

49TH ANNUAL REPORT 2011-12



Chowgule Steamships Limited

CHOWGULE STEAMSHIPS LIMITED

BOARD OF DIRECTORS

Vijay V. Chowgule	Chairman	- Promoter Non-Executive Director
S. Y. Rege		- Independent Non-Executive Director (upto 23.01.2012)
M. R. B. Punja		- Independent Non-Executive Director (upto 19.10.2011)
D. N. Mungale		- Independent Non-Executive Director
Jaywant Y. Chowgule		- Promoter Non-Executive Director
Admiral Madhvendra Singh (Retd.)		- Independent Non-Executive Director
Sanjiv N. Shah		- Independent Non-Executive Director
Nathan R. Chowgule		- Promoter Non-Executive Director
Prof. Rohini V. Chowgule		- Promoter Non-Executive Director
Ravindra Kulkarni		- Independent Non-Executive Director (w.e.f. 19.10.2011)
Mangesh Sawant	Executive Director & CFO	- Non-Promoter Executive Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Suhas Joshi

SOLICITORS

Khaitan & Co.

REGISTERED OFFICE

Chowgule House,
Mormugao Harbour,
Goa - 403 803.

AUDITORS

S. B. Billimoria & Co.

CORPORATE OFFICE

4th Floor, Bakhtawar,
Nariman Point, Mumbai - 400 021.
Tel. : (022) 66202500 Fax : (022) 66202545
Email : joshi.csl@chowgule.co.in
Web : www.chowgulesteamships.co.in

SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400 078.
Tel. : (022) 2594 6970 / Fax : (022) 2594 6969
Email : rnt.helpdesk@linkintime.co.in

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CHOWGULE STEAMSHIPS LIMITED

NOTICE

NOTICE is hereby given that the Forty Ninth Annual General Meeting of the Members of CHOWGULE STEAMSHIPS LIMITED will be held on Friday, July 6, 2012 at 11.00 A.M. at the Registered Office of the Company at Chowgule House, Mormugao Harbour, Goa 403 803 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2012 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay V. Chowgule, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Prof. Rohini V. Chowgule, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Dhananjay N. Mungale, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. 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 Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Ravindra Kulkarni, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation."

By order of the Board of Directors
For Chowgule Steamships Limited

Place : Mumbai,
Date : April 27, 2012

Suhas Joshi
Company Secretary

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be valid, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 2) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- 3) A brief profile of Directors seeking appointment/re-appointment at the Annual General Meeting is given in the Corporate Governance section of the Annual Report.
- 4) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 5) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) The Register of Members and Share Transfer Books of the Company will remain closed from June 29, 2012 to July 6, 2012, both days inclusive.
- 7) Unclaimed Dividend up to the year 1994-95 has been transferred to the General Revenue Account of the Central Government. Those shareholders, who have so far not claimed or collected their dividend up to the above financial year, may claim their dividend from the Registrar of Companies, Goa, Daman & Diu.
- 8) Unclaimed Dividends for the years 1995-96 and 1996-97 have been duly transferred to the Investor Education and Protection Fund. Members have no right or claim whatsoever against the said amount. Members please note that unclaimed Dividend for the year 2004-05 is due for transfer to Investors Education and Protection Fund in the month of July, 2012. Members, who have so far not claimed their Dividend for 2004-05 or any of the years thereafter, are requested to immediately write to the Company's Share Transfer Agents.

- 9) The shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and the listing fees in respect thereof for the year 2012-13 has been paid to BSE.
- 10) All enquiries and correspondence regarding transfer of shares, dematerialization, etc., should be made with the Share Transfer Agents of the Company, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078.
- 11) Pursuant to the amended Clause 5A of the Listing Agreement, the Company has already sent reminders to the shareholders whose share certificates are returned to the Company undelivered. The shareholders are hereby once again requested to write to the Company, in case if they have not received their share certificates sent to the Company for processing of transfer or any other request.

By order of the Board of Directors
For Chowgule Steamships Limited

Place : Mumbai,
Date : April 27, 2012

Suhas Joshi
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Board of Directors of the Company (the Board), pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) appointed Mr. Ravindra Kulkarni as an Additional Director of the Company with effect from October 19, 2011.

In terms of the provisions of Section 260 of the Act, Mr. Ravindra Kulkarni would hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member alongwith a deposit of ₹ 500/-, proposing the candidature of Mr. Ravindra Kulkarni for the office of Director of the Company, under the provisions of Section 257 of the Act.

Mr. Ravindra Kulkarni, is a renowned lawyer and is a Partner in Khaitan & Company Advocates, Solicitors, Notaries, Patent & Trademark Attorneys. Mr. Kulkarni is a science graduate and has Masters Degree in law. It will be in the interest of the Company if Mr. Kulkarni is appointed as a Director of the Company liable to retire by rotation, in accordance with the provisions of the Articles of Association of the Company.

A brief resume of Mr. Kulkarni, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board of Committees, as stipulated under Clause 49 of Listing Agreement with the Bombay Stock Exchange, are provided on Report on Corporate Governance forming part of the Annual Report.

The Board recommends the Resolution set out at Item No. 6 of the Notice for your approval.

None of the Directors, except Mr. Ravindra Kulkarni, is in any way concerned or interested in the resolution.

