approved by the Board
- v. Recommend the appointment and removal of directors, for approval at the AGM
- vi. Evaluate the performance of the Board and review the evaluation's implementation and compliance
- vii. Leadership development and succession planning
- viii. Develop and maintain corporate governance policies applicable to the Company
- ix. Devise a policy on Board diversity

### 3. Committee Governance

The Committee is comprised of combination of independent directors and Non-Executive Directors and fulfills the requirements of:

- Section 178 of the Companies Act, 2013
- Regulation 19 of the Listing Regulations

The Committee oversees key processes through which the Company recruits new members to its Board, and the processes through which the Company recruits, motivates and retains outstanding senior management as well as the Company's overall approach to human resources management.

4. Attendance of Members of Nomination and Remuneration Committee at the Meetings held during the year

Names	Designation	Category of Director	No. of meeting attended
Ravindra Kulkarni (from 19 <sup>th</sup> September, 2019)	Chairman	Independent, Non-Executive	2
Farokh Guzdar	Member	Independent, Non-Executive	3
Padma Chowgule*	Member	Non-Executive Promoter	1
Dhananjay Mungale (upto 8 <sup>th</sup> July, 2019)	Chairman	Independent, Non-Executive	1
Vijay Chowgule (upto 26 <sup>th</sup> July 2019)	Member	Non-Executive Promoter	2

\*Appointed on 19<sup>th</sup> September, 2019

During the Financial Year 2019-20, there was re-constitution of Nomination & Remuneration Committee due to the changes in the Board of Directors vide circular resolution passed on 19<sup>th</sup> September, 2019. There were three Committee meetings held on 16<sup>th</sup> May, 2019, 25<sup>th</sup> July, 2019 and 22<sup>nd</sup> October, 2019.

5. The remuneration paid to the Directors for the year ended 31<sup>st</sup> March, 2020 is given below

	Mr. Mangesh Sawant*	Mr. Aditya Chowgule**
Designation	Managing Director & Chief Financial Officer	Managing Director & Chief Financial Officer
All elements of remuneration package inclusive of Salary and benefits such as Provident Fund Gratuity, Pension, superannuation etc	66.52 Lacs	Nil
Service Contract, Notice Period etc	The Contract period is of three years and Notice period is of three months on either side	The Contract period is of 5 years and Notice period is of three months on either side
Stock option	Nil	Nil
No. of Shares held in the Company	133 (jointly held with spouse)	Nil

\*Resigned on 31<sup>st</sup> July, 2019

\*\*Appointed as an Additional Director on 26<sup>th</sup> July, 2019 and designated as a Managing Director and Chief Financial Officer (CFO) on 22<sup>nd</sup> October, 2019 subject to the approval of shareholder.

6. Details of sitting fees paid/to be paid to the Non-Executive Independent Directors for the period under review are as under:

A. Non-Executive Directors

The Non-Executive Directors are entitled for payment of sitting fees and reimbursement of expenses for attending each meeting of the Board of Directors, its Committees and other such meetings. The sitting fee payable shall not exceed the fees prescribed under Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

B. Details of sitting fees paid to Directors

Name of the Director	Sitting fess
Padma Chowgule #	100,000
Sanjiv Nemish Shah	60,000
Rohini Vishwasrao Chowgule	60,000
Ravindra Krishna Kulkarni	90,000
Farokh Jamshed Guzder	160,000
Aditya Jaywant Chowgule #	60,000
Vijay Chowgule***	80,000
Jaywant Chowgule***	20,000





Name of the Director	Sitting fess
Dhananjay Narendra Mungale**	50,000
Nathan Ramesh Chowgule***	20,000
Arun Prakash**	30,000
TOTAL	730,000

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

# Ms. Padma Chowgule appointed as an Additional Director and designated as Chairman of the Company on 26<sup>th</sup> July, 2019.

# Mr. Aditya Chowgule appointed as an Additional Director on 26<sup>th</sup> July, 2019. Further he was appointed as a Managing Director and Chief Financial Officer (CFO) on 22<sup>nd</sup> October, 2019 subject to the approval of shareholder.

\*\* Directors resigned on 8<sup>th</sup> July, 2019

\*\*\* Directors resigned on 26<sup>th</sup> July, 2019

## C. STAKEHOLDERS' RELATIONSHIP OR SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Stakeholder Relationship Committee has been constituted as required under Section 178 (5) of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations.

### 1. Purpose of the Committee

The purpose of the Committee is to assist the Board and the Company to oversee the various aspects of interests of stakeholders of the Company. The term 'stakeholder' includes shareholders and other security holders. The Committee performs the functions as required by Section 178 of the Companies Act, 2013 and rules framed thereunder, Regulation 20 of the Listing Regulations and other regulations and laws, as applicable.

### 2. Terms of Reference of Stakeholders Relationship Committee/Shareholders' / Investors' Grievances Committee

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

### 3. Objective and responsibilities of the Company

The primary objectives of the Committee are to :

- Consider and resolve the security holders' concerns or complaints
- Monitor and review the investor service standards of the Company
- Take steps to develop an understanding of the views of shareholders about the Company, either through direct interaction, analysts' briefings or survey of shareholders
- Oversee and review the engagement and communication plan with shareholders and ensure that the views and concerns of the shareholders are highlighted to the Board at the appropriate time and that steps are taken to address such concerns

## 4. Composition and Attendance of Members at the Meetings held during the year

Names	Designation	Category of Director	No. of meeting attended
Padma Chowgule**	Chairman	Non-Executive Promoter	1
Sanjiv Shah	Member	Independent Non-Executive	Nil
Ravindra Kulkarni	Member	Independent Non-Executive	1
Vijay Chowgule (upto 26 <sup>th</sup> July, 2019)	Chairman	Non-Executive Promoter	Nil
Prof. Rohini Chowgule (upto 19 <sup>th</sup> September, 2019)	Member	Non-Executive Promoter	Nil

\*\*Appointed on 19<sup>th</sup> September, 2019

- During the year one meeting of the Stakeholders Relationship Committee was held on 19<sup>th</sup> February, 2020.
- There was re-constitution of Stakeholders Relationship Committee due to the changes in the Board of Directors vide circular resolution passed on 19<sup>th</sup> September, 2019
- Name and Designation of Compliance Officer – Mr. Darshan Karekar, Company Secretary.
- Details of investors complaints received and redressed during the year 2018-19 are as follows:

Opening Bal.	Received During the year	Resolved during the year	Closing Balance
0	1	1	0

## D. INDEPENDENT DIRECTORS

- Formal Letter of Appointment to Independent Directors:

The Company has issued a formal letter of appointment to all Independent Directors in accordance with the provisions of the Companies Act, 2013 and Listing Regulations. The terms and conditions of appointment of Independent Directors is uploaded on the website of the company.

- Independent Directors' Meeting

During the year, the Independent Directors of the Company met on 16<sup>th</sup> May, 2019 inter alia, to:

- review the performance of non-independent directors of the Company;
- review the performance of the Board as a whole
- review the performance of the Chairperson of the company,
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

- Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

## 4. DISCLOSURES

- 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. viz. <http://www.chowgulesteamships.co.in>



# CHOWGULE STEAMSHIPS LIMITED

## 2. Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any other statutory authority on any matters related to capital markets during the last three years

3. The company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied the access to the Chairman of the Audit Committee.
4. There was no non-compliance by the Company of any of the regulations pertaining to the capital market during the previous three years. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company as it does not have any women employees. Hence, disclosures pertaining to this are not given.
5. The Company has complied with the requirements of Regulations 17 to 27 and Regulation 46 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and other applicable provisions relating to the Corporate Governance. During the year 2019-20, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration. The Company has not adopted discretionary requirement as specified in Part E of Schedule II of the LODR.
6. C N K & ASSOCIATES LLP, Chartered Accountants (FRN 101961W/W-100036) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors fees and other fees paid to auditors and its network firms by the Company is as given below:

Particulars	₹ In Lakhs
Audit and review fees	5.00
Re-imbusement of out-of-pocket expenses	–
Other fees	4.70
TOTAL	9.70

## 5. SUBSIDIARY COMPANIES

The provisions to the extent applicable as required under regulation 24 of the Listing Regulations with reference to subsidiary companies were duly complied. The Company monitors the performance of wholly owned unlisted subsidiary companies.

The Company's Audit Committee reviews the Financial Statement of the Subsidiaries, including the Investments made by the Subsidiaries. The Minutes / resolutions of the Board Meetings, along with the report of significant transactions and arrangements of the unlisted foreign subsidiaries of the Company are placed before the Board of Directors of the Company.

## 6. GENERAL BODY MEETING

### A. Location and time, where last three AGMs were held

Location	Date	Time
Chowgule House, Mormugao Harbour, Goa - 403803	26 <sup>th</sup> July, 2019	10.00 a.m.
	20 <sup>th</sup> July, 2018	10.00 a.m.
	21 <sup>st</sup> July, 2017	10.00 a.m.

### B. Special Resolutions Passed

1. Special Resolution passed at the last Annual General Meeting held on 26<sup>th</sup> July, 2019 was:
  - a) Re-appointment of Mr. Sanjiv Shah (DIN: 00007211) as an Independent Director of the Company another term of five years with effect from 9<sup>th</sup> July, 2019.
  - b) Re-appointment of Mr. Ravindra Kulkarni (DIN 00059367) as an Independent Director of the Company another term of One years with effect from 9<sup>th</sup> July, 2019.
  - c) Re-appointment of Mr. Farokh Guzder (DIN 00108856) as an Independent Director of the Company another term of Five years with effect from 9<sup>th</sup> July, 2019.
  - d) To sale, transfer or dispose off the vessels held by the step down subsidiaries of the Company in the future.
  - e) To approve and ratify the contract and/ or arrangements entered with Chowgule And Company Private Limited for obtaining an unsecured loan from time to time up to US \$ 4 Million or equivalent thereof in Indian currency.

2. Special Resolution passed at the last Annual General Meeting held on 20<sup>th</sup> July, 2018 was:
  - a) To re-appointment of Mr. Mangesh Sawant (DIN 00007197), as the Managing Director & CFO of the Company for a period of three years w.e.f. 1<sup>st</sup> April, 2018
3. There was no Special Resolution passed at the Annual General Meeting held on 21<sup>st</sup> July, 2017.

**C. Details of Special resolutions passed through Postal Ballot during the year**

None

**D. Details of special resolution proposed to be conducted through Postal Ballot.**

None

**E. Procedure for Postal Ballot**

Not Applicable

**7. 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](http://www.chowgulesteamships.co.in) & [www.bseindia.com](http://www.bseindia.com) The Management Discussion and Analysis is a part of this Annual Report.

**8. GENERAL SHAREHOLDER INFORMATION**

a.	Annual General Meeting	Tuesday, 29 <sup>th</sup> September, 2020, at 03.00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
b.	Financial Year	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020
c.	Dividend Payment date (subject to shareholder approval)	-
d.	Listing shares on Stock Exchange	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
e.	Stock Code	501833
f.	ISIN	INE490A01015
g.	Listing Fees (2019-20)	Paid on 11 <sup>th</sup> April, 2019
h.	Corporate Identification Number (CIN) of the Company	L63090GA1963PLC000002
i.	Plant Location	Not Applicable
j.	Address for Correspondence	
	i. Registrar and Share transfer Agent	Link Intime India Pvt. Ltd, C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083. Email : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
	ii. Details of Compliance Officer	Mr. Darshan Karekar, Company Secretary Chowgule House, Mormugao Harbour, Goa – 403803 Ph No. 0832-2525048 Email: <a href="mailto:karekard.csl@chowgule.co.in">karekard.csl@chowgule.co.in</a>
k.	Details of Security Suspended	None
l.	Outstanding GDRs/Warrants/ADRs/Convertible Instruments, conversion dates and likely impact on equity	None
m.	Foreign Exchange Risk & Hedging Activities	Point no 38.5 of Financial Statements
n.	E-mail id designated by the Company for Investor	<a href="mailto:karekard.csl@chowgule.co.in">karekard.csl@chowgule.co.in</a>
o.	Credit Ratings for debt instruments/ fixed deposit scheme	Not Applicable



# CHOWGULE STEAMSHIPS LIMITED

p.	Share Transfer System	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.
q	Details of Demat Suspense Account/Unclaimed Suspense Account	Not Applicable

## 9. MARKET CLOSING PRICE DATA DURING APRIL 2019 MARCH 2020 (BSE).

Date	BSE INDEX		BSE PRICE	
	High	Low	High	Low
Apr-19	39,487.45	38,460.25	9.23	7.20
May-19	40,124.96	36,956.10	7.74	5.90
Jun-19	40,312.07	38,870.96	6.93	5.00
Jul-19	40,032.41	37,128.26	6.02	4.07
Aug-19	37,807.55	36,102.35	5.07	4.19
Sep-19	39,441.12	35,987.80	4.99	4.00
Oct-19	40,392.22	37,415.83	4.62	3.61
Nov-19	41,163.79	40,014.23	4.63	3.26
Dec-19	41,809.96	40,135.37	3.95	2.49
Jan-20	42,273.87	40,476.55	3.57	2.25
Feb-20	41,709.30	38,219.97	4.00	2.95
Mar-20	39,083.17	25,638.90	3.58	3.00

## 10. PERFORMANCE IN COMPARISON WITH SENSEX IS GIVEN BELOW:

Month	Closing Sensex	% Movement Of Sensex Month To Month	CSL Closing Share Price (₹)	% Movement Of Share Prices Month To Month
Apr-19	39,032	0.93	7	(10.34)
May-19	39,714	1.75	7	(2.78)
Jun-19	39,395	(0.80)	6	(18.00)
Jul-19	37,481	(4.86)	4	(23.17)
Aug-19	37,333	(0.40)	4	(0.23)
Sep-19	38,667	3.57	4	(7.95)
Oct-19	40,129	3.78	4	3.46
Nov-19	40,794	1.66	4	(14.80)
Dec-19	41,254	1.13	2	(30.25)
Jan-20	40,723	(1.29)	4	43.37
Feb-20	38,297	(5.96)	3	(9.24)
Mar-20	29,468	(23.05)	3	(5.86)

## 11. SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2020

### a) Distribution of Shareholding as on 31<sup>st</sup> March, 2020

Sr. No.	Category (Shares) From – To	Number of Shareholders	No. of Shares	% to Equity Capital
1	1 – 500	19,266	2,228,690	6.1382
2	501 – 1000	1,045	847,571	2.3344
3	1001 – 2000	431	651,987	1.7957
4	2001 – 3000	145	369,453	1.0175
5	3001 – 4000	58	202,175	0.5568
6	4001 – 5000	54	256,631	0.7068
7	5001 – 10000	97	720,263	1.9837
8	10001 and above	131	31,031,655	85.4668
	TOTAL	21,227	36,308,425	100

### b) Shareholding Pattern as on 31<sup>st</sup> March, 2020

Sr. No.	Category of Shareholders	Total Holdings	Holding in %
1	Promoter & Promoter Group	26,190,496	72.1334
2	Mutual Fund	10,249	0.0282
3	Financial Institutions / Banks	6,198	0.0171
4	Insurance Companies	2,950	0.0081
5	UTI	174	0.0005
6	Individuals	8,868,220	24.4247
7	NBFCs registered with RBI	5,483	0.0151
8	Bodies Corporate	568,937	1.5670
9	Clearing Member	150	0.0004
10	NRI's	172,534	0.4752
11	Trust	143,443	0.3951
12	HUF	339,591	0.9353
	TOTAL	36,308,425	100.00

### c) Dematerialisation of shares and Liquidity

The total number of shares in dematerialized form as on 31<sup>st</sup> March, 2020 is 32,309,814 representing 88.99 % of the total number of shares of the Company.

For and on behalf of the Board

**Padma Chowgule**  
Chairman  
(DIN: 00006969)

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020



## INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

1. This certificate is issued in accordance with the terms of your appointment letter dated 5<sup>th</sup> March, 2020
2. This report contains details of compliance of conditions of Corporate Governance by Chowgule Steamships Limited ('the Company') for the year ended 31<sup>st</sup> March 2020, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

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

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

### Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31<sup>st</sup> March 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations for the year ended 31<sup>st</sup> March, 2020
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on use

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

For **C N K And Associates LLP**

Chartered Accountants

Firm Registration No.: 101961W/W-100036

**Himanshu Kishnadwala**

Partner

Membership No: 037391

UDIN : 20037391AAAEB6681

Mumbai

Date: 7<sup>th</sup> August, 2020

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020

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

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

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

Based on our verification of the Chowgule Steamships Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the Audit period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit period**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit period**); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws as identified by the Company as applicable specifically to the Company.
  - (a) Merchant Shipping Act, 1958 and Rules, Notifications/Orders made there under,
  - (b) Applicable Laws and Regulations of the country wherever vessel calls,
  - (c) Other applicable Notifications/Orders issued from time to time by the Indian Maritime Administration concerning the Business and Affairs of the Company.





# CHOWGULE STEAMSHIPS LIMITED

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

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

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

**V. N. DEODHAR**  
PROP.

FCS NO.1880

C. P. No. 898

UDIN:F001880B000341384

Place: Mumbai

Date: 15<sup>th</sup> June, 2020

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

## ANNEXURE A

To,  
The members,  
Chowgule Steamships Limited.

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

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

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

**V. N. DEODHAR**  
PROP.

FCS NO.1880

C. P. No. 898

Place: Mumbai

Date: 15<sup>th</sup> June, 2020

## Secretarial compliance report of CHOWGULE STEAMSHIPS LIMITED for the year ended 31<sup>st</sup> March, 2020

We have examined:

- (a) all the documents and records made available to us and explanation provided by Chowgule Steamships Limited,
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31<sup>st</sup> March, 2020 in respect of compliance with the provisions of :
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder; and based on the above examination, We hereby report that, during the Review Period:
  - (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder,
  - (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
  - (c) No actions were taken against Chowgule Steamships Limited, the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges.

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

**V. N. DEODHAR**

PROP.

FCS NO.1880

C. P. No. 898

UDIN: F001880B000316249

Place: Mumbai

Date: 4<sup>th</sup> June, 2020



# CHOWGULE STEAMSHIPS LIMITED

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identifications Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanation furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
01	MS. PADMA CHOWGULE	00006969	26/07/2019
02	MR. SANJIV NEMISH SHAH	00007211	25/01/2006
03	MS. ROHINI VISHWASRAO CHOWGULE	00019057	22/01/2009
04	MR. RAVINDRA KRISHNA KULKARNI	00059367	19/11/2011
05	MR. FAROKH JAMSHED GUZDER	00108856	06/07/2012
06	MR. ADITYA JAYWANT CHOWGULE	07739364	22/10/2019

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

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

**V. N. DEODHAR**

PROP.