By order of the Board of Directors
For Chowgule Steamships Limited

Place : Mumbai,
Date : April 27, 2012

Suhas Joshi
Company Secretary

CHOWGULE STEAMSHIPS LIMITED

DIRECTORS' REPORT 2011-2012

To

The Shareholders,

Your Directors present the Forty Ninth Annual Report and the Audited Accounts for the year ended March 31, 2012.

1. FINANCIAL RESULTS & APPROPRIATIONS:

	2011-12	2010-11
Profit before Financial Charges, depreciation, Exceptional Item & Tax	1,318.25	1,222.03
Financial Charges	74.51	101.30
Depreciation	1,021.97	1,185.66
Profit/(Loss) before Exceptional Item & Tax	221.77	(64.93)
Profit/(Loss) on Sale of a ship	-	(123.16)
Impairment	(2,600.11)	-
Foreign Currency Translation difference	(415.35)	41.80
Loss before Taxation	(2,793.69)	(146.28)
Provision for Taxation – Current	(314.00)	(505.00)
Profit/(Loss) before Deferred Tax Provision	(3,107.69)	(651.28)
Provision for Deferred Tax (Net)	1,446.77	549.90
Loss after Tax	(1,660.92)	(101.38)
Brought forward from previous year	5,713.70	6,236.36
Available for Appropriation	4,052.78	6,134.98
Proposed Dividend	-	363.08
Tax on Proposed Dividend	-	58.20
Excess provision of Dividend Tax of earlier year	1.40	-
Balance Transferred to Balance Sheet	4,054.18	5,713.70

In view of the loss, the Board of Directors has not recommended any dividend for the year under review.

2. MANAGEMENT DISCUSSION AND ANALYSIS/OPERATIONS REPORT

COMPANY'S PERFORMANCE

The shipping market especially Dry Bulk Market continued to move downward since the last quarter of 2008. Throughout the year the freight markets have remained depressed. During the year under review, the freight earnings and charter hire receipts amounted to ₹ 2,270.83 Lakhs as against ₹ 3,110.65 Lakhs during the previous year, showing a decline of ₹ 839.82 Lakhs. The BDI which started the year at 1530 in April 2011 slipped to 934 by March 2012.

INDUSTRY REVIEW & FUTURE OUTLOOK

After a temporary upswing in year 2010-11, the year 2011-12 was more representative of the downward phase of shipping cycle. During the year, on the demand side for Dry Bulk Market, Iron ore and coal remained the major players. Iron ore registered a growth of about 6% most of which came from China. As regards coal, it registered a growth of about 4% over the previous year. Thus, overall demand held its place during the year albeit most of the same came from China and India. However, major worry is from Supply side which is steadily bringing new vessels in the market at a pace more than that can be absorbed by the demand side, leading to imbalance between demand and supply. This imbalance can be countered only if there is an increase in demand from rest of the world.

PORT AND SHIP REPAIR PROJECTS AT JAIGAD

Chowgule Ports & Infrastructure Private Limited (CPIPL), a company co-promoted by Chowgule Steamships Limited and Chowgule & Company Private Limited (CCPL) is implementing the Port and Ship Repair Projects at Lavgan, Ratnagiri through its subsidiaries viz. Angre Port Private Limited (formerly Jaigad Ports Infrastructure Private Limited) and Lavgan Dockyard Private Limited, respectively. The construction of Angre Port was completed and the port was inaugurated on April 24, 2012. The Ship Repair yard will be operational by end of the current year.

INTERNAL CONTROL SYSTEM

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

GOVERNMENT POLICIES

Government of various countries are taking policy initiatives for giving boost to their economies. This will have some positive impact in the overall growth over a period of time.

INDUSTRIAL RELATIONS

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

THREATS, RISKS & CONCERNS

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

Interest Rate Risk: In order to avoid uncertainty in the interest rate, a periodic review of rates and forward cover is taken at regular intervals.

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

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

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

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

CAUTIONARY STATEMENT

The statements, expressions, information given in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be deemed as 'forward looking statements'. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include demand-supply conditions, changes in Government, global economic scenario, etc.

3. LOAN REPAYMENT

During the year, the Company has repaid loan of ₹ 1,485.60 lakhs (US\$ 3 million). The total outstanding loan at year end is ₹ 3,349.45 lakhs (US \$ 6.5 million).

4. DEFERRED TAX LIABILITY

In terms of the Accounting Standard AS-22 issued by The Institute of Chartered Accountants of India, there is a reversal of Deferred tax liabilities amounting to ₹ 1,446.77 lakhs for Financial Year 2011-2012, which is reflected in the Statement of Profit & Loss. The net Deferred Tax Liability of ₹ 1,694.00 lakhs as at March 31, 2012 is reflected in the Balance Sheet.

5. SUBSIDIARIES

The total investment of the Company in the Share Capital of Chowgule Steamships Overseas Ltd. (CSOL), a wholly owned subsidiary, stands at US\$ 9.2 million (same as previous year). During the year under review, CSOL has taken delivery of two new built vessels from the yard in terms of its expansion plan. The financial highlights of CSOL's operations are as under:

	2011-12 (In US \$ million)	2010-11 (In US \$ million)
Income	13.059	9.837
Gross Profit before depreciation	(11.831)	7.241
Depreciation	4.844	1.156
Net Profit	(16.675)	6.085

6. SUBSIDIARIES – EXEMPTION

In terms of general approval granted by the Central Government vide notification No.5/12/2007-CL-III dated 8th February, 2011 under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit and Loss Account, and Report of the Board of Directors and the Report of the Auditors of the Subsidiary Companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents / details upon request by any member of the Company. However, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial result of its subsidiaries.

7. INSURANCE

The Company has taken adequate insurance covers against Marine and War Risks.

CHOWGULE STEAMSHIPS LIMITED

8. DIRECTORS

Mr. Vijay V. Chowgule, Prof. Rohini V. Chowgule and Mr. Dhananjay N. Mungale, Directors, retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

During the year under review, Mr. S. Y. Rege and Mr. M. R. B. Punja relinquished office as Directors of the Company due to preoccupation. Mr. Rege was Director of the Company since its inception and Mr. Punja served the Company as a Director for more than 2 decades. The Company has been immensely benefitted from the advise and suggestions received from the said Directors from time to time. The Board of Directors wishes to place on record its deep sense of gratitude and appreciation for the services rendered by Mr. S. Y. Rege and Mr. M. R. B. Punja during their tenure as Directors of the Company.

During the year under review, the Board of Directors has appointed Mr. Ravindra Kulkarni as an Additional Director, who holds office upto the date of ensuing Annual General Meeting. It is proposed to obtain approval of shareholders at the ensuing Annual General Meeting for the appointment of Mr. Ravindra Kulkarni as a Director liable to retire by rotation.

The background of the Directors proposed to be appointed / re-appointed at the Annual General Meeting pursuant to Clause 49 of the Listing Agreement is given in the Corporate Governance Report.

9. CORPORATE GOVERNANCE

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

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. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors state that:

- a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.

12. AUDITORS

The shareholders are requested to appoint auditors for the current financial year and to fix their remuneration. M/s. S. B. Billimoria & Company, Chartered Accountants, the retiring Auditors, being eligible, have given their consent for re-appointment.

13. THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AS AMENDED

There are no employees covered under Section 217 (2A) of the Companies Act, 1956 in respect of whom particulars are required to be furnished.

14. THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

In accordance with the requirements of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the statement annexed hereto gives the particulars as required under the said rules and forms part of this Report (Annexure I).

15. GENERAL

The Board of Directors expresses its appreciation for the help and co-operation extended by the Ministry of Surface Transport, Maharashtra Maritime Board, Ministry of Finance, the Directorate General of Shipping, Reserve Bank of India and the Company's Bankers and Agents. The Board of Directors also appreciates the loyal services rendered and co-operation extended by the Company's officers and staff, both ashore and afloat.

For **Chowgule Steamships Limited**

Place : Mumbai,
Date : April 27, 2012

VIJAY V. CHOWGULE
Chairman

**TO THE MEMBERS OF
CHOWGULE STEAMSHIPS LIMITED**

Declaration by the Executive Director & CFO under Clause 49 of the Listing Agreement

I, Mangesh Sawant, Executive Director & CFO of Chowgule Steamships Limited, confirm that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2012.

Place : Mumbai,
Dated : April 27, 2012

Mangesh Sawant
Executive Director & CFO

CHOWGULE STEAMSHIPS LIMITED

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

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

2. BOARD OF DIRECTORS

(a) Composition / Category of Directors

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

Grand Total = 9

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

In all, four Board Meetings were held during the financial year 2011-2012 on 21.04.2011, 08.07.2011, 19.10.2011 and 23.01.2012. The attendance of the Directors is as under:

Name	No. of Board Meeting attended	Attendance at the previous AGM
Mr. Vijay V. Chowgule	4	P
Mr. S. Y. Rege#	4	P
Mr. M. R. B. Punja#	3	P
Mr. Dhananjay N. Mungale	3	P
Mr. Jaywant Y. Chowgule	2	P
Admiral Madhvendra Singh (Retd.)	4	P
Mr. Sanjiv N. Shah	3	P
Mr. Nathan R. Chowgule	3	P
Prof. Rohini V. Chowgule	4	P
Mr. Ravindra Kulkarni*	2	NA
Mr. Mangesh Sawant	4	P

Ceased to be a director

Mr. M. R. B. Punja w.e.f. October 19, 2011

Mr. S. Y. Rege w.e.f. January 23, 2012

*Appointed as an Additional Director w.e.f. October 19, 2011

P: Present A: Absent

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

Name of the Director	No. of other Public Ltd. Companies in which Director / Membership in other committees		
Mr. Vijay V. Chowgule	2 – BM	1 - CM	0 - CC
Mr. S. Y. Rege#	2 – BM	0 - CM	0 - CC
Mr. M. R. B. Punja#	4 – BM	2 - CM	2 - CC
Mr. Dhananjay N. Mungale	7 – BM	6 – CM	1 - CC

Name of the Director	No. of other Public Ltd. Companies in which Director / Membership in other committees		
Mr. Jaywant Y. Chowgule	1 – BM	0 – CM	0 – CC
Admiral Madhvendra Singh (Retd.)	0 – BM	0 – CM	0 – CC
Mr. Sanjiv N. Shah	2 – BM	2 – CM	0 – CC
Mr. Nathan R. Chowgule	0 – BM	0 – CM	0 – CC
Mr. Mangesh Sawant	0 – BM	0 – CM	0 – CC
Mr. Ravindra Kulkarni*	7 – BM	0 – CM	0 – CC
Prof. Rohini V. Chowgule	0 – BM	0 – CM	0 – CC