FCS NO.1880

C. P. No. 898

UDIN: F001880B000316337

Place: Mumbai

Date: 4<sup>th</sup> June, 2020

## ANNEXURE 1

### STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES AS ON 31<sup>st</sup> MARCH, 2020

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

Name of the subsidiary	CHOWGULE STEAMSHIPS OVERSEAS LTD (WOS) (100% subsidiary of CSL)		SEA BIRD LLC (100% subsidiary of WOS)		SEA KING LLC (100% subsidiary of WOS)		SEA LORD LLC (100% subsidiary of WOS)		SEA LINK LLC (100% subsidiary of WOS)	
	USD in Millions	(₹ in lakhs)	USD in Millions	(₹ in lakhs)	USD in Millions	(₹ in lakhs)	USD in Millions	(₹ in lakhs)	USD in Millions	(₹ in lakhs)
Capital	9,200	6,935.51	0.001	0.75	0.001	0.75	0.001	0.75	0.001	0.75
Reserves	(36.785)	(27,730.65)	(0.788)	(593.85)	(0.585)	(441.99)	2,672	2,014.30	0.065	49.15
Total Assets	1.667	1,956.52	0.980	210.72	10.379	7,824.41	14.515	10,942.26	11.053	8,332.41
Total Liabilities	29,252	22,051.66	1,066	803.81	10,964	8,264.95	11,842	8,927.21	10,987	8,282.51
Details of Investments	-	-	-	-	-	-	-	-	-	-
Total Income	-	-	3,072	2,316.10	2,488	1,875.23	2,700	2,035.27	2,800	2,110.60
Profit / (Loss) before taxation	(2,709)	(2,042.04)	(0.435)	(328.26)	(3,294)	(2,482.93)	(0.950)	(716.19)	(2,608)	(1,965.99)
Provision for Tax	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) after taxation	(2,709)	(2,042.04)	(0.435)	(328.26)	(3,294)	(2,482.93)	(0.950)	(716.19)	(2,608)	(1,965.99)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-

#### Notes:

- For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, USD 1 = 75.386
- 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

**PADMA V. CHOWGULE**  
(DIN : 00006969)  
Chairman

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**RAVINDRA KULKARNI**  
(DIN : 00059367)  
Director

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**ADITYA J. CHOWGULE**  
(DIN : 07739364)  
Managing Director and CFO

Place: Goa  
Date: 15<sup>th</sup> June, 2020

**DARSHAN KAREKAR**  
Company Secretary

Place: Goa  
Date: 15<sup>th</sup> June, 2020



## ANNEXURE 2

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
<b>A Conservation of Energy</b>	
(i) the steps taken or impact on conservation of energy;	The Company has operationally well maintained vessel. As a measure of conservation of energy and in compliance of maritime laws the Company would be placing orders for eco ships in future.
(ii) the steps taken by the Company for utilising alternate sources of energy	Nil
(iii) capital investment on energy conservation equipment's	Nil
<b>B Technology Absorption</b>	
(i) the efforts made towards technology absorption;	Not Applicable
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
a) the details of technology imported;	
b) the year of import;	
c) whether the technology been fully absorbed	
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
e) the expenditure incurred on Research and Development	
<b>C Foreign Exchange Earnings &amp; Outgo</b>	
(i) Used (including loan repayments, interest, etc.)	₹ 5.75 lakhs
(ii) Earned	₹ Nil

For and on behalf of the Board

Date : 15<sup>th</sup> June, 2020  
Place : Mumbai

**PADMA CHOWGULE**  
Chairman

## ANNEXURE 3

### STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;
- II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sr. No.	Name of the Director / Key Managerial Personnel	Category	Ratio of the remuneration to the median remuneration of the employees	Percentage increase in remuneration
1	Padma Chowgule #	Chairman - Non-Executive Promoter Director	Nil	Nil
2	Sanjiv Nemish Shah	Non-Executive Independent Director	Nil	Nil
3	Rohini Vishwasrao Chowgule	Non-Executive Non Independent Promoter Director	Nil	Nil
4	Ravindra Krishna Kulkarni	Non-Executive Independent Director	Nil	Nil
5	Farokh Jamshed Guzder	Non-Executive Independent Director	Nil	Nil
6	Aditya Jaywant Chowgule #	Managing Director & CFO	Nil	Nil
7	Vijay Chowgule (upto 26 <sup>th</sup> July, 2019)	Chairman - Non-Executive Promoter Director	Nil	Nil
8	Jaywant Chowgule (upto 26 <sup>th</sup> July, 2019)	Non-Executive Non Independent Promoter Director	Nil	Nil
9	Dhananjay Narendra Mungale (upto 8 <sup>th</sup> July, 2019)	Non-Executive Independent Director	Nil	Nil
10	Nathan Ramesh Chowgule (upto 26 <sup>th</sup> July, 2019)	Non-Executive Non Independent Promoter Director	Nil	Nil
11	Arun Prakash (upto 8 <sup>th</sup> July, 2019)	Non-Executive Independent Director	Nil	Nil
12	Mangesh Sawant (upto 31 <sup>st</sup> July, 2019)	Managing Director & CFO	NA**	NA**
13	Suhas Joshi (upto 19 <sup>th</sup> August, 2019)	Company Secretary	NA	NA
14	Darshan Karekar ##	Company Secretary	62.64%	NA

# Ms. Padma Chowgule has been appointed as an Additional Director and designated as Chairman of the Company w.e.f 26<sup>th</sup> July, 2019.

# Mr. Aditya Chowgule appointed as an Additional Director at the board meeting held on 26<sup>th</sup> July, 2019. Further his appointment was ratified as a Managing Director and Chief Financial Officer (CFO) at the board meeting held on 22<sup>nd</sup> October, 2019 subject to the approval of shareholders. He is appointed as Managing Director & CFO with no remuneration but he is entitled for Sitting Fees.

## Appointed on 22<sup>nd</sup> October, 2019

**Note:**

- Non-Executive and Non-Executive Independent Directors were paid sitting fees for attending the Meetings.



## CHOWGULE STEAMSHIPS LIMITED

**III. The percentage increase in the median remuneration of employees in the financial year**

3.17%

**IV. The number of permanent employees on the rolls of company; as on 31<sup>st</sup> March, 2017**

6

**V. Average percentile increase already made 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 and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

NA since existing Managerial Personnel is not drawing any remuneration.

**VI. The key parameters for any variable component of remuneration availed by the Directors;**

NIL

**VII. Affirmation that the remuneration is as per the remuneration policy of the company.**

The Directors affirm that the remuneration is as per the remuneration policy.

## ANNEXURE 4

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

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

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

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

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**Padma Chowgule**  
Chairman





## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
CHOWGULE STEAMSHIPS LIMITED

Report on the audit of the Standalone Financial Statements

### Opinion

We have audited the Standalone financial statements of **Chowgule Steamships Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Material Uncertainty related to going concern

We draw attention to the standalone financial statements regarding the company's exposure to its Wholly Owned subsidiary as on 31st March 2020 of ₹ 12,115.66 lakhs consisting of investment in Equity and Convertible redeemable preference shares of ₹ 9,549.59 lakhs and loan (incl accrued interest) of ₹ 2,566.08 lakhs (against a net worth of ₹ 11,849.07 lakhs). Looking to the activities of the said subsidiary/step-subidiaries, in our opinion, recovery of the investment and the loans is doubtful on account of consistent losses for the past years, sale of major operational assets by the step-down subsidiaries, and inability to meet liabilities as and when they fall due. These events indicate that a material uncertainty exists which may cast a significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

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

Sr No	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>Review of relevant agreements/contracts evaluate the business rationale for the related party transaction and evaluating whether such evidence is consistent with management's explanations.</li> </ul>
2	<p><b>Impairment of Financial Assets:</b> The company has significant investments in Equity and Preference shares of its Wholly owned subsidiary ("WOS") as well as receivables. The management has tested the same for impairment and concluded that there is no provision necessary in respect of the above. (Refer Notes 4,5,13 to the Standalone Financial Statements)</p>	<p><b>Principal Audit Approach.</b> Our Audit approach included the following:</p> <ul style="list-style-type: none"> <li>Perusal of the Audited financial Statements of the Subsidiary companies and inquiry with the management regarding the possibility of impairment of the same;</li> <li>Obtained an understanding of the valuation of the subsidiaries based on future cash flows of the subsidiaries;</li> <li>Obtained an understanding of the nature of arrangements having regard to the remedies available to the company in case of default;</li> <li>Our conclusion based on the above is also expressed in the "Material Uncertainty over going concern" paragraph</li> </ul>
3	<p><b>Evaluation of uncertain tax positions:</b> The company has uncertain tax positions including matters under long litigations (Refer Note 27 to the Standalone Financial Statements)</p>	<p><b>Principal Audit Approach</b> Our Audit approach included the following:</p> <ul style="list-style-type: none"> <li>Obtained the status of all the direct and indirect tax litigations including pending assessments and demands from the Company's legal team;</li> <li>Analysed the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes</li> </ul>

## Other Information

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

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

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

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

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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



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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of Financial Statements**

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

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

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

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

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

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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company,

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W / W – 100036

**Himanshu Kishnadwala**

Partner

Membership No: 037391

UDIN: 20037391AAAACQ2841

Place: Mumbai

Date: 15<sup>th</sup> June, 2020



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under “Report on other Legal and Regulatory requirements” in the Independent Auditor’s Report of even date to the members of CHOWGULE STEAMSHIPS LIMITED (“the Company”) on the financial statements for the year ended 31st March, 2020)

- (i) In respect of the Company’s fixed assets:
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets;
  - (b) Fixed assets were physically verified by the Management during the year and no material discrepancies were noticed during such verification;
  - (c) According to the information and explanations given to us and the record examined by us and confirmations from the Banks provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date;
- (ii) The Company did not hold inventory during the year; Hence clause 3(ii) of the order is not applicable;
- (iii) During the year, the Company has granted a long-term unsecured loan to a party, covered in the register maintained under Section 189 of the Companies Act, 2013.
  - a. In our opinion, the rate of interest and other terms and conditions of the grant of such loans are not, prima facie, prejudicial to the Company’s interest.;
  - b. The said loan is repayable in Financial year 2021-22;
  - c. In respect of the aforesaid loans, the interest thereon is overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, in respect of the loans given by the Company during the year, the provisions of section 185 and 186 have been complied with. The company has not made any investments or given any guarantees or provided any security during the year.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified;
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013;
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, income-tax, duty of customs, goods and service tax, cess, professional tax and any other material statutory dues, as applicable, with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March 2020, for a period of more than six months from the date they become payable; Employee State Insurance is not applicable to the Company;
- (b) According to the information and explanations given to us, the statutory dues not deposited on account of disputes pending before appropriate authorities are as under:

(Amounts in lakhs)

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

\* ₹ 47.40 lakhs paid as deposit

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company does not have loans or borrowings from Banks, Financial Institution, and Government as at the balance sheet date. The company has not issued any debentures.
- (ix) According to the records of the Company examined by us and the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not raised any term loans during the year;
- (x) According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit;

- (xi) In our opinion and according to information and explanations given to us, the managerial remuneration has been paid in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013;
- (xii) The Company is not a Nidhi company and therefore the provisions of clause 3 (xii) of the Order are not applicable to the company;
- (xiii) In our opinion and according to information and explanations given to us, the company has complied with the provisions of section 177 and 188 of the Companies Act, 2013 where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards;
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore clause 3(xiv) is not applicable to the Company;
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company during the year, the company has not entered into non cash transactions with Directors or persons connected with them. Accordingly, clause 3(xv) of the order is not applicable to the company;
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W / W – 100036

**Himanshu Kishnadwala**

Partner

Membership No: 037391

UDIN: 20037391AAAACQ2841

Place: Mumbai

Date: 15<sup>th</sup> June, 2020



## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

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

We have audited the internal financial controls over financial reporting of CHOWGULE STEAMSHIPS LIMITED (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, internal financial controls with reference to financial statements of the company and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W / W – 100036

**Himanshu Kishnadwala**

Partner

Membership No: 037391

UDIN: 20037391AAAACQ2841

Place: Mumbai

Date: 15<sup>th</sup> June, 2020





# CHOWGULE STEAMSHIPS LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2020

	Note no.	As at 31st March, 2020	₹ in lakhs As at 31st March, 2019
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3.1	437.64	897.54
(b) Capital work-in-progress		—	—
(c) Investment property	3.2	369.82	—
(d) Goodwill		—	—
(e) Other intangible assets		—	—
(f) Intangible assets under development		—	—
(g) Biological assets other than bearer plants		—	—
(h) Financial assets			
i) Investments	4	9,549.59	9,549.59
ii) Trade receivables		—	—
iii) Loans	5	2,370.14	—
iv) Other financial assets	6	674.27	762.64
(j) Deferred tax assets (net)	7	275.73	338.84
(j) Other non-current assets	8	175.41	230.70
		<u>13,852.60</u>	<u>11,779.31</u>
<b>2 Current Assets</b>			
(a) Inventories		—	—
(b) Financial assets			
i) Investments	9	223.74	138.75
ii) Trade receivables	10	—	—
iii) Cash and cash equivalents	11.1	66.07	38.10
iv) Bank balances other than (iii) above		—	—
v) Loans	12	—	1,383.43
vi) Other financial assets	13	360.42	177.00
(c) Current tax assets (net)		—	—
(d) Other current assets	14	11.96	19.37
Assets classified as held for sale	3.1	15.72	18.54
		<u>677.91</u>	<u>1,775.19</u>
<b>TOTAL ASSETS</b>		<u>14,530.51</u>	<u>13,554.50</u>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	15	3,630.84	3,630.84
(b) Other equity	16	8,218.23	7,860.93
		<u>11,849.07</u>	<u>11,491.77</u>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	17	1,770.00	—
ii) Trade payables		—	—
Due to micro and small enterprises		—	—
Due to others		—	—
iii) Other financial liabilities	18	555.54	513.60
(b) Provisions	19	1.62	40.56
(c) Deferred tax liabilities (net)		—	—
(d) Other non-current liabilities	20	—	4.49
		<u>2,327.16</u>	<u>558.65</u>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	21	—	1,420.00
ii) Trade payables			
Due to micro and small enterprises	22	0.10	—
Due to others	22	6.39	9.84
iii) Other financial liabilities	23	143.98	10.23
(b) Other current liabilities	24	85.71	55.45
(c) Provisions	25	39.87	15.56
(d) Current tax liabilities (net)	26	78.23	—
Liability classified as Held for sale/Liability included in disposal of Group held for sale		—	—
		<u>354.28</u>	<u>1,504.08</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>14,530.51</u>	<u>13,554.50</u>

See accompanying notes to the financial statements

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

**HIMANSHU KISHNADWALA**  
Partner  
Membership No. 037391

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

For and on behalf of the Board of Directors  
**PADMA V. CHOWGULE**  
(DIN : 00006969)  
Chairman  
Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**ADITYA J. CHOWGULE**  
(DIN : 07739364)  
Managing Director and CFO

Place: Goa  
Date: 15<sup>th</sup> June, 2020

**RAVINDRA KULKARNI**  
(DIN : 00059367)  
Director  
Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**DARSHAN KAREKAR**  
Company Secretary

Place: Goa  
Date: 15<sup>th</sup> June, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

		₹ in lakhs	
	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>I. Income</b>			
Revenue from operations	28	–	6.35
Other income	29	1,009.36	443.20
<b>III. Total income (I + II)</b>		1,009.36	449.55
<b>IV. Expenses:</b>			
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	30	109.52	220.35
Finance costs	31	190.73	72.93
Depreciation and amortisation expense	32	72.63	131.21
Impairment of asset		–	–
Other expenses	33	130.18	311.73
<b>Total expenses (IV)</b>		503.06	736.22
<b>V. Profit/(loss) before exceptional items and tax(III-IV)</b>		506.30	(286.67)
<b>VI. Exceptional items</b>		–	–
<b>VII. Profit/(loss) before tax (V-VI)</b>		506.30	(286.67)
<b>VIII. Tax expense:</b>			
Current tax		88.00	–
Deferred tax	7	62.53	(93.28)
<b>TOTAL</b>		150.53	(93.28)
<b>IX. Profit/(Loss) for the year from continuing operations (VII-VIII)</b>		355.77	(193.39)
<b>X. Profit/(Loss) from discontinued operations</b>		–	–
<b>XI. Tax expense of discontinued operations</b>		–	–
<b>XII. Profit/(Loss) from discontinued operations (after tax) (X-XI)</b>		–	–
<b>XIII. Profit/(Loss) for the year (IX+XII)</b>		355.77	(193.39)
<b>XIV. Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plan		2.12	(41.88)
(ii) Income tax relating to items that will not be reclassified to profit or loss	7	(0.59)	4.11
<b>TOTAL</b>		1.53	(37.77)
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		–	–
<b>TOTAL</b>		–	–
<b>XV. Total comprehensive income for the year (XIII+XIV) (comprising loss and other comprehensive income for the year)</b>		357.30	(231.16)
<b>XVI. Earnings per equity share (for continuing operation):</b>			
(i) Basic	37	0.98	(0.53)
(ii) Diluted	37	0.98	(0.53)
<b>XVII. Earnings per equity share (for discontinued operation):</b>			
(i) Basic		–	–
(ii) Diluted		–	–
<b>XVIII. Earnings per equity share (for discontinued and continuing operation):</b>			
(i) Basic	37	0.98	(0.53)
(ii) Diluted	37	0.98	(0.53)

See accompanying notes to the financial statements

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

**HIMANSHU KISHNADWALA**  
 Partner  
 Membership No. 037391

Place: Mumbai  
 Date: 15<sup>th</sup> June, 2020

For and on behalf of the Board of Directors

**PADMA V. CHOWGULE**  
 (DIN : 00006969)  
 Chairman  
 Place: Mumbai  
 Date: 15<sup>th</sup> June, 2020

**ADITYA J. CHOWGULE**  
 (DIN : 07739364)  
 Managing Director and CFO

Place: Goa  
 Date: 15<sup>th</sup> June, 2020

**RAVINDRA KULKARNI**  
 (DIN : 00059367)  
 Director  
 Place: Mumbai  
 Date: 15<sup>th</sup> June, 2020

**DARSHAN KAREKAR**  
 Company Secretary

Place: Goa  
 Date: 15<sup>th</sup> June, 2020



# CHOWGULE STEAMSHIPS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

### A. Equity share capital

₹ in lakhs

	As at 31st March, 2020
<b>Balance as at 31st March, 2019</b>	3,630.84
Changes in equity share capital during the period	—
<b>Balance as at 31st March 2020</b>	<u>3,630.84</u>

### B Other equity

₹ in lakhs

	Reserve and surplus					Total equity
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings	
<b>As at 31st March 2019</b>	11.96	30.00	2,922.01	4,117.52	779.44	7,860.93
Total comprehensive income for the year					357.30	357.30
<b>As at 31st March 2020</b>	<u>11.96</u>	<u>30.00</u>	<u>2,922.01</u>	<u>4,117.52</u>	<u>1,136.74</u>	<u>8,218.23</u>

See accompanying notes to the financial statements

In terms of our report attached

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

**HIMANSHU KISHNADWALA**  
Partner  
Membership No. 037391

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

For and on behalf of the Board of Directors

**PADMA V. CHOWGULE**  
(DIN : 00006969)  
Chairman  
Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**ADITYA J. CHOWGULE**  
(DIN : 07739364)  
Managing Director and CFO

Place: Goa  
Date: 15<sup>th</sup> June, 2020

**RAVINDRA KULKARNI**  
(DIN : 00059367)  
Director  
Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**DARSHAN KAREKAR**  
Company Secretary