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

Resignation of

Mr. M. R. B. Punja w.e.f. October 19, 2011

Mr. S. Y. Rege w.e.f. January 23, 2012

*Appointed as an Additional Director w.e.f. October 19, 2011

3. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Dhananjay N. Mungale, as its Chairman and Mr. Vijay V. Chowgule, Mr. Sanjiv N. Shah as members. Mr. S. Y. Rege who was also a member of the Audit Committee has ceased to be a Director of the Company w.e.f. January 23, 2012. Mr. Dhananjay N. Mungale and Mr. Sanjiv N. Shah have the requisite financial and accounting background. The Audit Committee met on four occasions during the financial year and the attendance details of the Committee members are as under:

NAME	NO. OF MEETINGS ATTENDED
Mr. Dhananjay N. Mungale	3
Mr. S. Y. Rege#	4
Mr. Vijay V. Chowgule	4
Mr. Sanjiv N. Shah	3

#Ceased to be a member w.e.f. 23.01.2012

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

The Company, though has not formally adopted, encourages the Whistle Blower Policy as enshrined in the Code of Conduct. None of the Company personnel has been denied access to the Audit Committee.

Terms of Reference of the Audit Committee

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the amount of audit fees.
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 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 (2AA) of Section 217 of the Companies Act, 1956.
 - 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 judgement 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. Qualifications in the audit report, if any.

CHOWGULE STEAMSHIPS LIMITED

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy, reporting structure, coverage and frequency of internal audit.
8. Discussion with internal auditors on any significant findings and follow up thereon.
9. 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.
10. 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.
11. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. 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.

The Board also noted that the Audit Committee *inter alia* had the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. REMUNERATION COMMITTEE:

The Board of Directors has formed a Remuneration Committee comprising of the following Directors:

- 1) Mr. Dhananjay N. Mungale
- 2) Mr. Vijay V. Chowgule
- 3) Admiral Madhvendra Singh (Retd.)

The role of the Remuneration Committee is to determine and recommend the Company's policy on specific remuneration package for Whole-time Directors and Senior Management personnel.

During the financial year, the Remuneration Committee met on October 19, 2011. Mr. Suhas Joshi assumed the role of the Secretary to the Committee.

5. REMUNERATION OF DIRECTORS:

A) Remuneration of Executive Director

Mr. Mangesh Sawant has been appointed as the Whole-time Director of the Company for a period of three years effective from April 22, 2010. The details of the remuneration paid from April 01, 2011 to March 31, 2012 are as under:

Name	:	Mr. Mangesh Sawant
Designation	:	Executive Director & CFO
All elements of remuneration package Inclusive of Salary		
Benefits, Provident Fund, Gratuity, Bonus, Pension, etc.	:	₹ 36.56 lakhs
Service Contract, Notice Period etc.	:	The Contract is for a period of 3 years commencing from April 22, 2010 and the notice of termination is three months on either side.
Stock Option	:	NIL
No. of Shares held in the Company	:	133

B) Disclosure pertaining to Sitting Fees and Shareholding in the Company.

Non-Executive Directors	Sitting Fees paid during the financial year	No. of Shares held in the Company
Mr. Vijay V. Chowgule	₹ 180,000	1118455
Mr. S. Y. Rege#	₹ 190,000	2421

Non-Executive Directors	Sitting Fees paid during the financial year	No. of Shares held in the Company
Mr. M. R. B. Punja#	₹ 60,000	
Mr. Dhananjay N. Mungale	₹ 90,000	
Mr. Jaywant Y. Chowgule	₹ 40,000	64750
Admiral Madhavendra Singh (Retd)	₹ 90,000	
Mr. Sanjiv N. Shah	₹ 150,000	
Mr. Nathan R. Chowgule	₹ 60,000	
Prof. Rohini V. Chowgule	₹.1,50,000	210370
Mr. Ravindra Kulkarni +	₹ 40,000	
Mr. Mangesh Sawant	NA	133

Resignation of

Mr. M. R. B. Punja w.e.f. October 19, 2011

Mr. S. Y. Rege w.e.f. January 23, 2012

+Appointed as an Additional Director w.e.f. October 19, 2011

6. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

The Company's Shareholders' and Investors' Grievances Committee functions under the Chairmanship of Mr. Vijay Chowgule and other members are Mr. Sanjiv N. Shah and Prof. Rohini V. Chowgule. Mr. Suhas Joshi, Company Secretary, is the Compliance Officer. The Committee meets periodically to deal with share-related matters like transfers, transmission etc., and monitor redressal of complaints from the shareholders. However, the functions of transfer of shares were delegated to the Committee of Officers with effect from November 2001, which meets fortnightly for considering applications for share-related matters. This Committee reports to the Shareholders' and Investors' Grievances Committee. At its meetings, the Committee goes into the details of the grievances, if any and, verifies that they have been attended to. Between April 2011 and March 2012, the Company received 75 complaints / queries from shareholders. As at March 31, 2012, all the complaints / queries were resolved. There were no shares pending for transfer from the shareholders as at March 31, 2012.

7. DIRECTORS

Mr. Vijay V. Chowgule, Prof. Rohini V. Chowgule and Mr. Dhananjay N. Mungale, Directors, retire by rotation and being eligible, have offered themselves for re-appointment. Approval of the Shareholders is being sought for the re-appointments of the above Directors.