Place: Goa  
Date: 15<sup>th</sup> June, 2020

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	For the year ended 31st March, 2020 ₹ in lakhs	For the year ended 31st March, 2019 ₹ in lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) for the year	355.77	(193.39)
<b>Adjustments for:</b>		
Depreciation	72.63	131.21
Income tax expenses	149.11	(93.28)
Provision for employee benefits	(14.04)	21.92
Sundry balance written off / (back)	(21.27)	9.68
Foreign exchange translation differences	(186.68)	(1.81)
Interest income	(305.12)	(218.93)
Dividend income	(0.02)	(0.02)
Rent income	(218.00)	(215.37)
Gain arising on financial assets designated as at FVTPL	(16.78)	(8.60)
Fixed assets written off	0.10	-
Loss / (Profit) on sale of fixed asset	(258.51)	53.96
Finance cost	190.73	72.93
<b>Operating loss before working capital changes</b>	<b>(252.08)</b>	<b>(441.70)</b>
<b>Changes in working capital</b>		
<b>Adjustments for:</b>		
Decrease / (Increase) in other current assets	59.85	8.51
Decrease / (Increase) in other non current assets	(0.39)	90.72
(Decrease)/ Increase in other current liabilities	(7.77)	(9.80)
Movement in restricted Bank balances	-	6.67
Decrease / (Increase) in inventories	-	8.64
(Decrease)/ Increase in trade payables	3.65	(13.18)
<b>Cash generated from operations</b>	<b>(196.74)</b>	<b>(350.14)</b>
Less: net income tax refund / (paid)	107.93	34.12
<b>Net cash flow used in operating activities</b>	<b>(88.81)</b>	<b>(316.02)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(0.36)	(0.26)
Proceeds from disposal of property, plant and equipment	456.80	99.85
Rental income from operating lease	188.78	194.57
Loan refunded by / (given to) subsidiary company	(810.25)	(1,383.43)
Sale of current investments	618.57	90.00
Purchase of current investments	(686.78)	(94.00)
Dividend received	0.02	0.02
<b>Net cash flow from investing activities</b>	<b>(233.22)</b>	<b>(1,093.25)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from related party	350.00	1,420.00
Unclaimed dividend paid	-	(6.67)
<b>Net cash flow used in financing activities</b>	<b>350.00</b>	<b>1,413.33</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(A+B+C) 27.97</b>	<b>4.06</b>
Cash and cash equivalents - opening balance	38.10	32.37
Cash and cash equivalents - closing balance	<b>66.07</b>	<b>38.10</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		
Cash on hand and balances with Banks	63.89	36.42
Effect of exchange rate changes on the balance held in foreign currency	2.18	1.68
Cash and cash equivalents as restated	<b>66.07</b>	<b>38.10</b>

**Notes :**

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

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

**HIMANSHU KISHNADWALA**  
Partner  
Membership No. 037391  
Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

For and on behalf of the Board of Directors  
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**ADITYA J. CHOWGULE**  
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Managing Director and CFO  
Place: Goa  
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**RAVINDRA KULKARNI**  
(DIN : 00059367)  
Director  
Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**DARSHAN KAREKAR**  
Company Secretary  
Place: Goa  
Date: 15<sup>th</sup> June, 2020



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Corporate information

Chowgule Steamships Limited (CSL) ("the Company") is a limited company incorporated and domiciled in India, whose shares are publically traded on Bombay Stock Exchange. CSL is a shipping company which presently owns and operates a fleet of 3 vessels (including that of its wholly owned subsidiaries) for seaborne transportation of bulk cargo. CSL is principally engaged in the carriage of goods by sea and is committed to serve its customers to their satisfaction and mutual optimum benefits.

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

### 2. Significant accounting policies :

#### 2.1 Statement of compliance:

##### A. Basis of preparation and presentation

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

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

##### B. Authorisation of financial statements:

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 15th June, 2020.

##### C. Historical cost convention

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

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

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

#### 2.2 Use of estimates:

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

## NOTES TO THE FINANCIAL STATEMENTS

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

### 2.3 Current versus non-current classification:

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

### 2.4 Property, plant and equipment:

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

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

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

#### Depreciation:

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

Depreciation on PPE is provided as per the useful life prescribed in Schedule II of the Companies Act, 2013 except in



## NOTES TO THE FINANCIAL STATEMENTS

case of the following category of PPE in whose case the life of the items of PPE has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support etc.

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

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

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

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

Depreciation on PPE is provided as per the useful life prescribed in Schedule II of the Companies Act, 2013.

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

### **Assets classified as held for sale**

An item of Property Plant and Equipment is classified as held for sale at the time when the Management is committed to sell/ dispose off the asset based on agreements entered into with the customer, and the asset is expected to be sold , disposed off within one year from the date of classification. Assets classified as held for sale are measured at lower of cost and net realisable value.

### **2.5 Investment property**

Investment Property is property (land or building or a part of building) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs, Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of depreciation.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

### **2.6 Investment in subsidiaries**

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

### **2.7 Inventories**

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

### **2.8 Leasing:**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## NOTES TO THE FINANCIAL STATEMENTS

### As a lessee

#### (A) Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

#### (B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

### Subsequent measurement

#### (A) Lease liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

#### (B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

### Short term lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

### As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

### Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

## 2.9 Impairment of non financial assets :

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

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





## NOTES TO THE FINANCIAL STATEMENTS

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.

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

### **2.11 Borrowing costs:**

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

### **2.12 Employee benefits:**

#### **2.12.1 Short term**

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

#### **2.12.2 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 are financed by the Company along with its employees.

##### **2.12.2.1 Defined-contribution plans**

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

##### **2.12.2.2 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

## NOTES TO THE FINANCIAL STATEMENTS

when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment cost. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

### 2.12.3 Other long-term employee benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be 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 is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

### 2.13 Taxation:

Income Tax expense represents the sum of current tax and deferred tax.

#### 2.13.1 Current tax

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

#### 2.13.2 Deferred tax

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

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

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

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

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

Deferred tax assets include unused tax credit on account of 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, unused tax credit are recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### 2.14 Cash and cash equivalents:

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



**NOTES TO THE FINANCIAL STATEMENTS**

**2.15 Cash flow statement**

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

**2.16 Provisions:**

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

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

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

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

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

**2.17 Revenue recognition:**

The Company earns revenues from contracts with customers from charter hire earnings, demurrage and freight earnings.

**2.17.1 Determining the timing of satisfaction of performance obligations:**

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

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

Revenue is net of trade discounts and exclude Goods and Service Taxes (GST) or duties collected on behalf of the government.

**Determining the transaction price and the amounts allocated to performance obligations**

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### **Trade receivables and contract balances:**

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

### **2.17.2 Dividend and interest income**

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

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

### **2.17.3 Rental income**

The Company's policy for recognition of revenue from operating leases is described in note 2.8 above

### **2.17.4 Insurance claims**

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

### **2.17.5 Other income**

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

### **2.18 Operating expenses**

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

### **2.19 Financial instruments:**

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

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

### **Effective interest method**

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

### **2.20 Offsetting of financial instruments**

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

### **2.21 Financial assets:**

Purchases or sales of financial assets which require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



## NOTES TO THE FINANCIAL STATEMENTS

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

### **2.21.1 Financial assets at amortised cost**

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

### **2.21.2 Financial assets at fair value through other comprehensive income**

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

### **2.21.3 Financial assets at fair value through profit or loss**

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

### **2.21.4 Impairment of financial assets**

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

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

### **2.21.5 Derecognition of financial assets**

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

## **2.22 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 expired.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.23 Earnings per equity share:

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

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

### 2.24 Segment reporting

Operating segments are defined as components of an enterprise for which available discrete financial information is evaluated based on the 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.



## NOTES TO THE FINANCIAL STATEMENTS

### 3.1 Property, plant and equipment

	As at 31st March, 2020	As at 31st March, 2019
Carrying amounts of		
Free hold land	244.78	247.04
Free hold building		
Staff quarters	–	17.57
Office premises ( See foot note below)	183.78	620.95
Furniture and fixture	2.56	2.56
Vehicles	0.41	2.88
Office equipments	6.11	6.54
<b>TOTAL</b>	<b>437.64</b>	<b>897.54</b>

₹ in lakhs

	Free hold land	Free hold building		Furniture and fixture	Vehicles	Office equipments	Total
		Staff quarters	Office premises				
<b>Deemed cost</b>							
Balance at 31st March, 2019	247.04	27.36	999.09	9.23	12.79	22.44	1,317.95
Additions	–	–	–	–	–	0.36	0.36
Transferred to investment property	(2.96)	–	(666.06)	–	–	–	(668.32)
Transferred to asset held for sale	–	(27.36)	–	–	–	–	(27.36)
Disposals	–	–	–	–	(12.37)	(0.16)	(12.53)
<b>Balance at 31st March, 2020</b>	<b>244.78</b>	<b>–</b>	<b>333.03</b>	<b>9.23</b>	<b>0.42</b>	<b>22.64</b>	<b>610.10</b>
<b>Accumulated depreciation and impairment</b>							
Balance at 31st March, 2019	–	9.79	378.14	6.67	9.91	15.90	420.41
Depreciation expenses	–	1.85	23.20	–	0.47	0.69	26.21
Transferred to investment property	–	–	(252.09)	–	–	–	(252.09)
Transferred to asset held for sale	–	(11.64)	–	–	–	–	(11.64)
Eliminated on disposals of assets	–	–	–	–	–	–	–
Disposals	–	–	–	–	(10.37)	(0.06)	(10.43)
<b>Balance at 31st March, 2020</b>	<b>–</b>	<b>–</b>	<b>149.25</b>	<b>6.67</b>	<b>0.01</b>	<b>16.53</b>	<b>172.46</b>
<b>Carrying value of assets</b>							
Balance at 31st March, 2019	247.04	17.57	620.95	2.56	2.88	6.54	897.54
Additions	–	–	–	–	–	0.36	0.36
Depreciation expenses	–	(1.85)	(23.20)	–	(0.47)	(0.69)	(26.21)
Transferred to investment property	(2.96)	–	(413.97)	–	–	–	(416.23)
Transferred to asset held for sale	–	(15.72)	–	–	–	–	(15.72)
Disposals	–	–	–	–	(2.00)	(0.10)	(2.10)
<b>Balance at 31st March, 2020</b>	<b>244.78</b>	<b>–</b>	<b>183.78</b>	<b>2.56</b>	<b>0.41</b>	<b>6.11</b>	<b>437.64</b>

Foot notes:

- 1) Includes cost of 5 shares of ₹ 50 each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited.
- 2) Office premises are on land which is on a long term lease from Government

## NOTES TO THE FINANCIAL STATEMENTS

- Staff quarters at Dadar Paschim Co-operative Housing Society Limited with a WDV of ₹ 15.72 Lakhs have been classified as held for sale.
- Staff quarters at Olympus Co-operative Housing Society Limited having WDV ₹ 18.53 lakhs were sold during the year.
- During the year, based on a change in the use, the Company has reclassified office premises having Cost of ₹ 666.06 lakhs and accumulated depreciation of ₹ 252.09 lakhs and Land admeasuring 2.59 acres costing ₹ 2.26 lakhs as investment property. (Refer note 3.2 below)

### 3.2 Investment property

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Carrying amounts of		
Free hold land	2.26	—
Building		
Office premises ( Refer to note 41)	367.56	—
<b>TOTAL</b>	<b>369.82</b>	<b>—</b>

	Free hold land	Building Office premises	Total
<b>Deemed cost</b>			
Balance at 31st March, 2019	—	—	—
Transferred from Property Plant and Equipment	2.26	666.06	668.32
Disposals	—	—	—
<b>Balance at 31st March, 2020</b>	<b>2.26</b>	<b>666.06</b>	<b>668.32</b>
<b>Accumulated depreciation and impairment</b>			
Balance at 31st March, 2019	—	—	—
Transferred from Property Plant and Equipment	—	252.09	252.09
Depreciation expenses	—	46.41	46.41
Disposals	—	—	—
<b>Balance at 31st March, 2020</b>	<b>—</b>	<b>298.50</b>	<b>298.50</b>
<b>Carrying value of assets</b>			
Balance at 31st March, 2019	—	—	—
Transferred from Property Plant and Equipment	2.26	413.97	416.23
Disposals	—	—	—
Depreciation expenses	—	(46.41)	(46.41)
<b>Balance at 31st March, 2020</b>	<b>2.26</b>	<b>367.56</b>	<b>369.82</b>

Foot notes:

- During the year, based on a change in the use, the Company has reclassified office premises having Cost of ₹ 666.06 lakhs and accumulated depreciation of ₹ 252.09 lakhs and Land admeasuring 2.59 acres costing ₹ 2.26 lakhs as investment property.

<b>Fair value of investment property</b>	Land	Office Premises
As at 31st March 2020	88.11	4,140.00

#### Estimation of fair value

The fair value of investment property have been determined based on prevailing market prices based on property websites and ready reckoner rates for land.





## NOTES TO THE FINANCIAL STATEMENTS

- 2) Office premises are on land which is on a long term lease from Government, includes cost of 5 shares of ₹ 50 each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited.
- 3) Future minimum lease rent receipts from premises under operating lease are as below:

₹ in lakhs

	Land		Office premises	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Not later than one year	6.29	–	168.38	209.76
Later than one year and not later than five years	25.17	–	–	168.38
<b>TOTAL</b>	<b>31.46</b>	<b>–</b>	<b>168.38</b>	<b>378.14</b>

### 4 Investments

₹ in lakhs

	No. of shares	As at 31st March, 2020	As at 31st March, 2019
<b>Investments in subsidiary at cost (unquoted)</b>			
a) Equity			
Chowgule Steamships Overseas Limited (100% wholly owned subsidiary) (Equity shares of USD 1 each fully paid)	9,200,000	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
<b>TOTAL</b>		<b>9,549.59</b>	<b>9,549.59</b>
Aggregate value of unquoted investments		9,549.59	9,549.59

### 5 Loans

Loans receivables considered good - secured	–	–
Loans receivables considered good - unsecured ( Refer foot note below)	–	–
Loan to wholly owned subsidiary ( Refer to note 12,13 and 40)	2,370.14	–
Loans receivables which have significant increase in credit risk	–	–
Loans receivables - credit impaired	–	–
Less : Expected credit loss on above	–	–
<b>TOTAL</b>	<b>2,370.14</b>	<b>–</b>

Foot note :

Unsecured loan to wholly owned subsidiary of ₹ 2370.14 lakhs (2019: ₹ 1,383 lakhs) carrying interest @9% p.a. Is repayable in September 2021 . The said loan was classified as a current in the previous year owing to the same being payable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

### 6 Other financial assets

	As at 31st March, 2020	As at 31st March, 2019
Security deposits ( Unsecured, considered good unless otherwise stated)	1.80	1.80
Receivable on sale of property plant and equipment ( Refer to note no 13)	672.47	760.84
<b>TOTAL</b>	<b>674.27</b>	<b>762.64</b>

### 7 Deferred tax assets (net)

Deferred tax assets (refer foot note below)	486.97	582.85
Deferred tax liabilities	(211.24)	(244.01)
<b>TOTAL</b>	<b>275.73</b>	<b>338.84</b>

Foot note :

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

**2019-20** ₹ in lakhs

Deferred tax assets /(liabilities) in relation to:	Opening balance	On transactions recognised in statement of profit and loss	On transactions recognised in other comprehensive income	Closing balance
Allowance for doubtful receivables	11.60	-	-	11.60
Defined benefit obligations	19.73	(7.59)	(0.59)	11.55
Unused tax losses	499.73	(88.20)	-	411.53
Unused tax credit (MAT)	51.79	0.51	-	52.29
Security deposits	(0.09)	0.02	-	(0.07)
Property, plant and equipment	(170.73)	23.34	-	(147.39)
Trade payable for property, plant and equipment	(68.88)	10.14	-	(58.74)
Investments	(4.31)	(0.73)	-	(5.04)
<b>TOTAL</b>	<b>338.84</b>	<b>(62.51)</b>	<b>(0.59)</b>	<b>275.73</b>

**2018-19** ₹ in lakhs

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



## NOTES TO THE FINANCIAL STATEMENTS

### Reconciliation of income tax expense and the accounting profit with Company's domestic tax rate:

	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit / (Loss) before tax	508.42	(328.55)
Enacted tax rates in India	27.82%	27.82%
Computed expected tax expense	141.44	(91.40)
Effect of income that is exempt from taxation	(0.01)	(0.01)
Effect of expenses that are not deductible in determining taxable profit	0.07	0.02
Effect of previously unrecognized deferred tax assets		(4.11)
Effect of sale of mutual fund investments	-	-
Others	9.61	(1.89)
Income tax expense recognised in statement of profit and loss	<u>151.12</u>	<u>(97.39)</u>

₹ in lakhs

### 8 Other non current assets

	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good unless otherwise stated		
Advance payment of taxes	124.51	179.79
Disputed sales tax deposit (Refer note no 27)	47.40	47.40
Security deposits	3.51	3.51
<b>TOTAL</b>	<u>175.41</u>	<u>230.70</u>

₹ in lakhs

### 9 Investments

	No. of shares / units	As at 31st March, 2020	No. of shares / units	As at 31st March, 2019
<b>Investments in equity instruments carried at fair value through profit or loss (FVTPL)</b>				
<b>Equity shares (quoted) of ₹ 10 each fully paid up :</b>				
Mahindra Lifespace Developers Limited	16	0.03	16	0.06
ICICI Bank Limited	825	2.68	825	3.29
Global Offshore Services Limited #	50	-	50	0.01
Essar Shipping Limited	233	0.01	233	0.02
GOL Offshore Limited #	30	-	30	-
The Great Eastern Shipping Company Limited	121	0.25	121	0.34
Shreyas Shipping and Logistics Limited	100	0.04	100	0.20
The Shipping Corporation of India Limited	75	0.03	75	0.03
<b>Equity shares (unquoted) of R 10 each fully paid up :</b>				
Hazira Cargo Terminal Limited #	69	-	69	-
Salaya Bulk Terminal Limited #	23	-	23	-
Vadinar Oil Terminal Limited #	349	-	349	-

₹ in lakhs

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in lakhs		₹ in lakhs	
	No. of shares / units	As at 31st March, 2020	No. of shares / units	As at 31st March, 2019
<b>Investment in mutual funds (unquoted) carried at fair value through profit or loss ( FVTPL)</b>				
Aditya Birla Sun Life Savings Fund-Growth-Reg Plan	23,692	94.18	–	–
Kotak Savings Fund-Growth ( Reg Plan)	197,135	63.27	–	–
L&T Ultra Short Term Fund-Growth	193,530	63.25	–	–
Franklin India Low Duration Fund - Growth	–	–	164,518	35.77
Franklin India Ultra Short Bond Fund -Super Institutional Plan Growth	–	–	366,758	96.34
Invesco India Money Market Fund - Institutional Growth	–	–	126	2.69
# Value less than ₹ 500				
<b>TOTAL</b>		<b>223.74</b>		<b>138.75</b>
Aggregate book value of quoted investments		3.04		3.95
Aggregate market value of quoted investments		3.04		3.95
Aggregate carrying value of unquoted investments		220.69		134.80

### 10 Trade receivables

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Trade receivables considered good - secured	–	–
Trade receivables considered good - unsecured ( Refer foot note below)	–	–
Trade receivables which have significant increase in credit risk	–	–
Trade receivables - credit impaired	41.67	41.67
Less : Expected credit loss on above	(41.67)	(41.67)
<b>TOTAL</b>	<b>–</b>	<b>–</b>

Foot notes :

#### 10.1 Credit policy and 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.

#### 10.2 Ageing of receivables

	2019-20	2018-19
Within the credit period		
1-30 days past due	–	–
more than 180 days past due	41.67	41.67



## NOTES TO THE FINANCIAL STATEMENTS

### 11 Cash and Bank balances

	As at 31st March, 2020	As at 31st March, 2019
₹ in lakhs		
11.1 Cash and cash equivalents		
a) Balance with banks in current accounts	39.54	13.77
b) Balance with banks in foreign currency accounts	26.49	24.33
Total cash and cash equivalents	66.03	38.10
11.2 Cash on hand	0.04	–
<b>TOTAL</b>	<b>66.07</b>	<b>38.10</b>

### 12 Loans

Loans receivables considered good - secured	–	–
Loans receivables considered good - unsecured	–	–
Loan to related party	–	–
Loan to wholly owned subsidiary ( Refer to note 5,13 and 40)	–	1,383.43
Loans receivables which have significant increase in credit risk	–	–
Loans receivables - credit impaired	–	–
Less : Expected credit loss on above	–	–
<b>TOTAL</b>	<b>–</b>	<b>1,383.43</b>

### 13 Other financial assets

Accrued interest (Refer to note 5 and 12)	195.94	11.09
Receivable on sale of Property plant and equipment (Refer to note no 6)	164.48	165.91
<b>TOTAL</b>	<b>360.42</b>	<b>177.00</b>

### 14 Other current assets

Prepaid expenses	5.60	15.61
Goods and service tax	1.18	2.15
Deposit receivable	–	–
Other receivables	5.18	1.61
<b>TOTAL</b>	<b>11.96</b>	<b>19.37</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15 Equity share capital

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>Authorised</b>		
(i) 50,000,000 Equity shares of ₹ 10/- each	5,000.00	5,000.00
(ii) 2,500,000 Redeemable preference shares of ₹ 10/- each	2,500.00	2,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
<b>Issued, subscribed and paid-Up</b>		
36,308,425 Equity shares of ₹ 10/- each fully paid up	3,630.84	3,630.84
<b>TOTAL</b>	<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, 2020	As at 31st March, 2019
Chowgule and Company Private Limited ( Holding Company)	17,450,333	17,450,333
	48.06%	48.06%
Quail Investments Limited	2,260,843	2,260,843
	6.23%	6.23%

### 16 Other equity

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Balances at the end of year		
(a) Capital reserve	11.96	11.96
(b) Capital redemption reserve	30.00	30.00
(c) Securities premium reserve	2,922.01	2,922.01
(d) General reserve	4,117.52	4,117.52
(e) Retained earnings		
Balance at beginning of year	779.44	1,010.60
Add : Profit /(Loss) for the year	357.30	(231.16)
Balance at end of year	<u>1,136.74</u>	<u>779.44</u>
<b>TOTAL</b>	<u>8,218.23</u>	<u>7,860.93</u>



## NOTES TO THE FINANCIAL STATEMENTS

### Foot notes:

#### Nature of reserves

#### Capital reserve:

Capital reserve includes profit on forfeiture of shares.

#### Capital redemption reserve:

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

#### Securities premium reserve:

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

#### General reserve:

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

#### Retained earnings:

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013.

### 17 Borrowings

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Loan from related party (Refer to note 21,23 and 35 )	1,770.00	—
<b>TOTAL</b>	<b>1,770.00</b>	<b>—</b>

Unsecured loan from related party of ₹ 1,770 lakhs (2019: ₹ 1,420 lakhs) carrying interest @9% p.a. is repayable in September 2021. The said loan was repayable on demand in the previous year and hence was classified as a current liability

### 18 Other financial liabilities

Security deposit	100.13	94.64
Payable on purchase of property, plant and equipment	455.41	418.96
<b>TOTAL</b>	<b>555.54</b>	<b>513.60</b>

### 19 Provisions

Provision for employee benefits	1.62	40.56
<b>TOTAL</b>	<b>1.62</b>	<b>40.56</b>

### 20 Other non current liabilities

Advance rent received	—	4.49
<b>TOTAL</b>	<b>—</b>	<b>4.49</b>

### 21 Current borrowings

Loan from related party ( Refer to note no 17 and 35)	—	1,420.00
<b>TOTAL</b>	<b>—</b>	<b>1,420.00</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 22 Trade payables

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Total outstanding dues of micro enterprises and small enterprises (Refer foot notes below)	–	–
Sundry creditors	0.10	–
Total outstanding dues of other than micro enterprises and small enterprises:	–	–
Sundry creditors	5.19	1.64
Shipping cost payable	1.20	1.20
<b>TOTAL</b>	<b>6.49</b>	<b>2.84</b>

Foot notes:

The average credit period on purchases of goods and services are within 45 days. No interest is charged by the vendors.

Details relating to micro, small and medium enterprises

a) Amount remaining unpaid to any supplier at the end of the year:		
- Principal	0.10	–
- Interest	–	–
b) The amount of interest paid by the buyer as per Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year	–	–
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	–	–
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
e) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	–	–

Note:

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

<b>TOTAL</b>	<b>0.10</b>	<b>–</b>
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The above disclosure is compiled based on information available with the Company regarding status of trade payables into MSME and others. This has been relied upon by auditors.

### 23 Other financial liabilities

Unsecured		
Interest accrued not due (Refer to note 17, 21 and 35)	143.98	10.23
<b>TOTAL</b>	<b>143.98</b>	<b>10.23</b>





## NOTES TO THE FINANCIAL STATEMENTS

### 24 Other current liabilities

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Advance rent received	4.49	5.61
Advance for sale of property plant and equipment	55.00	1.00
Payable to gratuity fund (Refer note no 34)	–	14.75
Other payables : statutory dues	6.61	1.62
Salary payable	4.21	–
Provision for other expenses	15.40	32.47
<b>TOTAL</b>	<b>85.71</b>	<b>55.45</b>

### 25 Provisions

Payable to gratuity fund (Refer note no 34)	8.00	–
Provision for employee benefits	31.87	15.56
<b>TOTAL</b>	<b>39.87</b>	<b>15.56</b>

### 26 Current tax liabilities (net)

Provision for tax	88.00	–
Payment of taxes in advance	(9.77)	–
<b>TOTAL</b>	<b>78.23</b>	<b>–</b>

### 27 Contingent liabilities

#### Sales tax demand not provided for: (Refer note no 8)

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 (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.

#### 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.

The Company believes the probability of the assessments in accordance with Ind AS 12 in these cases is nil, accordingly no provision is made in books of accounts

	237.00	237.00
	32.72	32.72

## NOTES TO THE FINANCIAL STATEMENTS

### 28 Revenue from operations

	Year ended 31st March 2020	Year ended 31st March 2019
Sale of service:		
Charter hire receipts	-	6.35
<b>TOTAL</b>	<b>-</b>	<b>6.35</b>

### 29 Other income

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

Interest on loans/receivable on sale of property, plant and equipment.

Operating lease rental income

Interest income tax refund

Dividend income

Net gain arising on financial assets designated as at FVTPL (Refer foot note)

Sundry receipts

Foreign exchange fluctuation (Net)

Profit on sale of asset

Expenses no longer payable written back

	Year ended 31st March 2020	Year ended 31st March 2019
	276.70	216.55
	218.00	215.37
	28.42	2.38
	0.02	0.02
	16.78	8.60
	0.76	0.98
	188.88	-
	258.51	-
	21.29	-
<b>TOTAL</b>	<b>1,009.36</b>	<b>443.90</b>

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 on fair valuation of ₹ 4.89 lakhs (2019 Loss : ₹ 9.54 lakhs).

### 30 Employee benefits expenses

Salaries, wages and other benefits

Contributions to provident and other funds

Superannuation contribution

Gratuity (L I C contribution)

Contribution to provident fund @ 12%

Staff welfare expenses

	88.54	186.26
	16.11	15.44
	(3.41)	3.97
	8.12	13.62
	0.16	1.06
<b>TOTAL</b>	<b>109.52</b>	<b>220.35</b>

### 31 Finance costs

Interest on loan from related party

Interest others

	185.06	67.58
	5.67	5.35
<b>TOTAL</b>	<b>190.73</b>	<b>72.93</b>

### 32 Depreciation and amortisation expenses

Depreciation on property, plant and equipment pertaining to continuing operations (Refer note no 3.1 and 3.2)

	72.63	131.21
<b>TOTAL</b>	<b>72.63</b>	<b>131.21</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 33 Other expenses

	₹ in lakhs	
	Year ended 31st March 2020	Year ended 31st March 2019
<b>Operating expenses</b>		
Manning cost	–	14.88
Fuel and oil	–	(3.99)
Stores and spare parts consumed	–	3.30
Ship repairs and survey charges	–	5.16
Insurance	1.72	5.83
Brokerage and agency fees	–	9.51
Ship management fees	–	4.50
Crew expenses	–	0.88
Quality and safety facilities	–	0.45
Port disbursement expenses	–	0.09
Handling and transport	–	0.37
<b>Other expenses</b>		
Power and fuel	4.05	4.29
Legal and professional expenses	17.35	17.18
Postage, telephone, telexes etc.	3.02	11.99
Rent	0.50	0.50
Rates and taxes	16.01	16.31
Auditors' remuneration		
For statutory audit	6.30	6.00
For tax audit	0.70	0.70
For other services	2.70	1.80
Directors' sitting fees	7.30	7.90
Sundry balance written - off	–	9.68
Net foreign currency translation differences	–	26.51
Travelling expenses (including foreign travelling)	5.31	26.69
Repairs to building	24.83	29.57
Subscriptions	14.39	16.20
Assets written off	0.10	–
Loss on sale of vessel	–	53.96
Miscellaneous expenses	25.90	41.47
<b>TOTAL</b>	<b>130.18</b>	<b>311.73</b>

## 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 plans

	(₹ in lakhs)	
	2019-20	2018-19
i) Provident fund	8.12	13.62
ii) Superannuation fund	16.11	15.44

#### 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:

	2019-20	2018-19
i) Discount rate at 31st March	6.55% p.a.	7.59% p.a.
ii) Rate of increase in compensation	5.00% p.a.	5.00% p.a.
iii) Attrition rate	0.50% p.a.	0.50% p.a.
vi) Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

## NOTES TO THE FINANCIAL STATEMENTS

Foot notes:

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

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

	(₹ in lakhs)	
	2019-20	2018-19
<b>Service cost</b>		
Current service cost	7.71	6.21
Past service cost and (gain)/loss from settlements	–	–
Adjustment to opening balance	(11.10)	0.13
Net Interest expense	(0.02)	(2.36)
<b>Components of defined benefit costs recognised in the statement of profit and loss</b>	<b>(3.41)</b>	<b>3.97</b>
<b>Remeasurement on the net defined benefit liability :</b>		
Return on the plan assets (excluding amount included in net interest expenses)	8.18	13.41
Actuarial (Gains)/losses arising from changes in demographic assumptions	–	–
Actuarial (Gains)/losses arising from changes in financial assumptions	1.76	0.13
Actuarial (Gains)/losses arising from experience adjustments	(12.06)	28.33
Others (describe)	–	–
Adjustments for restrictions on the defined benefit asset	–	–
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(2.12)</b>	<b>41.88</b>
<b>TOTAL</b>	<b>(5.52)</b>	<b>45.85</b>

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:**

	(₹ in lakhs)	
	2019-20	2018-19
Present value of funded defined benefit obligations	21.05	190.16
Fair value of plan assets	13.05	175.41
Funded status [deficit/(surplus)]	8.00	14.75
Restrictions on assets recognised	–	–
<b>Net liability arising from defined benefit obligation</b>	<b>8.00</b>	<b>14.75</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

	(₹ in lakhs)	
	2019-20	2018-19
Opening defined benefit obligations	190.16	144.45
Current service cost	7.71	6.21
Interest cost	8.17	11.05
Remeasurement (gains)/loss:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	1.76	0.13
Actuarial (gains)/losses arising from experience adjustments	(12.06)	28.33
Benefits paid	(174.69)	-
Closing defined benefit obligation	21.05	190.17

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

Opening fair value of plan assets	175.41	175.43
adjustment to opening fair value of plan asset	11.10	(0.13)
Interest income	8.18	13.41
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expenses)	(8.18)	(13.41)
Contribution from the employer	1.23	0.11
Benefits paid	(174.69)	-
Closing defined benefit obligation	13.05	175.41

Key management personnel liability as on 31st, March 2020 is ₹ 0.16 Lakhs (2019: ₹ 165 Lakhs)

### Sensitivity analysis

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

		(₹ in lakhs)	
		Present value of obligation (PVO)	
		2019-20	2018-19
Discount rate (DR)	PVO DR + 1%	19.36	188.12
	PVO DR - 1%	22.96	192.46
Expected Salary escalation rate	PVO ER + 1%	22.96	192.48
	PVO ER - 1%	19.32	188.07

### 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	0.12	0.14	0.17	0.19	0.22	21.18	

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.



## NOTES TO THE FINANCIAL STATEMENTS

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

The contribution expected to be made by the Company during the financial year 2020 is ₹ NIL Lakhs (2019 - ₹ 1.20 lakhs).

### Experience adjustments

	2015-16	2016-17	2017-18	2018-19	2019-20
					(₹ in lakhs)
Present value of the obligation	188.98	171.34	144.45	190.17	21.05
Fair value of the plan assets	132.90	152.17	175.43	175.41	13.05
Surplus/ (deficit)	(56.08)	(19.17)	30.98	(14.75)	(8.00)
Experience adjustment on plan liabilities	33.06	(27.73)	(18.78)	28.33	28.33
Experience adjustment on plan assets	(1.21)	(0.38)	0.68	(13.41)	(8.18)

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

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

Name of the Company	Country of Incorporation	% Holding	
		31st March, 2020	31st March, 2019
<b>a. Substantial investor</b>			
Chowgule and Company Private Limited	India	48.06%	48.06%
<b>b. Subsidiaries:</b>			
Chowgule Steamships Overseas Limited (CSOL)	Guernsey	100%	100%
<b>c. Step down subsidiaries:</b>			
Sea Bird LLC	The Marshall Islands	100%	100%
Sea Lord LLC	The Marshall Islands	100%	100%
Sea King LLC	The Marshall Islands	100%	100%
Sea Link LLC	The Marshall Islands	100%	100%
<b>d. Key managerial personnel:</b>			
Mr. Aditya Chowgule ( From 21.10.2019)	: Managing Director , Chief Financial Officer		
Mr. Darshan Karekar (From 01.10.2019)	: Company Secretary		
Mr. Mangesh Sawant ( Upto 31.07.2019)	: Managing Director , Chief Financial Officer		
Mr. Suhas Joshi ( Upto 19.08.2019)	: Company Secretary		
<b>e Relatives of key management personnel (with whom the Company has transactions)</b>			
Mr. Jaywant Chowgule	Father of Aditya Chowgule		
Mr. Devayu Jaywant Chowgule	Brother of Aditya Chowgule		
<b>f. Entities in which Directors are able to exercise significant control:</b>			
Chowgule Brothers Private Limited			
Lavgan Dockyard Private Limited			

## NOTES TO THE FINANCIAL STATEMENTS

### II Related party transactions:

(₹ in lakhs)

Nature of Transaction	Subsidiary companies		Enterprises over which key management personnel exercise significant control		Enterprises over which directors/ relative of directors/ key management personnel/ relative of key management personnel exercise significant influence.		Total	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
<b>I. Transactions during the year</b>								
<b>a) Services rendered</b>								
Chowgule and Company Private Limited	-	-	-	6.35	-	-	-	6.35
<b>b) Interest income</b>								
Lavgan Dockyard Private Limited	-	-	-	19.58	-	-	-	19.58
Chowgule Steamship Overseas Limited	174.72	11.09	-	-	-	-	174.72	11.09
<b>c) Reimbursement expenses</b>								
Angre Port Private Limited	-	-	-	-	1.86	-	1.86	-
Chowgule Brothers Private Limited	-	-	-	-	0.27	-	0.27	-
<b>d) Interest expenses</b>								
Chowgule and Company Private Limited	-	-	148.61	11.08	-	-	148.61	11.08
<b>e) Loans given during the year</b>								
Chowgule Steamship Overseas Limited	986.71	1,383.43	-	-	-	-	986.71	1,383.43
<b>f) Loans accepted during the year</b>								
Chowgule and Company Private Limited	-	-	350.00	1,420.00	-	-	350.00	1,420.00
<b>II. Outstanding Balances as on 31.03.2020</b>								
<b>a) Investment in subsidiaries</b>								
Chowgule Steamships Overseas Limited	9,549.59	9,549.59	-	-	-	-	9,549.59	9,549.59
<b>b) Loans</b>								
Chowgule and Company Private Limited (Incl Accrued Interest)	-	-	1913.98	1,430.23	-	-	1,913.98	1,430.23
Lavgan Dockyard Private Limited	-	-	-	-	-	-	-	-
Chowgule Steamship Overseas Limited * (Incl Accrued Interest)	2,566.08	1,394.51	-	-	-	-	2,566.08	1,394.51
<b>c) Trade and other payables</b>								
Chowgule and Company Private Limited	-	-	666.54	666.54	-	-	666.54	666.54

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

### III Compensation to key management personnel

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

(₹ in lakhs)

	31st March, 2020	31st March, 2019
Short-term employee benefits	89.71	137.40
Post employment benefits ( refer note 34)	0.34	197.69
Termination benefits	-	-
Share-based payments	-	-
<b>Total Compensation paid to Key Management Personnel</b>	<b>90.05</b>	<b>335.09</b>
<b>IV Sitting fees paid to non executive directors</b>		
Director sitting fees	7.30	7.90





## NOTES TO THE FINANCIAL STATEMENTS

### 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. 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

	2019-20	2018-19
a. Profit/(Loss) for the year (₹ in lakhs)	355.77	(193.39)
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 ₹)	0.98	(0.53)
d. Basic and diluted earnings per equity share (for discontinued operation) (in ₹)	-	-
e. Basic and diluted earnings per equity share (for continuing and discontinued operation) (in ₹)	0.98	(0.53)

### 38 Financial instruments

#### 38.1 Capital management

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

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

The Company's Board of Directors and KMP review the capital structure of the Company on an annual basis. As part of the review, the committee considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2020 is 0.14 (see below) and the Company wishes to improve the ratio over the period of time.

#### 38.1.1 Gearing ratio

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

	As at 31st March, 2020	As at 31st March, 2019
Debt (Refer Foot note (i) Below)	1,770.00	1,420.00
Cash and Bank balances	(66.07)	(38.10)
Net debt	1,703.93	1,381.90
Equity (Refer Foot note (ii) Below)	11,849.07	11,491.77
Net debt to equity ratio	0.14	0.12

Notes:

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

#### 38.2 Categories of financial instruments

##### Financial assets

##### Measured at amortised cost

(a) Cash and Bank balances	66.07	38.10
(b) Other financial assets at amortised cost		
(i) Other financial assets	1,034.70	939.63
(ii) Other loans	2,370.14	1,383.43
(iii) Trade receivables	-	-

##### Measured at fair value through profit or loss

(a) Investments	223.74	138.75
<b>TOTAL</b>	<b>3,694.64</b>	<b>2,499.91</b>

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
(i) Other financial liabilities	699.52	523.83
(ii) Borrowings	1,770.00	1,420.00
(iii) Trade payables	6.49	2.84
<b>TOTAL</b>	<b>2,476.02</b>	<b>1,946.67</b>

The above excludes investment in subsidiary.