During the year under review, Mr. Ravindra Kulkarni was appointed as an Additional Director, and holds the office upto the date of ensuing Annual General Meeting. Approval of shareholders is being obtained at the ensuing Annual General Meeting for the appointment of Mr. Ravindra Kulkarni as a Director liable to retire by rotation.

Particulars of Directors are as under:

- A) Mr. Vijay V. Chowgule is the Chairman of the Company and head of the Chowgule Group. Mr. Vijay V. Chowgule has extensive management experience in production and service industries. He provides the vision to the Company, which helps it in charting its progress efficiently. He is B.S. in Textile Chemist and Industrial Management. Mr. Vijay V. Chowgule holds 11,18,455 shares in the Company. Mr. Vijay V. Chowgule is relative of Prof. Rohini V. Chowgule, Director. Mr. Vijay V. Chowgule is a Director in the following public limited companies.
- a) Keltech Energies Limited
 - b) Santech Company Limited
- B) Prof. Rohini V. Chowgule, is sister of Mr. Vijay V. Chowgule, Chairman of the Company. Prof. Rohini V. Chowgule is a renowned Pulmonary Physician based in Mumbai. She has done her MBBS and MD at Grant Medical College in Mumbai and thereafter was a Fellow at the Loyola University Medical School attached to Vines Veteran Medical Facility in Chicago. Presently she is associated with Bombay Hospital and is a Professor of Internal Medicine at Mumbai University. Prof. Chowgule is a Rotarian and does yeoman service at the Talvada Village on Mumbai-Nasik Road. Prof. Rohini V. Chowgule is also Founder of Environmental Medicine Institute (NGO) in Mumbai. Prof. Rohini V. Chowgule holds 2,10,370 shares in the Company. Prof. Rohini Chowgule is a relative of Mr. Vijay V. Chowgule, the Chairman. Prof. Rohini is not a Director in any public limited company.
- C) Mr. Dhananjay N. Mungale holds Bachelor of Commerce & Bachelor of Law degrees and is also an Associate Member of the Institute of Chartered Accountants of India. He has rich experience in Banking & Financial Sectors. He is presently acting as Adviser to various Corporations and start up companies in India and Europe. Mr. Dhananjay N. Mungale is a Director in the following public limited companies.

CHOWGULE STEAMSHIPS LIMITED

- a) LIC Housing Finance Limited
 - b) Kalpataru Limited
 - c) National Organic Chemical Limited
 - d) Tamilnadu Petroproducts Limited
 - e) Mahindra Composites Limited
 - f) Mahindra & Mahindra Financial Services Limited
 - g) Samson Maritime Limited
- D) Mr. Ravindra Kulkarni is a Science Graduate with a Masters Degree in Law. Mr. Ravindra Kulkarni is an Advocate by profession and a partner in Khaitan & Co., a solicitor firm. He has immense experience in all aspect of Corporate Law, Mergers and Acquisitions including Cross-border mergers, Capital Markets, Securities Laws etc. Mr. Ravindra Kulkarni is a Director in the following public limited companies.
- a) Alternate Brand Solutions (India) Limited
 - b) Elatas Beck India Limited
 - c) Ineos ABS (India) Limited
 - d) Entertainment Network India Limited
 - e) Shamrao Vitthal Co-op. Bank Limited
 - f) Mahindra & Mahindra Limited
 - g) Tech Mahindra Limited

8. GENERAL BODY MEETING

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

<u>Day</u>	<u>Date</u>	<u>Time</u>
Friday	July 8, 2011(*)	11.00 a.m.
Friday	July 9, 2010	11.00 a.m.
Friday	July 17, 2009	11.00 a.m.

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

9. DISCLOSURES

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

10. MEANS OF COMMUNICATION

The quarterly / annual financial results are published in the Free Press Journal, Navshakti, Gomantak & Gomantak Times. The results are also hosted on the Company's Web Site: www.chowgulesteamships.co.in. The Management Discussion and Analysis is a part of this Annual Report.

11. COMPLIANCE

The Company has complied with the mandatory requirements in terms of the Corporate Governance guidelines. However, the Company has not yet adopted the non-mandatory requirements.

12. GENERAL SHAREHOLDER INFORMATION

49th Annual General Meeting

Date & Time : July 6, 2012 at 11.00 a.m.

Venue : Chowgule House, Mormugao Harbour, Goa-403 803

Financial Year : 2011-2012

Book Closure Date : June 29, 2012 – July 6, 2012 (both days inclusive)

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

MARKET PRICE DATA DURING APRIL 2011 – MARCH 2012 (BSE)

<u>Month</u>	<u>High (₹)</u>	<u>Low (₹)</u>
April	39.70	35.00
May	35.10	29.20
June	33.90	29.15

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Month	High (₹)	Low (₹)
July	31.65	29.30
August	30.30	24.60
September	28.00	24.90
October	27.00	25.00
November	26.80	19.00
December	22.10	18.00
January	22.00	18.30
February	25.10	20.25
March	24.45	19.35

PERFORMANCE IN COMPARISON WITH SENSEX IS GIVEN BELOW:

DATE	CLOSING SENSEX	% MOVEMENT OF SENSEX MONTH TO MONTH	CSL CLOSING SHARE PRICE (₹)	% MOVEMENT OF SHARE PRICES MONTH TO MONTH
30.04.2011	19135.96	-1.59	35.20	-1.81
28.05.2011	18503.28	-3.31	31.20	-11.36
30.06.2011	18845.87	+1.85	30.70	-1.60
30.07.2011	18197.20	-3.44	30.15	-1.79
31.08.2011	16676.75	-8.36	26.00	-13.76
30.09.2011	16453.76	-1.34	26.10	+0.38
29.10.2011	17705.01	+7.60	26.75	+2.49
30.11.2011	16123.46	-9.93	21.40	-20
31.12.2011	15454.92	-4.15	18.95	-11.45
31.01.2012	17193.55	+11.25	20.80	+9.76
28.02.2012	17752.68	+3.25	21.90	+5.29
31.03.2012	17404.20	-1.96	20.75	-5.25

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2011 IS GIVEN BELOW:

Shareholding of Nominal Value of		Shareholders		Share Amount	
₹	₹	Number	% to Total	In Rupees	% to Total
Upto 5000		23288	89.7660	29054480	8.0020
5001	10000	1405	5.4160	11424350	3.1460
10001	20000	589	2.2700	9121520	2.5120
20001	30000	211	0.8130	5440730	1.4980
30001	40000	85	0.3280	3041150	0.8380
40001	50000	102	0.3930	4866050	1.3400
50001	100000	113	0.4360	8451020	2.3280
100001	And above	150	0.5780	291684950	80.3350
Total		25943	100	363084250	100.00

Category	No. of Shares	% Shareholding
Promoters/Person acting in concert	24603430	67.76
Banks, Financial Institution, Insurance Cos. etc.	9931	0.03
Private Corporate Bodies	700040	1.93
NRIs / OCBs	254658	0.70
Mutual Funds & UTI	10423	0.03
Indian Public	10729943	29.55
TOTAL	36308425	100.00

About 49.59% (12864 shareholders) of the equity shares have been dematerialized as at March 31, 2012. Balance 50.41% (13079 shareholders) are in physical form.

CHOWGULE STEAMSHIPS LIMITED

Share Transfer Process

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

Address for Correspondance :

Chowgule Steamships Limited
Bakhtawar, 4th Floor,
Nariman Point,
Mumbai - 400 021.
Email : joshi.csl@chowgule.co.in

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078.
Email : rnt.helpdesk@linkintime.co.in

For and on behalf of the Board

Place : Mumbai,
Date : April 27, 2012

Vijay V. Chowgule
Chairman

ANNEXURE - I

Statement regarding Conservation of Energy, Technology, Absorption & Foreign Exchange Earnings and outgo as required under Clause (e) of Sub-Sec. (1) of Section 217 of the Companies Act, 1956 which forms part of the Directors' Report for the year ended March 31, 2012.

Item	Particulars	Comments
A. Conservation of Energy		
(a)	Measures	The Company has operationally well maintained vessel. There is hardly any scope for conservation measures.
(b)	Addl. Investment and proposals, if any, being implemented for reduction of energy consumption	Nil
(c)	Impact of the measures (a) and (b) above and consequent impact on cost of production	Nil
(d)	Total energy consumption and consumption per unit of to a Shipping Company production in Form 'A'	Not applicable
B. Technology Absorption		
(e)	Efforts made in Technology absorption to a Shipping Company	Not applicable
i)	Research and Development	Nil
ii)	Technology absorption, adoption and innovation	Nil
C. Foreign Exchange Earnings & Outgo		
(f)	Activities relating to exports, initiative taken to increase exports, development of new export plans	Not applicable
(g)	Total Foreign Exchange	
i)	Used (including loan repayments, interest, etc.)	₹ 2,603.13 Lakhs
ii)	Earned	₹ 2,389.40 Lakhs

AUDITORS' CERTIFICATE

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

We have examined the compliance of conditions of Corporate Governance by CHOWGULE STEAMSHIPS LIMITED, for the year, ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Z. F. Billimoria
Partner

Membership No. 42791

Place : Mumbai,

Date : April 27, 2012

CHOWGULE STEAMSHIPS LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED

1. We have audited the attached Balance Sheet of **CHOWGULE STEAMSHIPS LIMITED** ("the Company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion..
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in above paragraph 3, we report as follows:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the directors as on 31st March, 2012 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Z. F. Billimoria
Partner