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

**38.3 Financial risk management objectives**

The 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.

**38.4 Market risk**

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

**38.5 Foreign currency risk**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and lendings when transactions are denominated in a different currency from the Company's functional currency.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company's policy is not to hedge transactions and to buy and sell currency at spot rate where applicable. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

	2019-20		2018-19	
	(₹ in lakhs)	USD in Million	(₹ in lakhs)	USD in Million
<b>Receivables</b>				
Other current assets	1.30	# –	0.81	# –
Other financial assets ( Including interest )	2,566.08	3.40	1,394.51	2.00
Cash and cash equivalents	26.49	0.04	24.33	0.04
<b>Payables</b>				
Trade payables	–	–	–	–

Note : USD = US Dollar

# Value less than USD 10,000

## NOTES TO THE FINANCIAL STATEMENTS

### Sensitivity analysis

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

	(₹ in Lakhs)	
	Financial assets	Impact
Closing liability as per financials	2,593.87	
Increase in exchange rate by 5%	2,723.56	129.69
Decrease in exchange rate by 5%	2,464.18	-129.69

### 38.6 Interest risk

Interest risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of the changes in the market rate risk, the 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.

### 38.7 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.

### 38.8 Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the 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 statement of profit and 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.

### 38.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 38.9.1 Expected maturity for non-derivative financial liability

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

						₹ in lakhs
	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	Carrying amount
<b>March 31, 2020</b>						
Non-interest bearing						
Trade payables		6.49	–	–	6.49	6.49
Other financial liabilities		–	–	–	–	–
Fixed interest rate instruments						
Payable on purchase of property, plant and equipment	8.70%	–	366.54	300.00	666.54	455.41
Security deposit	6.00%	104.88		–	104.88	100.13
Borrowings	9.00%		1,770.00	–	1,770.00	1,770.00
Other financial liabilities	9.00%	143.98	–	–	143.98	143.98
<b>March 31, 2019</b>						
Non-interest bearing						
Trade payables		2.84	–	–	2.84	2.84
Other financial liabilities		–	–	–	–	–
Fixed interest rate instruments						
Payable on purchase of property, plant and equipment	8.70%	–	66.54	600.00	666.54	418.96
Security deposit	6.00%	–	104.88	–	104.88	94.64
Borrowings	9.00%	1,420.00			1,420.00	1,420.00
Other financial liabilities	9.00%	10.23			10.23	10.23



**NOTES TO THE FINANCIAL STATEMENTS**

**38.9.2 Expected maturity for non-derivative financial assets**

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

		₹ in lakhs				
	Weighted average effective interest rate	Less than 1 year	1-5 years	5 + years	Total	Carrying amount
<b>March 31, 2020</b>						
Non-interest bearing						
Other financial assets		1.80	–	–	1.80	1.80
Investments		223.74	–	–	223.74	223.74
Cash and Bank balance		66.07	–	–	66.07	66.07
Other financial assets		195.94	–	–	195.94	195.94
Fixed interest rate instruments						
Other financial assets	12.00%	164.48	672.47	–	836.95	836.95
Financial Assets - loan to wholly owned subsidiary	9.00%	–	2,370.14	–	2,370.14	2,370.14
<b>March 31, 2019</b>						
Non-interest bearing						
Other financial assets		1.80	–	–	1.80	1.80
Investments		148.29	–	–	148.29	138.75
Cash and Bank balance		38.10	–	–	38.10	38.10
Other financial assets		11.09	–	–	11.09	11.09
Fixed interest rate instruments						
Other financial assets	12.00%	165.91	657.92	102.92	926.75	926.75
Financial assets - loan to wholly owned subsidiary	9.00%	1,383.43	–	–	1,383.43	1,383.43

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### 38.9.3 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 2020**

	Fair value measurement using			Total
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	₹ in lakhs			
<b>Financial assets</b>				
Measured at amortised cost				
(a) Cash and Bank balances	–	–	66.07	66.07
(b) Other financial assets at amortised cost				
(i) Other financial assets	–	–	1,034.70	1,034.70
(ii) Other loans	–	–	2,370.14	2,370.14
Measured at fair value through profit or loss				
(a) Investments in equity shares (quoted)	3.04	–	–	3.04
(b) Investments in mutual funds (unquoted)	220.69	–	–	220.69
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost:				
(i) Borrowings	–	–	1,770.00	1,770.00
(ii) Other financial liabilities	–	–	699.52	699.52
(iii) Trade payables	–	–	6.49	6.49

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 **31st March 2019**:

	Fair value measurement using			Total
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	₹ in lakhs			
<b>Financial assets</b>				
Measured at amortised cost				
(a) Cash and Bank balances	–	–	38.10	38.10
(b) Other financial assets at amortised cost				
(i) Other financial assets	–	–	939.63	939.63
(ii) Other loans	–	–	1,383.43	1,383.43
Measured at fair value through profit or loss				
(a) Investments in equity shares (quoted)	3.95	–	–	3.95
(b) Investments in mutual funds (unquoted)	134.80	–	–	134.80
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost:				
(i) Borrowings	–	–	1,420.00	1,420.00
(ii) Other financial liabilities	–	–	523.83	523.83
(iii) Trade payables	–	–	2.84	2.84

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



## NOTES TO THE FINANCIAL STATEMENTS

### 39 Expenditure on corporate social responsibility (CSR)

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

### 40 Disclosure pursuant to section 186(4) of the Companies Act, 2013.

During the year 2019-20, the Company has given an unsecured loan of ₹ 986.71 Lakhs (2019- ₹ 1,383.43 lakhs) - US\$ 11.44 lakhs (2019- US\$ 20 lakhs) at the rate of 9% p.a. to Chowgule Steamships Overseas Limited the wholly owned subsidiary inter alia to facilitate its shipping operation. Refer to note no 5 and 12.

The particulars of company's investment in wholly owned subsidiary are disclosed in note 5 which are at cost.

### 41 Leases

Effective 01st April 2019, the Company has adopted Ind AS 116 – Leases and applied it to all lease contracts existing on 01st April 2019 using modified retrospective method. The Company is not required to restate the previous figures. There is no material impact on transition.

#### Operating leases

##### As lessor

The following table sets out a maturity analysis of lease payments, showing undiscounted lease payments to be received after the reporting period.

	As at 31st March, 2020	As at 31st March, 2019
Within one year	174.67	209.76
Between one to five years	25.17	168.38
Beyond five years	109.54	–

₹ in lakhs

### 42 Events after the reporting period

The spread of COVID-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Shipping industry was struggling since last couple of years and suffered more as compared to other industries due to this COVID 19 pandemic. Consequent to the Government advisories issued for controlling the spread of Covid 19, the operations of Company were suspended from 23rd March, 2020. The Company resumed the operations partially since 4th May, 2020 in line with the regular lockdown relaxation measures issued by Ministry of Home Affairs. As a result of lockdown, the revenue for the month of March 2020 has been impacted to some extent.

### 43 Previous year figures

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

In terms of our report attached

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

**HIMANSHU KISHNADWALA**  
Partner  
Membership No. 037391

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

For and on behalf of the Board of Directors

**PADMA V. CHOWGULE**  
(DIN : 00006969)  
Chairman

Place: Mumbai  
Date: 15th June, 2020

**ADITYA J. CHOWGULE**  
(DIN : 07739364)  
Managing Director and CFO

Place: Goa  
Date: 15<sup>th</sup> June, 2020

**RAVINDRA KULKARNI**  
(DIN : 00059367)  
Director

Place: Mumbai  
Date: 15th June, 2020

**DARSHAN KAREKAR**  
Company Secretary

Place: Goa  
Date: 15<sup>th</sup> June, 2020

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
CHOWGULE STEAMSHIPS LIMITED

Report on the audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of **Chowgule Steamships Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the Statement of consolidated Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2020, the consolidated loss and total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Material Uncertainty related to going concern

We draw attention to Note 40 in the consolidated financial statements, which indicates that the group's current liabilities exceeded its total current assets by ₹ 1,568.76 lakhs. The group has incurred a net loss after tax of ₹ 6,731.28 lakhs during the year ended 31st March 2020 and the net worth of the group as on that date is also negative. The group has also sold / is in the process of selling a majority of its operational assets. These events indicate that a material uncertainty exists which may cast a significant doubt on the group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### Emphasis of Matter:

The auditors of the subsidiary companies have reported as under:

The auditors of one of the subsidiaries have stated in their report regarding the financial statements of the said subsidiary not being prepared on a going concern basis on account of material uncertainty over going concern assessment of the Company as well as the management's intention to liquidate the said subsidiary.

The auditors of other subsidiaries have stated in their report regarding the financial statements of the said subsidiaries being prepared on a going concern basis, in spite of material uncertainty over going concern, based on availability of financial support from the ultimate Holding company.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

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





Sr No	Key Audit Matter	Auditor's Response
1	<p><b>Transactions with Related Parties:</b> The company in its course of operations has entered into several transactions with related parties. The identification of these related parties, transactions entered into with them and the determination of arm's length price involves significant judgement and estimates.  (Refer Note 35 to the Consolidated Financial Statements.)</p>	<p><b>Principal Audit Approach</b> Our Audit approach included the following:</p> <ul style="list-style-type: none"> <li>• Confirming the regulatory requirements for the identification of related parties and reporting of transactions with these related parties;</li> <li>• Evaluation and testing of the design of internal controls and the secretarial process followed for identification of related parties, transactions with them;</li> <li>• Evaluating management judgments regarding determination of Arm's Length Price for transactions with Related Parties;</li> <li>• Review of relevant agreements / contracts evaluate the business rationale for the related party transaction and evaluating whether such evidence is consistent with management's explanations.</li> </ul>
2	<p><b>Evaluation of uncertain tax positions:</b> The company has uncertain tax positions including matters under long litigations  (Refer Note 27 to the Consolidated Financial Statements)</p>	<p><b>Principal Audit Approach</b> Our Audit approach included the following:</p> <ul style="list-style-type: none"> <li>• Obtained the status of all the direct and indirect tax litigations including pending assessments and demands from the Company's legal team;</li> <li>• Analysed the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes</li> </ul>

## Other Information

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

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

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

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

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

## **Auditor's Responsibilities for the Audit of Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.
- We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities, included in the consolidated financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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



## Other Matters:

We did not audit the financial statements of five subsidiaries, which reflect total assets of ₹ 27,314.14 lakhs as at 31st March 2020, total revenues of ₹ 7,770.81 lakhs, total loss after tax of ₹ 6,912.34 lakhs, total comprehensive loss of ₹ 7,778.96 lakhs and net cash outflows of ₹ 674.49 lakhs for the year then ended, as considered in the Consolidated Financial Statements.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the group so far as it appears from our examination of those books and reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated other comprehensive income), Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these consolidated Financial Statements
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended; in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note 27 to the consolidated financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company,

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W / W – 100036

**Himanshu Kishnadvla**

Partner

Membership No: 037391

UDIN: 20037391AAAACR3605

Place: Mumbai

Date: 15<sup>th</sup> June, 2020

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

We have audited the internal financial controls over financial reporting of **CHOWGULE STEAMSHIPS LIMITED** (“the Holding Company”) as of 31st March, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditors’ Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

For **C N K & Associates LLP**  
Chartered Accountants  
Firm Registration No: 101961W / W – 100036

**Himanshu Kishnadwala**  
Partner  
Membership No: 037391  
UDIN: 20037391AAAACR3605



# CHOWGULE STEAMSHIPS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

₹ in lakhs

	Note no.	As at 31st March, 2020	As at 31st March, 2019
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3.1	11,152.80	36,256.81
(b) Capital work-in-progress			-
(c) Investment property	3.2	369.82	-
(d) Goodwill		-	-
(e) Other Intangible assets		-	-
(f) Intangible assets under development		-	-
(g) Biological assets other than bearer plants		-	-
(h) Financial assets			
i) Investments		-	-
ii) Trade receivables		-	-
iii) Loans		-	-
iv) Other financial assets	4	674.97	762.64
(i) Deferred tax assets(net)	5	275.73	338.84
(j) Other non-current assets	6	175.41	1,949.27
		<u>12,648.03</u>	<u>39,307.56</u>
<b>2 Current assets</b>			
(a) Inventories	7	149.54	133.33
(b) Financial assets			
i) Investments	8	223.74	138.75
ii) Trade receivables	9	311.61	60.86
iii) Cash and cash equivalents	10.1	810.60	830.25
iv) Bank balances other than (iii) above	10.2	-	-
v) Loans	11	-	138.34
vi) Other financial assets	12	164.48	493.36
(c) Current tax assets (net)			-
(d) Other current assets	13	328.05	312.97
Assets classified as held for sale	3.1	15,092.92	18.54
		<u>17,080.94</u>	<u>2,126.40</u>
		<u>29,728.97</u>	<u>41,433.96</u>
<b>TOTAL ASSETS</b>			
		<u>29,728.97</u>	<u>41,433.96</u>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	3,630.84	3,630.84
(b) Other equity	15	(13,936.55)	(6,340.18)
Non - controlling interest	16	(10,305.71)	(2,709.34)
		<u>6,784.74</u>	<u>6,225.42</u>
		<u>(3,520.97)</u>	<u>3,516.08</u>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	17	6,643.23	4,409.24
ii) Trade payables			
Due to micro and small enterprises		-	-
Due to others		-	-
iii) Other financial liabilities	18	7,955.40	27,846.60
(b) Provisions	19	1.62	40.56
(c) Deferred tax liabilities (net)			
(d) Other non-current liabilities	20	-	4.49
		<u>14,600.25</u>	<u>32,300.89</u>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	21	-	1,420.00
ii) Trade payables			
Due to micro and small enterprises	22	0.10	-
Due to others	22	1,851.17	1,425.86
iii) Other financial liabilities	23	16,332.59	2,596.52
(b) Other current liabilities	24	347.73	144.30
(c) Provisions	25	39.87	30.31
(d) Current tax liabilities (net)	26	78.23	-
Liability classified as held for sale/Liability included in disposal of Group held for sale			
		<u>18,649.69</u>	<u>5,616.99</u>
		<u>29,728.97</u>	<u>41,433.96</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<u>29,728.97</u>	<u>41,433.96</u>

See accompanying notes to the consolidated financial statements

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

**HIMANSHU KISHNADWALA**  
Partner  
Membership No. 037391

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

For and on behalf of the Board of Directors

**PADMA V. CHOWGULE**  
(DIN : 00006969)  
Chairman  
Place: Mumbai  
Date: 15th June, 2020

**ADITYA J. CHOWGULE**  
(DIN : 07739364)  
Managing Director and CFO

Place: Goa  
Date: 15<sup>th</sup> June, 2020

**RAVINDRA KULKARNI**  
(DIN : 00059367)  
Director  
Place: Mumbai  
Date: 15th June, 2020

**DARSHAN KAREKAR**  
Company Secretary

Place: Goa  
Date: 15<sup>th</sup> June, 2020

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

	Note no.	Year ended 31st March, 2020	Year ended 31st March, 2019
₹ in lakhs			
<b>Income:</b>			
<b>I.</b> Revenue from operations	28	7,742.89	9,023.43
<b>II.</b> Other income	29	862.56	432.58
<b>III. Total income (I + II)</b>		8,605.45	9,456.02
<b>IV. Expenses:</b>			
Cost of materials consumed		—	—
Purchases of stock-in-trade		—	—
Changes in inventories of finished goods, work-in-progress and stock-in-trade		—	—
Employee benefits expense	30	109.52	220.35
Finance costs	31	3,073.63	2,695.94
Depreciation and amortisation expense	32	2,237.39	3,202.89
Impairment of assets	3.1	2,909.76	—
Other expenses	33	6,855.92	12,506.99
<b>Total expenses (IV)</b>		15,186.22	18,626.17
<b>V. Profit/(loss) before exceptional items and tax (III-IV)</b>		(6,580.77)	(9,170.15)
<b>VI. Exceptional items</b>		—	—
<b>VII. Profit/(loss) before tax (V-VI)</b>		(6,580.77)	(9,170.15)
<b>VIII. Tax expense:</b>			
Current tax		88.00	—
Deferred tax	5	62.52	93.28
<b>TOTAL</b>		150.52	93.28
<b>IX.</b> Profit/(Loss) for the year from continuing operations (VII-VIII)		(6,731.29)	(9,076.87)
<b>X.</b> Profit/(Loss) from discontinued operations		—	—
<b>XI.</b> Tax expense of discontinued operations		—	—
<b>XII.</b> Profit/(Loss) from discontinued operations (after tax) (X-XI)		—	—
<b>XIII. Profit/(Loss) for the year (IX+XII)</b>		(6,731.29)	(9,076.87)
<b>XIV. Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined Benefit plan		2.12	(41.80)
(ii) Income tax relating to items that will not be reclassified to profit or loss	5	(0.59)	4.11
<b>TOTAL</b>		1.53	(37.77)
B (i) Items that will be reclassified to profit or loss			
- Investments carried at fair value through other comprehensive income		—	—
- Exchange differences on translation of financial statements of foreign operation		(866.61)	338.23
(ii) Income tax relating to items that will be reclassified to profit or loss		—	—
<b>TOTAL</b>		(866.61)	338.23
<b>XV. Total comprehensive income for the year (XIII+XIV) (comprising loss and other comprehensive income for the year)</b>		(7,596.37)	(8,776.41)
<b>XVI. Earnings per equity share (for continuing operation):</b>			
(i) Basic	39	(18.54)	(25.00)
(ii) Diluted	39	(18.54)	(25.00)
<b>XVII. Earnings per equity share (for discontinued operation):</b>			
(i) Basic		—	—
(ii) Diluted		—	—
<b>XVIII. Earnings per equity share (for discontinued and continuing operation):</b>			
(i) Basic	39	(18.54)	(25.00)
(ii) Diluted	39	(18.54)	(25.00)

See accompanying notes to the consolidated financial statements

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

**HIMANSHU KISHNADWALA**  
 Partner  
 Membership No. 037391

Place: Mumbai  
 Date: 15<sup>th</sup> June, 2020

For and on behalf of the Board of Directors

**PADMA V. CHOWGULE**  
 (DIN : 00006969)  
 Chairman  
 Place: Mumbai  
 Date: 15<sup>th</sup> June, 2020

**ADITYA J. CHOWGULE**  
 (DIN : 07739364)  
 Managing Director and CFO

Place: Goa  
 Date: 15<sup>th</sup> June, 2020

**RAVINDRA KULKARNI**  
 (DIN : 00059367)  
 Director  
 Place: Mumbai  
 Date: 15<sup>th</sup> June, 2020

**DARSHAN KAREKAR**  
 Company Secretary

Place: Goa  
 Date: 15<sup>th</sup> June, 2020



# CHOWGULE STEAMSHIPS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

### A. Equity share capital

	₹ in lakhs As at 31st March, 2020
<b>Balance as at 31st March, 2019</b>	3,630.84
Changes in equity share capital during the period	—
<b>Balance as at 31st March, 2020</b>	3,630.84

### B Other equity

	Reserve and surplus					Other comprehensive income		Total equity
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve	
<b>As at 31st March 2019</b>	11.96	30.00	2,922.01	4,117.52	(14,943.29)	1,521.62	—	(6,340.18)
Profit/(Loss) for the year 2019-20	—	—	—	—	(6,731.29)	—	—	(6,731.29)
Other Comprehensive Income	—	—	—	—	1.53	(866.61)	—	(865.08)
Total Comprehensive income for the year	—	—	—	—	(6,729.76)	(866.61)	—	(7,596.37)
<b>As at 31st March 2020</b>	11.96	30.00	2,922.01	4,117.52	(21,673.05)	655.01	—	(13,936.55)

See accompanying notes to the consolidated financial statements

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

**HIMANSHU KISHNADWALA**  
Partner  
Membership No. 037391  
Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

For and on behalf of the Board of Directors

**PADMA V. CHOWGULE**  
(DIN : 00006969)  
Chairman

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**ADITYA J. CHOWGULE**  
(DIN : 07739364)  
Managing Director and CFO

Place: Goa  
Date: 15<sup>th</sup> June, 2020

**RAVINDRA KULKARNI**  
(DIN : 00059367)  
Director

Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**DARSHAN KAREKAR**  
Company Secretary

Place: Goa  
Date: 15<sup>th</sup> June, 2020

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	For the year ended 31st March, 2020 ₹ in lakhs	For the year ended 31st March, 2019 ₹ in lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the year	(6,729.75)	(9,114.77)
<b>Adjustments for:</b>		
Depreciation	2,237.39	3,202.89
Provision / (reversal) for impairment of vessel	2,909.76	-
Income tax expenses	151.10	(97.39)
Provision for employee benefits	(17.55)	52.13
Sundry balance written back	(21.29)	23.50
Sundry balance written off	1,547.69	-
Loss on revaluation of lease terms	12.54	-
Loss on termination of lease terms	45.64	-
Foreign exchange translation differences	(142.85)	(1,915.40)
Interest income	(130.40)	(55.74)
Dividend income	(0.02)	(0.02)
Rent income	(218.00)	(215.57)
Fixed assets written off	0.10	-
Loss / (Gain) arising on financial assets designated as at FVTPL	(16.78)	(8.60)
Loss/(Profit) on sale of property plant and equipment	(258.51)	7,237.77
Finance cost	3,073.63	2,696.09
<b>Operating loss before working capital changes</b>	<b>2,442.70</b>	<b>1,804.90</b>
<b>changes in working capital</b>		
<b>Adjustments for:</b>		
Decrease / (Increase) in trade receivables	(245.28)	(60.86)
Decrease / (Increase) in other receivables	1.51	-
(Increase) / Decrease in non current financial assets others	-	90.72
Decrease / (Increase) in other current assets	321.26	(391.69)
(Decrease)/ Increase in other current liabilities	197.93	(248.62)
Movement in restricted Bank balances	-	6.67
Decrease / (Increase) in inventories	(4.23)	5.86
(Decrease)/ Increase in trade payables	411.01	(339.63)
<b>Cash generated from operations</b>	<b>3,124.91</b>	<b>867.35</b>
Less: Net income tax refund / (paid)	107.93	34.12
<b>Net cash flow used in operating activities</b>	<b>(A) 3,232.83</b>	<b>901.47</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(0.36)	(36,576.76)
Proceeds from disposal of property, plant and equipment	456.80	35,752.39
Rental income from operating lease	188.78	194.57
Sale of current investments	618.57	90.00
Purchase of current investments	(686.78)	(94.00)
Repayment of Loan	141.37	-
Dividend received	0.02	0.02
<b>Net Cash flow from investing activities</b>	<b>(B) 718.41</b>	<b>(633.78)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from restructuring	-	25,907.93
Proceeds from short term sale and lease back	-	1,901.19
Proceeds from short term borrowings	67.85	604.82
Repayment of borrowings	(1,652.70)	(29,151.88)
Loan from Chowgule and Company Pvt Ltd	350.00	1,420.00
Interest paid	(2,736.05)	(1,084.37)
Unclaimed dividend paid	-	(6.67)
<b>Net cash flow used in financing activities</b>	<b>(C) (3,970.89)</b>	<b>(408.98)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(A+B+C) (19.65)</b>	<b>(141.29)</b>
Cash and Cash Equivalents - Opening balance	830.25	971.55
Cash and Cash Equivalents - Closing balance	810.60	830.25
<b>Effect of exchange rate changes on cash and cash equivalents</b>		
Cash on hand and balances with Banks	810.07	828.57
Effect of exchange rate changes on the balance held in foreign currency	0.53	1.68
Cash and cash equivalents as restated	810.60	830.25

Notes :

- The statement of cash flow is prepared in accordance with the format prescribed as per Ind-AS 7
- In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the net profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.

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

**HIMANSHU KISHNADWALA**  
Partner  
Membership No. 037391  
Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

For and on behalf of the Board of Directors  
**PADMA V. CHOWGULE**  
(DIN : 00006969)  
Chairman  
Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**ADITYA J. CHOWGULE**  
(DIN : 07739364)  
Managing Director and CFO  
Place: Goa  
Date: 15<sup>th</sup> June, 2020

**RAVINDRA KULKARNI**  
(DIN : 00059367)  
Director  
Place: Mumbai  
Date: 15<sup>th</sup> June, 2020

**DARSHAN KAREKAR**  
Company Secretary  
Place: Goa  
Date: 15<sup>th</sup> June, 2020





## 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 3 vessels 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 satisfaction and mutual optimum benefits.

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

### 2. Significant accounting policies:

#### 2.1 A. Basis of preparation and Presentation:

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

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

#### B. Authorisation of financial statements:

The Consolidated Financial Statements for the year ended March 31, 2020 were approved by the board of directors and authorised for issue on 15th June, 2020.

#### C. Historical cost convention

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

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

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

#### 2.2.1 Basis of consolidation:

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

1. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e 31st March 2020.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses, unless cost cannot be recovered.
3. Control is achieved when the Company:
  - Has power over the investee;
  - Is exposed, or has rights, to variable returns from its involvement with the investee; and
  - Has the ability to use its power to affect its returns.

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

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

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

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

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

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

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

Name of the Entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				31st March 2020	31st March 2019
Chowgule Steamships Overseas Ltd (CSOL)	Subsidiary	Guernsey	CSL	100%	100%
Sea Bird LLC	Step-down subsidiary	The Marshall Islands	CSOL	100%	100%
Sea Lord LLC	Step-down subsidiary	The Marshall Islands	CSOL	100%	100%
Sea King LLC	Step-down subsidiary	The Marshall Islands	CSOL	100%	100%
Sea Link LLC	Step-down subsidiary	The Marshall Islands	CSOL	100%	100%



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.3 Use of estimates:

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

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

### 2.4 Current versus non-current classification:

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

### 2.5 Property, plant and equipment:

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Depreciation

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

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

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

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

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

Depreciation on PPE is provided as per the useful life prescribed in Schedule II of the Companies Act, 2013.

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

The property plant and equipment acquired under financial lease is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

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

### Assets classified as held for sale

An item of Property Plant and Equipment is classified as held for sale at the time when the Management is committed to sell/ dispose off the asset based on agreements entered into with the customer, and the asset is expected to be sold , disposed off within one year from the date of classification. Assets classified as held for sale are measured at lower of cost and net realisable value.

### 2.6 Investment property

Investment Property is property (land or building or a part of building) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs, Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group depreciates building component of investment property over 30 years from the date of original purchase.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of depreciation.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

### 2.7 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. Netrealisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 2.8 Leasing:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### As a lessee

##### (A) Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

##### (B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

#### Subsequent measurement

##### (A) Lease liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

##### (B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

#### Short term lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

#### As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

#### Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Bareboat hire purchase / Sale and lease back

As per Ind AS 116 Leases, the Group measures right-of-use assets as property, plant and equipment and lease liabilities as other financial liabilities. As a consequence, the Company recognises depreciation of the right-of-use asset and interest on the lease liability. The depreciation is recognised on a straight-line basis.

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

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

### 2.9 Impairment of non-financial assets:

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

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

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

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

### 2.10 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 and liabilities of the Group's foreign operations are expressed in INR using exchange rate prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rate for the period. Exchange differences arising if any, are recognised in other comprehensive income and accumulated in the separate component of equity. On the disposal of a foreign operation,



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

all of the accumulated exchange differences in respect of that operation attributes to the Group are reclassified to the consolidated statement of profit and loss.

### **2.11 Borrowing costs:**

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

### **2.12 Employee benefits:**

#### **2.12.1 Short term**

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

#### **2.12.2 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 are financed by the Company along with its employees.

##### **2.12.2.1 Defined-contribution plans**

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

##### **2.12.2.2 Defined-benefit plans**

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

##### **2.12.3 Other long-term employee benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be 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 is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

### **2.13 Taxation:**

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

#### **2.13.1 Current tax**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.13.2 Deferred tax

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

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

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

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

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

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

### 2.14 Cash and cash equivalents:

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

### 2.15 Cash flow statement

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

### 2.16 Provisions:

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

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

control of the Company or a present obligation arising from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the consolidated financial statements.

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

**2.17 Revenue recognition:**

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

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

Determining the timing of satisfaction of performance obligations:

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

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

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

**Determining the transaction price and the amounts allocated to performance obligations**

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

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

Trade receivables and contract balances:

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

**2.17.2 Dividend and interest income**

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

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

**2.17.3 Rental income**

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

**2.17.4 Other income**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.17.5 Insurance claims

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

### 2.18 Operating expenses

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

### 2.19 Financial instruments:

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

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

Effective interest method

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

### 2.20 Offsetting of financial instruments

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

### 2.21 Financial assets:

Purchases or sales of financial assets which require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### **Derecognition of financial assets**

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

### **2.22 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.

### **2.23 Earnings per equity share:**

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

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

### **2.24 Segment reporting**

Operating segments are defined as components of an enterprise for which available discrete financial information is evaluated based on the 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3.1 Property, Plant and equipment

	As at 31st March, 2020	As at 31st March, 2019
Carrying amounts of		
Free hold land	244.78	247.04
Free hold building		
Staff quarters (see foot note 1 and 2)	–	17.57
Office premises (see foot note 3,5 and 6)	183.78	620.95
Furniture and fixture	2.56	2.56
Vehicles	0.41	2.88
Office equipments	6.11	6.54
Vessel (see fote note 4 and 7)	10,715.16	35,359.27
<b>TOTAL</b>	<b>11,152.80</b>	<b>36,256.81</b>

₹ in lakhs

	Free hold land	Free hold building Staff quarters	Office premises	Furniture and fixtures	Vehicles	Office equipments	Vessel	Total
<b>Deemed cost</b>								
Balance at 31st March, 2019	247.04	27.36	999.09	9.23	12.79	22.44	36,576.50	37,894.45
Additions	–	–	–	–	–	0.36	–	0.36
Transferred to investment property	(2.26)	–	(666.06)	–	–	–	–	(668.32)
Transfer to Asset Held for Sale	–	(27.36)	–	–	–	–	(20,023.46)	(20,050.82)
Disposals	–	–	–	–	(12.37)	(0.16)	(8,050.31)	(8,062.84)
Effect of foreign currency exchange differences	–	–	–	–	–	–	3,286.22	3,286.22
<b>Balance at 31st March, 2020</b>	<b>244.78</b>	<b>–</b>	<b>333.03</b>	<b>9.23</b>	<b>0.42</b>	<b>22.64</b>	<b>11,788.95</b>	<b>12,399.05</b>
<b>Accumulated depreciation and impairment</b>								
Balance at 31st March, 2019	–	9.79	378.14	6.67	9.91	15.90	1,217.24	1,637.65
Depreciation expenses	–	1.85	23.20	–	0.47	0.69	2,302.42	2,328.63
Transferred to investment property	–	–	(252.09)	–	–	–	–	(252.09)
Transfer to Held for Sale	–	(11.64)	–	–	–	–	(4,946.26)	(4,957.90)
Eliminated on disposals of assets	–	–	–	–	(10.37)	(0.06)	(703.77)	(714.20)
Impairment	–	–	–	–	–	–	3,094.79	3,094.79
Effect of foreign currency exchange differences	–	–	–	–	–	–	109.37	109.37
<b>Balance at 31st March, 2020</b>	<b>–</b>	<b>–</b>	<b>149.25</b>	<b>6.67</b>	<b>0.01</b>	<b>16.53</b>	<b>1,073.77</b>	<b>1,246.25</b>
<b>Carrying value of assets</b>								
Balance at 31st March, 2019	247.04	17.57	620.95	2.56	2.88	6.54	35,359.26	36,256.80
Additions	–	–	–	–	–	0.36	–	0.36
Depreciation expenses	–	(1.85)	(23.20)	–	(0.47)	(0.69)	(2,302.42)	(2,328.63)
Transferred to investment property	(2.26)	–	(413.97)	–	–	–	–	(416.23)
Transfer to Held for Sale	–	(15.72)	–	–	–	–	(15,077.20)	(15,092.92)
Disposals	–	–	–	–	(2.00)	(0.10)	(7,346.54)	(7,348.64)
Impairment	–	–	–	–	–	–	(3,094.79)	(3,094.79)
Effect of foreign currency exchange differences	–	–	–	–	–	–	3,176.85	3,176.85
<b>Balance at 31st March, 2020</b>	<b>244.78</b>	<b>–</b>	<b>183.78</b>	<b>2.56</b>	<b>0.41</b>	<b>6.11</b>	<b>10,715.16</b>	<b>11,152.80</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foot notes:

- 1) Includes cost of 5 shares of ₹ 50 each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited.
- 2) Office premises are on land which is on a long term lease from Government
- 3) Staff quarters at Dadar Paschim Co-operative Housing Society Limited with a WDV of ₹ 15.72 Lakhs have been classified as held for sale.
- 4) Staff quarters at Olympus Co-operative Housing Society Limited having WDV ₹ 18.53 lakhs were sold during the year.
- 5) During the year, based on a change in the use, the Company has reclassified office premises having Cost of ₹ 666.06 lakhs and accumulated depreciation of ₹ 252.09 lakhs and Land admeasuring 2.59 acres costing ₹ 2.26 lakhs as investment property. (Refer Note 3.2 below)
- 6) During the year two foreign going vessels with WDV of ₹ 15,077.20 have been classified as held for sale.
- 7) During April 2020 one foreign going vessel's bareboat agreement has been terminated. As per IndAs, value of assets has been adjusted against liability and difference changed to profit and loss account.

### 3.2 Investment property

	₹ in lakhs		
	As at 31st March, 2020	As at 31st March, 2019	
Carrying amounts of			
Free hold land	2.26	—	
Building			
Office premises (Refer note 42)	367.56	—	
<b>TOTAL</b>	<b>369.82</b>	<b>—</b>	
	Free hold land	Building Office premises	Total
<b>Deemed cost</b>			
Balance at 31st March, 2019	—	—	—
Transferred from property plant and equipment	2.26	666.06	668.32
Disposals	—	—	—
<b>Balance at 31st March, 2020</b>	<b>2.26</b>	<b>666.06</b>	<b>668.32</b>
<b>Accumulated depreciation and impairment</b>			
Balance at 31st March, 2019	—	—	—
Transferred from property plant and equipment	—	252.09	252.09
Depreciation expenses	—	46.41	46.41
Disposals	—	—	—
<b>Balance at 31st March, 2020</b>	<b>—</b>	<b>298.50</b>	<b>298.50</b>
<b>Carrying value of assets</b>			
Balance at 31st March, 2019	—	—	—
Transferred from property plant and equipment	2.26	413.97	416.23
Disposals	—	—	—
Depreciation expenses	—	(46.41)	(46.41)
<b>Balance at 31st March, 2020</b>	<b>2.26</b>	<b>367.56</b>	<b>369.82</b>

Foot notes:

- 1) During the year, based on a change in the use, the Company has reclassified office premises having cost of ₹ 666.06 lakhs and accumulated depreciation of ₹ 252.09 lakhs and land admeasuring 2.59 acres costing ₹ 2.26 lakhs as investment property. (Refer Note 4.2 below)

<b>Fair value of investment property</b>	Land	Office premises
As at 31st March 2020	88.11	4,140.00

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Estimation of fair value

The fair value of investment property have been determined based on prevailing market prices based on property websites and ready reckoner rates for land.