Membership No. 42791

Place : Mumbai,

Date : April 27, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result/transactions etc., clauses (vi) regarding acceptance of deposits from public, (vii) regarding maintenance of cost records, (x) regarding accumulated losses and cash losses, (xii) regarding granting of loans and advances on the basis of securities, (xiii) regarding chitfund, nidhi/ mutual benefit fund/ societies, (xiv) regarding dealing or trading in securities, debentures and other investments, (xv) regarding guarantees given by the Company, (xviii) regarding preferential allotment of shares, (xix) regarding creation of security for debentures issued and (xx) regarding end use of money raised by public issues, of "the Order" are not applicable to the Company during the year.
- (ii) According to the information and explanations given to us in respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by independent ship managers, who manage the Company's fleet at reasonable intervals. In our opinion and having regard to the nature of the Company's business, the interval of physical verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the independent ship managers, who manage the Company's fleet, were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) According to the information and explanations given to us, the Company's inventories comprise paints and lube oil on board the ships. Having regard to the nature of the Company's business and scale of operations, quantities are determined by physical count and it is not considered necessary to maintain records of movements of inventories of such items by the vessel in which they are carried. As quantities are determined by physical count and records of movement are not maintained on board the ship, the question of discrepancies on physical verification thereof does not arise.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to / from Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) According to the information and explanations given to us, the function of purchase of inventories for the Company's fleet is outsourced to independent ship managers and the ship managers raise monthly debit notes for the costs incurred by them once a month, which are reimbursed to them by the Company. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for verification of debit notes raised by the ship managers in respect of the purchase of inventories for the Company's fleet, the purchase of fixed assets and the sale of services. The nature of the Company's business is such that it does not involve sale of goods. During the course of our audit, we have neither observed nor we have been informed about any major weaknesses in such internal control systems.
- (vi) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements that needed to be entered into the Register maintained under Section 301 of the Companies Act, 1956.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanations given to us, in respect of statutory dues and other dues:
 - (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth Tax, Customs Duty, Sales Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amount payable in respect of Income-tax, Wealth Tax, Custom Duty, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there were no disputed amounts payable in respect of Income-tax, Wealth Tax, Customs Duty, Service Tax and Cess as at 31st March, 2012, except that the Company has disputed Sales Tax claims aggregating ₹ 237.00 lakhs pertaining to the Assessment Year 1995-96 and the matter is pending in an appeal before the Honourable High Court of Judicature at Madras. The Company has 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.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, no new term loans were taken during the year. In respect of the term loan outstanding, these were, prima-facie, applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Z. F. Billimoria
Partner

Membership No. 42791

Place : Mumbai,
Date : April 27, 2012

CHOWGULE STEAMSHIPS LIMITED

BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
(I) EQUITY AND LIABILITIES :			
1 SHAREHOLDERS' FUNDS			
a) Share Capital	2	3,630.84	3,630.84
b) Reserves and Surplus	3	12,432.72	14,160.51
c) Money Received Against Share Warrants		—	—
		16,063.56	17,791.35
2 SHARE APPLICATION MONEY PENDING ALLOTMENT			
		—	—
3 NON-CURRENT LIABILITIES			
a) Long-Term Borrowings	4	1,803.55	2,934.10
b) Deferred Tax Liabilities (Net)	5	1,694.00	3,140.77
c) Other Long-Term Liabilities		—	—
d) Long-Term Provisions	6	19.03	10.82
		3,516.58	6,085.69
4 CURRENT LIABILITIES			
a) Short-Term Borrowings	7	0.59	0.33
b) Trade Payables	8	197.82	135.64
c) Other Current Liabilities	9	1,666.18	1,415.20
d) Short-Term Provisions	10	47.43	460.84
		1,912.02	2,012.01
TOTAL		21,492.16	25,889.05
(II) ASSETS :			
1 NON-CURRENT ASSETS			
a) Fixed assets			
(i) Tangible Assets	11	7,538.25	11,203.68
(ii) Intangible Assets		—	—
(iii) Capital Work-in-Progress		8.52	13.22
(iv) Intangible Assets under Development		—	—
b) Non-current Investments	12	4,192.44	4,192.94
c) Deferred Tax Assets (net)		—	—
d) Long-Term Loans and Advances	13	2,589.40	55.36
e) Other Non-Current Assets	14	0.50	0.50
		14,329.11	15,465.70
2 CURRENT ASSETS			
a) Current Investments	15	5,847.55	6,466.32
b) Inventories	16	25.78	51.36
c) Trade Receivables	17	—	166.94
d) Cash and Bank Balances	18	1,015.03	3,149.29
e) Short-Term Loans and Advances	19	274.00	588.65
f) Other Current Assets	20	0.69	0.79
		7,163.05	10,423.35
TOTAL		21,492.16	25,889.05

See Significant Accounting Policies and accompanying Notes to the Financial Statements

In terms of our report attached.

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

Z. F. BILLIMORIA
Partner

Place : Mumbai,
Date : April 27, 2012

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Executive Director & CFO

SUHAS JOSHI
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	For the year ended 31-Mar-2012 (₹ in Lakhs)	For the year ended 31-Mar-2011 (₹ in Lakhs)
I. Revenue from Operations	22	2,477.76	3,344.96
II. Other Income	23	442.53	284.13
III. Total Revenue		2,920.29	3,629.09
IV. Expenses:			
Operating Expenses	24	788.29	1,360.62
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods		-	-
Employee Benefits Expenses	25	595.90	841.65
Finance Cost	26	74.51	101.31
Depreciation and Amortisation	11	1,021.97	1,185.66
Other Expenses	27	217.85	204.77
Total Expenses		2,698.52	3,694.01
V. Profit / (Loss) before Exceptional and Extraordinary Items and Tax (III - IV)		221.77	(64.92)
VI. Less: Exceptional Items	28	3,015.46	81.36
VII. Loss before Extraordinary Items and Tax (V - VI)		(2,793.69)	(146.28)
VIII. Extraordinary Items		-	-
IX. Loss Before Tax (VII - VIII)		(2,793.69)	(146.28)
X. Tax Expense:			
– Current Tax		(314.00)	(505.00)
– Reversal of Deferred Tax Liabilities	5	1,446.77	549.90
		1,132.77	44.90
XI. Loss for the year from Continuing Operations (IX - X)		(1,660.92)	(101.38)
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discontinuing Operations		-	-
XIV. Loss for the year from Discontinuing Operations (after tax) (XII - XIII)		-	-
XV. Loss for the Year (XI + XIV)		(1,660.92)	(101.38)
XVI. Earnings per equity share - Basic and Diluted (₹) (Face Value ₹ 10)	32	(4.57)	(0.28)

See Significant Accounting Policies and accompanying Notes to the Financial Statements

In terms of our report attached.