- Office premises are on land which is on a long term lease from Government, includes cost of 5 shares of ₹ 50 each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited.
- Future Minimum Lease rent receipts from premises under operating lease are as below:

₹ in lakhs

	Land		Office premises	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Not later than one year	6.29	–	168.38	209.76
Later than one year and not later than five years	25.17	–	–	168.38
<b>TOTAL</b>	<b>31.46</b>	<b>–</b>	<b>168.38</b>	<b>378.14</b>

### 4 Other financial assets

	As at 31st March, 2020	As at 31st March, 2019
Security deposits (Unsecured, considered good unless otherwise stated)	1.80	1.80
Receivable on sale of property plant and equipment ( Refer to note no 12)	672.47	760.84
<b>TOTAL</b>	<b>674.27</b>	<b>762.64</b>

### 5 Deferred tax Assets (net)

Deferred tax assets (refer foot note below)	486.97	582.85
Deferred tax liabilities	(211.24)	(244.01)
<b>TOTAL</b>	<b>275.73</b>	<b>338.84</b>

Foot note :

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

₹ in lakhs

Deferred tax assets /(liabilities) in relation to:	Opening balance	On transactions recognised in statement of profit and loss	On transactions recognised in other comprehensive income	Closing balance
Allowance for doubtful receivables	11.60	–	–	11.60
Defined benefit obligations	19.73	(7.59)	(0.59)	11.55
Unused tax losses	499.73	(88.20)	–	411.53
Unused tax credit (MAT)	51.79	0.51	–	52.29
Security deposits	(0.09)	0.02	–	(0.07)
Property, plant and equipment	(170.73)	23.34	–	(147.39)
Trade payable for property, plant and equipment	(68.88)	10.14	–	(58.74)
Investments	(4.31)	(0.73)	–	(5.04)
<b>TOTAL</b>	<b>338.84</b>	<b>(62.51)</b>	<b>(0.59)</b>	<b>275.73</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**2018-19**

₹ in lakhs

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

**Reconciliation of income tax expense and the accounting profit with Company's domestic tax rate:**

Particulars	₹ in lakhs	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit / (Loss) before tax	508.42	(328.55)
Enacted tax rates in India	27.82%	27.82%
Computed expected tax expense	141.44	(91.40)
Effect of income that is exempt from taxation	(0.01)	(0.01)
Effect of expenses that are not deductible in determining taxable profit	0.07	0.02
Effect of previously unrecognized deferred tax assets	–	(4.11)
Effect of sale of mutual fund Investments	–	–
Others	9.62	(1.89)
Income tax expense recognised in statement of profit and loss	<u>151.12</u>	<u>(97.39)</u>

**6 Other non current assets**

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good unless otherwise stated		
Advance payment of taxes (Refer note no 27)	124.50	179.79
Disputed sales tax deposit (Refer note no 27)	47.40	47.40
Security deposits	3.51	3.51
Reversal of employee benefit provision (Refer note no 34)	–	–
Capital advance for purchase of property, plant and equipment	–	1,718.57
<b>TOTAL</b>	<u>175.41</u>	<u>1,949.27</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 7 Inventories

	As at 31st March, 2020	As at 31st March, 2019
Lower of cost and net realisable value (Refer foot notes 1 to 3)		
Lube oil	149.54	133.33
<b>TOTAL</b>	<b>149.54</b>	<b>133.33</b>

Foot notes:

1. The cost of inventories recognised as an expense during the year was ₹ 493.05 Lakhs ( 2019 : ₹ 145.86 Lakhs) .
2. Inventory is expected to be utilised within 12 months
3. The mode of valuation of inventories has been stated in significant accounting policies note 2.6

### 8 Investments

	No. of shares / units	As at 31st March, 2020	No. of shares / units	As at 31st March, 2019
₹ in lakhs				
<b>Investments in equity instruments carried at fair value through profit or loss (FVTPL)</b>				
<b>Equity shares (quoted) of ₹ 10 each fully paid up :</b>				
Mahindra Lifespace Developers Limited	16	0.03	16	0.06
ICICI Bank Limited	825	2.68	825	3.29
Global Offshore Services Limited	50	-	50	0.01
Essar Shipping Limited	233	0.01	233	0.02
GOL Offshore Limited #	30	-	30	-
The Great Eastern Shipping Company Limited	121	0.25	121	0.34
Shreyas Shipping and Logistics Limited	100	0.04	100	0.20
The Shipping Corporation of India Limited	75	0.03	75	0.03
<b>Equity shares (unquoted) of ₹ 10 each fully paid up :</b>				
Hazira Cargo Terminal Limited #	69	-	69	-
Salaya Bulk Terminal Limited #	23	-	23	-
Vadinar Oil Terminal Limited #	349	-	349	-
<b>Investment in Mutual Funds (Unquoted) carried at fair value through profit or loss (FVTPL)</b>				
Aditya Birla Sun Life Savings Fund-Growth-Reg Plan	23,692	94.18	-	-
Kotak Savings Fund-Growth ( Reg Plan)	197,135	63.27	-	-
L&T Ultra Short Term Fund-Growth	193,530	63.25	-	-
Franklin India Low Duration Fund - Growth	-	-	164,518	35.77
Franklin India Ultra Short Bond Fund -Super Institutional Plan Growth	-	-	366,758	96.34
Invesco India Money Market Fund - Institutional Growth # Value less than ₹ 500	-	-	126	2.69
<b>TOTAL</b>		<b>223.74</b>		<b>138.75</b>
Aggregate book value of quoted investments		3.04		3.95
Aggregate market value of quoted investments		3.04		3.95
Aggregate carrying value of unquoted investments		220.69		134.80





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 9 Trade receivables

	As at 31st March, 2020	As at 31st March, 2019
Trade receivables considered good - Secured	-	-
Trade receivables considered good - unsecured ( Refer foot note below)	311.61	60.86
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	41.67	41.67
Less : Loss Allowances	(41.67)	(41.67)
<b>TOTAL</b>	<b>311.61</b>	<b>60.86</b>

₹ in lakhs

Foot notes :

#### 9.1 Credit policy and 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 2020: ₹ 311.61 was due (2019: ₹ 60.86 lakhs ). There is one customer who represent more than 10% of the total balance of trade receivables.

#### 9.2 Ageing of receivables

	2019-20	2018-19
Within the credit period		
1-30 days past due	311.61	60.86
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days past due	-	-
More than 180 days past due	41.67	41.67

### 10 Cash and Bank balances

	As at 31st March, 2020	As at 31st March, 2019
10.1 Cash and cash equivalents		
a) Balance with Banks in current accounts	39.54	13.77
b) Balance with Banks in foreign currency accounts	768.75	814.40
	808.29	828.17
10.2 Cash on hand	2.31	2.08
<b>TOTAL</b>	<b>810.60</b>	<b>830.25</b>

₹ in lakhs

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 11 Loans

	As at 31st March, 2020	As at 31st March, 2019
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	-	-
Loan to other party	-	138.34
With Significant increase in credit risk	-	-
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
<b>TOTAL</b>	<b>-</b>	<b>138.34</b>

### 12 Other financial assets

	As at 31st March, 2020	As at 31st March, 2019
Receivable on sale of property plant and equipment ( Refer to note no 4)	164.48	165.91
Commission receivables	-	172.93
Other receivables	-	-
Claims receivable	-	154.52
<b>TOTAL</b>	<b>164.48</b>	<b>493.36</b>

### 13 Other current assets

	As at 31st March, 2020	As at 31st March, 2019
Prepaid expenses	39.22	33.95
Goods and service tax	1.18	2.15
Advance bareboat	253.98	246.23
Other receivables	33.67	30.64
<b>TOTAL</b>	<b>328.05</b>	<b>312.97</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 14 Equity share capital

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>Authorised</b>		
i) 50,000,000 Equity shares of ₹ 10/- each	5,000.00	5,000.00
ii) 2,500,000 Redeemable preference shares of ₹ 10/- each	2,500.00	2,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
<b>Issued, subscribed and fully paid-Up</b>		
36,308,425 Equity shares of ₹ 10/- each fully paid up	3,630.84	3,630.84
<b>TOTAL</b>	<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, 2020	As at 31st March, 2019
Chowgule and Company Private Limited ( Holding Company)	17,450,333	17,450,333
	48.06%	48.06%
Quail Investments Limited	2,260,843	2,260,843
	6.23%	6.23%

### 15 Other equity

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Balances at the end of year		
(a) Capital reserve	11.96	11.96
(b) Capital redemption reserve	30.00	30.00
(c) Securities premium reserve	2,922.01	2,922.01
(d) General reserve	4,117.52	4,117.52
(e) Investment revaluation reserve	-	-
(f) Foreign currency translation reserve		
Balance at beginning of year	1,521.62	1,183.39
Add /(Less) : Exchange difference arising on translating the foreign operation	(866.61)	338.23
Balance at end of year	<u>655.01</u>	<u>1,521.62</u>
(g) Retained earnings		
Balance at beginning of year	(14,943.29)	(5,828.65)
Add : Profit /(Loss) for the year	(6,729.76)	(9,114.64)
Balance at end of year	<u>(21,673.05)</u>	<u>(14,943.29)</u>
<b>TOTAL</b>	<u>(13,936.55)</u>	<u>(6,340.18)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Foot notes:

#### Nature of reserves

##### Capital reserve:

Capital reserve includes profit on forfeiture of shares.

##### Capital redemption reserve:

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

##### Securities premium reserve:

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

##### General reserve:

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

##### Foreign currency translation reserve :

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

##### Investment revaluation reserve

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

##### Retained earnings:

The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the separate financial statements of the Companies in the Group and also considering the requirements of the Companies Act, 2013.

### 16 Non - controlling interest

	As at 31st March, 2020	As at 31st March, 2019
9,000,000 Convertible redeemable preference shares of USD 1/- each issued to M/s Rudra Shipping and 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	6,784.74	6,225.42
<b>TOTAL</b>	<b>6,784.74</b>	<b>6,225.42</b>

### 17 Borrowings

Unsecured borrowing		
From other party (refer foot note 1 below)	4,873.23	4,409.24
From related party (refer foot note 2 below) (Refer to note 35)	1,770.00	-
<b>TOTAL</b>	<b>6,643.23</b>	<b>4,409.24</b>

#### Foot note

- The loan outstanding as on 31st March, 2020 is ₹ 4873.23 Lakhs i.e. USD 6.464 million (2019 : ₹ 4,409.24 Lakhs i.e. USD 6.374 million) repayable with interest @ 4% per annum in full or part without penalty on or before 30th Sept; 2021

Unsecured loan from related party of ₹ 1,770 lakhs (2019 : ₹ 1,420 lakhs) carrying interest @9% p.a. Is repayable in September 2021. The same was repayable on demand in the previous year and hence was classified as a current liability



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 18 Other financial liabilities

	As at 31st March, 2020	As at 31st March, 2019
Security deposit	100.13	94.64
Interest accrued but not due on borrowings	661.05	-
Payable on purchase of property, plant and equipment ( Refer foot note below)	7,194.22	27,751.96
<b>TOTAL</b>	<b>7,955.40</b>	<b>27,846.60</b>

₹ in lakhs

Note :

- 1) Payable on purchase of property, plant and equipment includes and amount of ₹ 455.41 lakhs (2019: ₹ 418.96 lakhs) payable to related party.
- 2) The amount payable on purchase of property, plant and equipment represent amounts repayable on lease back of vessels as per below chart ;

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

Particulars	Maratha Pride NCN Coporation	Maratha Paramount Northern Shipping Fund III	Maratha Promise ABO Shoten Ltd	Maratha Prudence Northern Shipping Fund III
1. Amount of installment in USD	Fixed bareboat @ \$ 79375 per month  Variable Bareboat @ 1 month Libor + 4.25%	For first 12 months - \$ 3250/ day  Balance 48 months - \$ 4250/ day	Fixed bareboat @ \$ 114796 per month  Variable Bareboat @ 1 month ICE Libor + 3%	For first 12 months - \$ 3250/ day  Balance 48 months - \$ 4250/ day
2. Option Premium -Non Refundable	-	\$ 3,100,000	\$ 3750000	\$ 3,100,000
3. Purchase price Option				
End of Year 2	-	\$ 9,400,000	-	\$ 10,200,000
End of Year 3	\$7,892,500	\$ 9,000,000	\$7,117,347 + \$ 500,000	\$ 9,700,000
End of Year 4	\$6,930,000	\$ 8,600,000	\$5,739,796+ \$ 600,000	\$ 9,200,000
End of Year 5	\$5,967,500	\$ 8,200,000	\$4,362,245+ \$ 700,000	\$ 8,700,000
End of Year 6	\$5,005,000	-	\$2,984,694+ \$ 800,000	-
End of Year 7	\$4,042,500	-	\$1,607,143+ \$ 900,000	-
End of Year 8	\$3,080,000	-	\$229,592+ \$ 1,000,000	-
End of charter period	-	-	\$ 1,000,000	-
Put Option at end of period	-	\$ 8,200,000	-	\$ 8,700,000
4. No. of monthly installments outstanding	-	3	93	3

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19 Provisions

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits	1.62	40.56
<b>TOTAL</b>	<b>1.62</b>	<b>40.56</b>

### 20 Other non current liabilities

Advance rent received	-	4.49
<b>TOTAL</b>	<b>-</b>	<b>4.49</b>

### 21 Borrowings

Unsecured borrowing		
From related party (Refer to note 35)	-	1,420.00
<b>TOTAL</b>	<b>-</b>	<b>1,420.00</b>

### 22 Trade payables

Total Outstanding dues of micro enterprises and small enterprises (Refer foot notes below)	-	-
Sundry creditors	0.10	-
Total Outstanding dues of other than micro enterprises and small enterprises		
Shipping cost payable	1,851.17	1,425.86
<b>TOTAL</b>	<b>1,851.27</b>	<b>1,425.86</b>

#### Foot notes:

The average credit period on purchases of goods and services are within 45 days.

No interest is charged by the vendors.

Details relating to Micro, Small and Medium Enterprises

a) Amount remaining unpaid to any supplier at the end of the year:		
- Principal	0.10	-
- Interest	-	-
b) The amount of interest paid by the buyer as per Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

#### Note:

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

<b>TOTAL</b>	<b>0.10</b>	<b>-</b>
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The above disclosure is compiled based on information available with the Company regarding status of trade payables into MSME and others. This has been relied upon by auditors.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**23 Other financial liabilities**

₹ in lakhs

	As at 31st March, 2020	As at 31st March, 2019
Interest accrued but not due on borrowings		
On loans	143.98	473.47
On other	–	214.15
Other current liabilities	–	7.71
Payable on purchase of PPE ( refer to note 18)	16,188.61	1,901.19
<b>TOTAL</b>	<b>16,332.59</b>	<b>2,596.52</b>

**24 Other current liabilities**

Advance rent received	4.49	5.61
Advance for sale of property plant and equipment	55.00	1.00
Charter hire (received in advance)	131.18	22.36
Advance received from customers	6.51	–
Statutory dues	6.61	1.62
Salary payable	4.21	–
Provision for other expenses	139.73	113.71
<b>TOTAL</b>	<b>347.73</b>	<b>144.30</b>

**25 Provisions**

Payable to gratuity fund (refer note no 34)	8.00	14.75
Provision for employee benefits	31.87	15.56
<b>TOTAL</b>	<b>39.87</b>	<b>30.31</b>

**26 Current tax liabilities (net)**

Provision tax	88.00	–
Payment of taxes in advance	(9.77)	–
<b>TOTAL</b>	<b>78.23</b>	<b>–</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 27 Contingent liabilities and commitments

	As at 31st March, 2020	As at 31st March, 2019
	₹ in lakhs	
<b>i) Contingent liabilities</b>		
a) Sales Tax demand not provided for: (Refer note no 6) The Company had contested the above claims against the Order of the Appellate Assistant Commissioner, Chennai, confirming the Order of the Commercial Tax Officer for the Assessment Year 1995-96 in respect of charter hire of the vessel, 'm.v. Maratha Prudence'. The Company had already deposited ₹ 47.40 lakhs (refer to note no 7) (including refunds withheld by the authorities) and executed a bond of ₹ 218.04 lakhs in respect of the said claim. The Company does not expect any liability to devolve on it in respect of the above and therefore no provision is held.	237.00	237.00
b) Income tax demand not provided for The company has filed appeal in respect of the same. Note : Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. The Company believes the probability of the assessments in accordance with Ind AS 12 in these cases is nil, no provision is made in books of accounts	32.72	32.72
c) During the period, a claim for USD 3,665,360 has been lodged against Sea King LLC on account of accidental damage caused to a local coastal vessel. Three-fourths of the collision liability of this claim is covered by Hand M underwriters and one-fourth by Pand I Club subject to respective deductibles. No provision in this respect is made in the Financials of Sea King LLC. In view of fact that the substantial portion of the liability is covered under insurance and the balance amount of liability if any devolving on Sea King LLC is not ascertainable.	2,763.17	-
<b>ii) Commitments</b> Estimated amount of contracts remaining to be executed on capital account not provided for - The group has a commitment for the construction of one (2018 - one) hull	-	15,978.57





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 28 Revenue from operations

₹ in lakhs

	Year ended 31st March 2020	Year ended 31st March 2019
Sale of service:		
Charter hire receipts	7,742.89	9,023.43
<b>TOTAL</b>	<b>7,742.89</b>	<b>9,023.43</b>

### 29 Other income

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

Interest on loans/receivable on sale of property, plant and equipment.	101.98	205.46
Income tax refund	28.42	2.38
Operating lease rental income	218.00	215.37
Dividend income	0.02	0.02
Net gain arising on financial assets designated as at FVTPL (Refer foot note below)	16.78	8.60
Sundry receipts	33.49	0.75
Profit on sale of asset	258.51	-
Expenses no longer payable written back	28.13	-
Net foreign currency translation differences	177.23	-
<b>TOTAL</b>	<b>862.56</b>	<b>432.58</b>

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 on fair valuation of ₹ 4.89 lakhs (2019 Loss : ₹ 9.54 lakhs).

### 30 Employee benefit expenses

Salaries, wages and other benefits	88.54	186.26
Contributions to provident and other funds		
Superannuation contribution	16.11	15.44
Gratuity ( L I C Contribution )	(3.41)	3.97
Contribution to provident fund @ 12%	8.12	13.62
Staff welfare expenses	0.16	1.06
<b>TOTAL</b>	<b>109.52</b>	<b>220.35</b>

### 31 Finance costs

Interest on Borrowings		
Interest on term loan	331.91	1,139.44
Interest on bare boat	2,736.05	1,425.06
Finance charges	-	69.89
Interest others	5.67	61.55
<b>TOTAL</b>	<b>3,073.63</b>	<b>2,695.94</b>

### 32 Depreciation and amortization expenses

Depreciation on property, plant and equipment pertaining to continuing operations (Refer note no 3.1 and 3.2)	2,237.39	3,202.89
<b>TOTAL</b>	<b>2,237.39</b>	<b>3,202.89</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 33 Other expenses

	₹ in lakhs	
	Year ended 31st March 2020	Year ended 31st March 2019
<b>Operating expenses</b>		
Manning cost	2,318.29	2,368.87
Fuel and oil	493.05	145.86
Stores and spare parts consumed	494.06	531.01
Port disbursement, stevedorage, light dues etc.	54.73	45.26
Ship repairs and survey charges	255.68	249.97
Dry docking charges	-	-
Insurance and protection club dues	381.71	289.37
Brokerage and agency fees	199.20	288.89
Foreign currency translation differences	-	26.51
Ship management fees	323.21	323.19
Crew expenses	284.39	348.75
Quality and safety facilities	56.82	71.52
Handling and transport	11.52	19.44
<b>Other expenses</b>		
Power and fuel	4.05	4.29
Legal and professional expenses	186.78	220.30
Postage, telephone, telexes etc.	33.84	41.31
Rent	0.50	0.50
Rates and taxes	29.49	24.91
Auditors' remuneration		
For statutory audit	6.30	6.00
For tax audit	0.70	0.70
For other services	2.70	2.63
Directors' sitting fees	7.30	7.90
Sundry balance written - off	1,547.69	23.51
Net foreign currency translation differences	-	72.64
Travelling expenses (Including foreign travelling)	22.60	39.22
Repairs to building	24.83	29.57
Subscriptions	14.39	16.20
Loss on sale of investment	-	-
Loss on sale of vessel ( refer footnote below)	-	7,237.81
Loss on termination of lease terms	45.64	-
Loss on revaluation of lease terms	12.54	-
Assets written off	0.10	-
Miscellaneous expenses	43.81	70.86
<b>TOTAL</b>	<b>6,855.92</b>	<b>12,506.99</b>

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 34 Employee benefit plans

#### a) Defined contribution plans

##### Provident fund :

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

##### Superannuation fund :

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

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

	2019-20	2018-19
i) Provident fund	8.12	13.62
ii) Superannuation fund	16.11	15.44

(₹ in lakhs)

#### b) Defined benefit plan

The Company makes annual contributions to the Chowgule Steamships Limited Shore Employees Gratuity Fund (Income tax approved irrevocable trust), which in-turn, has taken group gratuity cum Life assurance scheme of the Life Insurance Corporation of India, which is a funded defined benefit plan for qualifying employees. This scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's gratuity scheme. Vesting occurs upon completion of five years of service.

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

##### Investment risk:

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

##### Interest risk:

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

##### Longevity risk:

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

##### Salary risk:

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

The principal actuarial assumptions are as follows:

	2019-20	2018-19
i) Discount rate at 31st March	6.55% p.a.	7.59% p.a.
ii) Rate of increase in compensation	5.00% p.a.	5.00% p.a.
iii) Attrition rate	0.50% p.a.	0.50% p.a.
vi) Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foot notes:

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

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

	(₹ in lakhs)	
	2019-20	2018-19
<b>Service cost</b>		
Current service cost	7.71	6.21
Past service cost and (gain)/loss from settlements	–	–
Adjustment to opening balance	(11.10)	0.13
Net interest expense	(0.02)	(2.36)
<b>Components of defined benefit costs recognised in the statement of profit and loss</b>	<b>(3.41)</b>	<b>3.97</b>
<b>Remeasurement on the net defined benefit liability :</b>		
Return on the plan assets (excluding amount included in net interest expenses)	8.18	13.41
Actuarial (Gains)/losses arising from changes in demographic assumptions	–	–
Actuarial (Gains)/losses arising from changes in financial assumptions	1.76	0.13
Actuarial (Gains)/losses arising from experience adjustments	(12.06)	28.33
Others (describe)	–	–
Adjustments for restrictions on the defined benefit asset	–	–
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(2.12)</b>	<b>41.88</b>
<b>TOTAL</b>	<b>(5.52)</b>	<b>45.85</b>

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:**

	(₹ in lakhs)	
	2019-20	2018-19
Present value of funded defined benefit obligations	21.05	190.16
Fair value of plan assets	13.05	175.41
Funded status [deficit/(surplus)]	8.00	14.75
Restrictions on assets recognised	–	–
<b>Net liability arising from defined benefit obligation</b>	<b>8.00</b>	<b>14.75</b>

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

	(₹ in lakhs)	
	2019-20	2018-19
Opening defined benefit obligations	190.16	144.45
Current service cost	7.71	6.21
Interest cost	8.17	11.05
Remeasurement (gains)/loss:		
Actuarial (Gains)/losses arising from changes in demographic assumptions	–	–
Actuarial (Gains)/losses arising from changes in financial assumptions	1.76	0.13
Actuarial (Gains)/losses arising from experience adjustments	(12.06)	28.33
Benefits paid	(174.69)	–
Closing defined benefit obligation	21.05	190.17

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

Opening fair value of plan assets	175.41	175.43
adjustment to opening fair value of plan asset	11.10	(0.13)
Interest income	8.18	13.41
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expenses)	(8.18)	(13.41)
Contribution from the employer	1.23	0.11
Benefits paid	(174.69)	–
Closing defined benefit obligation	13.05	175.41

Key management personnel liability as on 31st March 2020 is ₹ 0.16 Lakhs (2019: ₹ 165 Lakhs)

**Sensitivity analysis**

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

		(₹ in lakhs)	
		Present Value of Obligation (PVO)	
		2019-20	2018-19
Discount rate (DR)	PVO DR + 1%	19.36	188.12
	PVO DR - 1%	22.96	192.46
Expected Salary escalation rate	PVO ER + 1%	22.96	192.48
	PVO ER - 1%	19.32	188.07

**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	0.12	0.14	0.17	0.19	0.22	21.18

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

The contribution expected to be made by the Company during the financial year 2020 is ₹ Nil Lakhs (2019 - ₹ 1.20 lakhs).

### Experience adjustments

	2015-16	2016-17	2017-18	2018-19	2019-20
					(₹ in lakhs)
Present value of the obligation	188.98	171.34	144.45	190.17	21.05
Fair value of the plan assets	132.90	152.17	175.43	175.41	13.05
Surplus/ (Deficit)	(56.08)	(19.17)	30.98	(14.75)	(8.00)
Experience adjustment on plan liabilities	33.06	(27.73)	(18.78)	28.33	28.33
Experience adjustment on plan assets	(1.21)	(0.38)	0.68	(13.41)	(8.18)

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

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

Name of the Company	Country of Incorporation	% Holding	
		31st March, 2020	31st March, 2019
<b>a. Substantial investor</b>			
Chowgule and Company Private Limited	India	48.06%	48.06%
<b>b. Key managerial personnel:</b>			
Mr. Aditya Chowgule (From 22.10.2019)	: Managing Director , Chief Financial Officer		
Mr. Darshan Karekar ( From 01.10.2019)	: Company Secretary		
Mr. Mangesh Sawant ( Upto 31.07.2019)	: Managing Director , Chief Financial Officer		
Mr. Suhas Joshi ( Upto 19.08.2019)	: Company Secretary		
<b>c. Relatives of key management personnel (with whom the Company has transactions)</b>			
Mr. Jaywant Chowgule	Father of Aditya Chowgule		
Mr. Devayu Jaywant Chowgule	Brother of Aditya Chowgule		
<b>d. Entities in which Directors are able to exercise significant control:</b>			
Chowgule Brothers Private Limited			
Lavgan Dockyard Private Limited			



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### II Related party transactions:

(₹ in lakhs)

Nature of Transaction	Subsidiary companies		Enterprises over which key management personnel exercise significant control		Enterprises over which Directors/Relative of Directors/key management personnel/relative of key management personnel exercise significant influence.		Total	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
<b>I) Transaction during the year</b>								
<b>a) Services rendered</b>								
Chowgule and Company Private Limited	-	-	-	6.35	-	-	-	6.35
<b>b) Interest income</b>								
Lavgan Dockyard Private Limited	-	-	-	19.58	-	-	-	19.58
<b>c) Reimbursement expenses</b>								
Angre Port Private Limited	-	-	-	-	1.86	-	1.86	-
Chowgule Brothers Private Limited	-	-	-	-	0.27	-	0.27	-
<b>d) Interest expenses</b>								
Chowgule and Company Pvt. Ltd	-	-	148.61	11.09	-	-	148.61	11.09
<b>e) Loans given during the year</b>								
Lavgan Dockyard Private Limited	-	-	-	-	-	-	-	-
<b>f) Loans accepted during the year</b>								
Chowgule and Company Pvt. Ltd	-	-	350.00	1,420.00	-	-	350.00	1,420.00
<b>II) Outstanding balances as on 31.03.2019</b>								
<b>a) Loans</b>								
Chowgule and Company Pvt. Ltd ( Including Acc. Interest)	-	-	1,913.98	1,430.23	-	-	1,913.98	1,430.23
<b>b) Trade and other payables</b>								
Chowgule and Company Pvt. Ltd	-	-	666.54	666.54	-	-	666.54	666.54

### III Compensation to key management personnel

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

(₹ in lakhs)

	31st March, 2020	31st March, 2019
Short-term employee benefits	89.71	137.40
Post employment benefits ( refer to note 34)	0.34	197.69
Termination benefits	-	-
Share-based payments	-	-
<b>Total Compensation paid to Key Management Personnel</b>	<b>90.05</b>	<b>335.09</b>

### IV Sitting fees paid to non executive Directors

Director sitting fees	7.30	7.90
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### 36 Segment reporting

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

- Geographical information  
In India ₹ Nil lakhs (2019: ₹ 6.35 lakhs), Outside India ₹ 7,742.89 lakhs (2019: ₹ 9,017.08 lakhs)
  - All the non-current assets of the Group are as under  
In India ₹ 4,303.01 lakhs (2019: ₹ 2,229.71 lakhs), Outside India ₹ 10,715.19 lakhs (2019: ₹ 37,077.87 lakhs)
- Since there is single segment there is no difference in measurement of profit or loss and measurement of assets and liabilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	31-Mar-2020	31-Mar-2019
a. Profit/(Loss) for the year (₹ in Lakhs )	(6,731.29)	(9,076.87)
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 ₹)	(18.54)	(25.00)
d. Basic and diluted earnings per equity share (for discontinued operation)(in ₹)	–	–
e. Basic and diluted earnings per equity share (for continuing and discontinued operation)(in ₹)	(18.54)	(25.00)

### 38 Financial Instruments

#### 38.1 Capital management

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

The capital structure of the Group consists of net debt (borrowings as detailed in note 17, 21 and 23 and off set by cash and bank balance) and total equity of the Group.

#### 38.1.1 Gearing ratio

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

	As at 31st March, 2020	As at 31st March, 2019
Debt (Refer Foot note (i) Below)	22,831.84	7,730.42
Cash and Bank balances	(810.60)	(830.25)
Net debt	22,021.24	6,900.17
Equity (Refer Foot note (ii) Below)	(10,305.71)	(2,709.34)
Net debt to equity ratio	(2.14)	(2.55)

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 14, 15 and 16)

#### 38.2 Categories of financial instruments

##### Financial assets

##### Measured at amortised cost

(a) Cash and Bank balances	810.60	830.25
(b) Other financial assets at amortised cost		
(i) Other financial assets	838.76	1,255.99
(ii) Other loans	–	138.34
(iii) Trade receivables	311.61	60.86

##### Measured at fair value through profit or loss

(a) Investments	223.74	138.75
<b>TOTAL</b>	<b>2,184.70</b>	<b>2,424.19</b>

##### Financial liabilities

##### Measured at amortised cost

(i) Other financial liabilities	24,287.99	30,443.13
(ii) Borrowings	6,643.23	7,730.42
(iii) Trade payables	1,851.27	1,425.86
<b>TOTAL</b>	<b>32,782.50</b>	<b>39,599.41</b>

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





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**38.3 Financial risk management objectives**

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

The Group is exposed to market risk, credit risk and liquidity risk. The Group’s senior management oversees the management of these risks. It is the Group’s policy that no trading in derivatives for speculative purposes is undertaken.

**38.4 Market risk**

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

**38.5 Foreign currency risk**

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group’s exposure to currency risk relates primarily to the Group’s operating activities and borrowings when transactions are denominated in a different currency from the Group’s functional currency.

The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Group’s Policy is not to hedge transactions, and to buy and sell currency at spot rate where applicable. The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

Particulars	2019-20		2018-19	
	(₹ in lakhs)	USD in Million	(₹ in lakhs)	USD in Million
<b>Receivables</b>				
Other current assets	1.30	# -	0.81	# -
Cash and cash equivalents	26.49	0.04	24.33	0.04
<b>Payables</b>				
Trade payables	-	-	-	-

Note : USD = US Dollar

# Value less than USD 10,000

**Sensitivity analysis**

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

**38.6 Interest risk**

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

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

**38.7 Price risk**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38.8 Credit risk management

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

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

### 38.9 Liquidity risk management

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

#### 38.9.1 Expected maturity for non-derivative financial liability

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

Particulars	Weighted average effective interest rate					₹ in lakhs	
		Less than 1 year	1-5 years	5 + years	Total	Carrying amount	
<b>March 31, 2020</b>							
Non-interest bearing							
- Trade payables		1,851.27	-	-	1,851.27	1,851.27	
- Other financial liabilities		589.15	-	-	589.15	589.15	
Variable interest rate instruments							
- Other financial liabilities		16,188.61	4,022.10	2,716.71	22,927.42	23,732.45	
Fixed interest rate instruments							
- Payable on purchase of property, plant and equipment	8.70%	-	366.54	300.00	666.54	455.41	
- Security deposit	6.00%	104.88	-	-	104.88	100.13	
- Borrowing	4.00%	-	-	-	-	-	
<b>March 31, 2019</b>							
Non-interest bearing							
- Trade payables		1,425.86	-	-	1,425.86	1,425.86	
- Other financial liabilities		18.56	-	-	18.56	18.56	
Variable interest rate instruments							
- Borrowings		-	-	-	-	-	
- Other financial liabilities		1,901.19	17,276.70	10,475.25	29,653.14	27,751.95	
Fixed interest rate instruments							
- Payable on purchase of property, plant and equipment	8.70%	-	66.54	600.00	666.54	418.96	
- Security deposit	6.00%	-	104.88	-	104.88	94.64	
- Borrowings	4.00%	5,829.23	-	-	5,829.23	5,829.23	



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38.9.1.2 Expected maturity for non-derivative financial assets

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

Particulars	Weighted average effective interest rate					₹ in lakhs	
		Less than 1 year	1-5 years	5 + years	Total	Carrying amount	
<b>March 31, 2020</b>							
Non-interest bearing							
- Other financial assets	-	1.80	-	-	1.80	1.80	
- Investments	-	233.98	-	-	233.98	233.74	
- Trade receivable	-	311.61	-	-	311.61	311.61	
- Cash and Bank balance	-	810.61	-	-	810.61	810.61	
- Other financial assets	-	-	-	-	-	-	
- Loans	-	-	-	-	-	-	
Fixed interest rate instruments							
- Other financial assets	12.00%	164.48	672.47	-	836.95	836.95	
<b>March 31, 2019</b>							
Non-interest bearing							
- Other financial assets	-	156.31	-	-	156.31	156.31	
- Investments	-	148.29	-	-	148.29	138.75	
- Trade receivable	-	60.86	-	-	60.86	60.86	
- Cash and Bank balance	-	830.25	-	-	830.25	830.25	
- Other financial assets	-	-	-	-	-	-	
- Loans	-	138.34	-	-	138.34	138.34	
Fixed interest rate instruments							
- Other financial assets	12.00%	165.91	657.92	102.92	926.75	926.75	

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38.9.1.3 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Groups financial assets and financial liabilities that are measured at fair value or where fair value disclosure is required as at **31st March 2020**:

	Fair value measurement using			Total
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	₹ in lakhs			
<b>Financial Assets</b>				
Measured at amortised cost				
(a) Cash and Bank balances	–	–	810.60	810.60
(b) Other financial assets at amortised cost				
(i) Other financial assets	–	–	838.76	838.76
(ii) Other loans	–	–	–	–
(iii) Trade receivables			311.61	311.61
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	3.04	–	–	3.04
Investments in mutual funds (unquoted)	220.69	–	–	220.69
Measured through other comprehensive income				
(a) Investments	–	–	–	–
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost:				
(i) Other financial liabilities	–	–	24,287.99	24,287.99
(ii) Borrowings	–	–	6,643.23	6,643.23
(iii) Trade payables	–	–	1,851.27	1,851.27

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 **31st March 2019**:

	Fair value measurement using			Total
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	₹ in lakhs			
<b>Financial assets</b>				
Measured at amortised cost				
(a) Cash and Bank balances	–	–	830.25	830.25
(b) Other financial assets at amortised cost				
(i) Other financial assets	–	–	1,083.07	1,083.07
(ii) Other loans	–	–	138.34	138.34
(iii) Trade receivables	–	–	60.86	60.86
Measured at fair value through profit or loss				
Investments in equity shares (quoted)	3.95	–	–	3.95
Investments in mutual funds (unquoted)	134.80	–	–	134.80
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost:				
(i) Other financial liabilities	–	–	30,443.13	30,443.13
(ii) Borrowings	–	–	7,730.42	7,730.42
(iii) Trade payables	–	–	1,425.86	1,425.86

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### a) As at and for the year ended 31 March, 2020

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit /(Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)
<b>Parent</b>								
Chowgule Steamships Ltd	(141.46%)	4,980.92	(5.29%)	355.77	100.00%	1.53	(4.70%)	357.30
<b>Foreign subsidiary</b>								
Chowgule Steamships Overseas Limited	241.46%	(8,501.89)	105.29%	(7,087.06)	0.00%	–	104.70%	(7,953.69)
<b>TOTAL</b>	<b>100.00%</b>	<b>(3,520.97)</b>	<b>100.00%</b>	<b>(6,731.29)</b>	<b>100.00%</b>	<b>1.53</b>	<b>100.00%</b>	<b>(7,596.38)</b>

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

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of Profit /(Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)	As % of consolidated Loss	(₹ in lakhs)
<b>Parent</b>								
Chowgule Steamships Ltd	113.90%	4,004.92	2.13%	(193.39)	100.00%	(37.77)	2.63%	(231.16)
<b>Foreign subsidiary</b>								
Chowgule Steamships Overseas Limited	(13.90%)	(488.83)	97.87%	(8,883.49)	0.00%	–	97.37%	(8,545.26)
<b>Total</b>	<b>100.00%</b>	<b>3,516.08</b>	<b>100.00%</b>	<b>(9,076.88)</b>	<b>100.00%</b>	<b>(37.77)</b>	<b>100.00%</b>	<b>(8,776.42)</b>

#### 40 Going concern

The net worth of the Group as on 31.3.2020 is negative and the current liabilities exceed its total current assets by ₹ 1,568.76 lakhs. The Management, on the basis of future operational plans, is confident of restructuring the operations to recoup the losses and arranging requisite financing as has been done in the past years also. Further the market value of the assets held by the Group would sufficiently cover shortfall if any. In view of above financial statements have been prepared on Going Concern Basis.

#### 41 Expenditure on corporate social responsibility (CSR)

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

#### 42 Disclosure in terms of Ind AS 116

Effective 01st April 2019, the Company has adopted Ind AS 116 – Leases and applied it to all lease contracts existing on 01st April 2019 using modified retrospective method. The Company is not required to restate the previous figures. There is no material impact on transition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Operating leases

#### As lessor

The following table sets out a maturity analysis of lease payments, showing undiscounted lease payments to be received after the reporting period.

	As at 31st March, 2020	As at 31st March, 2019
Within one year	174.67	209.76
Between one to five years	25.17	168.38
Beyond five years	109.54	-

₹ in lakhs

### Finance leases

#### As lessee

The following table sets out a maturity analysis of lease payments, showing undiscounted lease payments to be paid after the reporting period.

Within one year	16,187.96	1,901.19
Between one to five years	4,021.94	19,851.45
Beyond five years	2,867.37	7,481.54

### Amounts recognised in the balance sheet

A Company has finance lease arrangement for Vessel for terms of 7 years . The carrying amount of these assets are shown below:

Gross carrying amount	26,881.87	36,576.50
Accumulated depreciation & impairment	1,073.77	1,217.24
Depreciation & impairment recognized in statement of profit and loss	5,397.21	3,118.58

### 43 Events after the reporting period

The spread of COVID-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Shipping industry was struggling since last couple of years and suffered more as compared to other industries due to this COVID 19 pandemic. Consequent to the Government advisories issued for controlling the spread of COVID 19, the operations of Company were suspended from 23rd March, 2020. The Company resumed the operations partially since 4th May, 2020 in line with the regular lockdown relaxation measures issued by Ministry of Home Affairs. As a result of lockdown, the revenue for the month of March 2020 has been impacted to some extent. During quarter ended 31st March, 2020, The Group estimates loss of revenue i.e. about 17% of targeted revenue.

### 44 Previous year figures

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

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

**HIMANSHU KISHNADWALA**  
 Partner  
 Membership No. 037391  
 Place: Mumbai  
 Date: 15<sup>th</sup> June, 2020

For and on behalf of the Board of Directors  
**PADMA V. CHOWGULE**  
 (DIN : 00006969)  
 Chairman  
 Place: Mumbai  
 Date: 15th June, 2020

**ADITYA J. CHOWGULE**  
 (DIN : 07739364)  
 Managing Director and CFO  
 Place: Goa  
 Date: 15<sup>th</sup> June, 2020

**RAVINDRA KULKARNI**  
 (DIN : 00059367)  
 Director  
 Place: Mumbai  
 Date: 15th June, 2020

**DARSHAN KAREKAR**  
 Company Secretary  
 Place: Goa  
 Date: 15<sup>th</sup> June, 2020

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**Fleet Profile**  
as on 31<sup>st</sup> March, 2020

**CHOWGULE STEAMSHIPS OVERSEAS LIMITED**  
(On bareboat charter hire)

	Name	Year Built	DWT (M.T.)
1.	M. V. Maratha Pride	2011	37221
2.	M. V. Maratha Paramount	2011	32081
3.	M. V. Maratha Promise	2012	37187
4.	M. V. Maratha Prudence	2012	32070



**CHOWGULE STEAMSHIPS LIMITED**

CORPORATE OFFICE:

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Web : [www.chowgulesteamships.co.in](http://www.chowgulesteamships.co.in)