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

Z. F. BILLIMORIA
Partner

Place : Mumbai,
Date : April 27, 2012

SUHAS JOSHI
Company Secretary

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

D. N. MUNGALE
Director

MANGESH SAWANT
Executive Director & CFO

CHOWGULE STEAMSHIPS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	For the year ended 31-Mar-2012 (₹ in Lakhs)	For the year ended 31-Mar-2011 (₹ in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss Before Tax and Extraordinary Items	(2,793.69)	(146.28)
Adjustments for:		
Depreciation	1,021.97	1,185.66
Impairment	2,600.11	-
(Reversal) / Provision for Employee Benefits	18.18	12.49
Sundry Balance Written Off / (Back)	(12.87)	(36.10)
Foreign Exchange Translation Differences	447.83	29.36
Interest and Dividend Income	(116.97)	(81.09)
Profit on Sale of Current Investments	(322.73)	(201.09)
Loss/(Profit) on Sale of Fixed Assets	(2.83)	123.16
Assets Written Off	8.10	-
Deposits / Investments Written Off	1.50	-
Interest & Other Finance Charges Paid	74.51	101.31
Operating Profit before Working Capital Changes	923.11	987.42
Adjustments for:		
(Increase) / Decrease in Trade Receivables	166.94	(99.06)
(Increase) / Decrease in Long-term Loans and Advances	(2,535.04)	29.65
(Increase) / Decrease in Short-term Loans and Advances	(42.08)	(13.95)
(Increase) / Decrease in Term Deposits Pledged with Banks	95.00	7,467.35
Movement in Restricted Bank Balances	(6.41)	(9.65)
(Increase) / Decrease in Inventories	25.58	5.39
Increase / (Decrease) in Trade Payables	75.04	(314.89)
Increase / (Decrease) in Other Current Liabilities	52.72	(3,442.16)
Cash Generated from Operations	(1,245.14)	4,610.10
Less: Taxes (Paid) / Refund Received	42.74	27.11
Net Cash from Operating Activities (A)	(1,202.40)	4,637.21
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(38.34)	(8.65)
Movement in Capital Work-in-Progress	4.70	(1.82)
Sale of Fixed Assets	8.18	1,205.00
Sale of Current/Long Term Investments	14,882.10	11,033.34
Purchase of Current Investments	(13,940.61)	(13,749.91)
Interest Received	11.39	27.77
Dividend Received	105.69	58.52
Net Cash Used in Investing Activities (B)	1,033.11	(1,435.75)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Net Increase / (Decrease) in Cash Credit Balance	0.26	(3.69)
Repayment of Borrowings	(1,485.60)	(29.10)
Interest Paid	(74.37)	(101.48)
Dividend and Tax on Dividend Paid	(415.57)	(627.53)
Net Cash from / (used) in Financing Activities (C)	(1,975.28)	(761.80)
Net Increase in Cash and Cash Equivalents (A+B+C)	(2,144.57)	2,439.66
Cash and Cash Equivalents - Opening Balance	2,977.18	566.41
Cash and Cash Equivalents - Closing Balance	832.61	3,006.07
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	832.61	3,006.07
Effect of Exchange Rate Change Favourable / (Adverse)	98.90	(28.89)
Cash & Cash Equivalents as Restated	931.51	2,977.18
Foot Note:		
Cash & Cash Equivalents as above (Refer to Note No. 17)	931.51	2,977.18
Add: Restricted Bank Balances	53.52	47.11
Add: FD's maturing for more than three months	30.00	125.00
Cash and Cash Equivalents - Closing Balance	1,015.03	3,149.29

See Significant Accounting Policies and accompanying Notes to the Financial Statements

In terms of our report attached.

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

Z. F. BILLIMORIA
Partner

Place : Mumbai,
Date : April 27, 2012

SUHAS JOSHI
Company Secretary

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

D. N. MUNGALE
Director

MANGESH SAWANT
Executive Director & CFO

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Accounting:

The financial statements are prepared and presented under the historical cost convention, except as indicated in iii below, on an accrual basis of accounting in accordance with generally accepted accounting principles in India and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. The significant accounting policies adopted in the presentation of the Accounts are as under:

ii. Use of Estimates:

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

iii. Tangible Fixed assets and depreciation:

Fixed assets (other than buildings) are stated at purchase price and exchange differences arising on the conversion of foreign currency borrowings for the acquisition of ships from outside India at the year end date and exchange differences on the payment of those borrowings during the year are credited / debited to the Statement of Profit and Loss.

Buildings have been revalued on 31st March, 2009.

The Company depreciates its fleet of ships on a straight line basis at the rates specified in Schedule XIV to the Companies Act, 1956. The cost of second hand ships and other capital additions thereto are depreciated with reference to their residual lives if such lives are lower than lives determined with reference to rates prescribed in Schedule XIV to the Companies Act, 1956. Other assets are depreciated on written down value basis at the rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation on buildings has been provided on revalued amount. The additional depreciation on revaluation is recouped from the revaluation reserve.

The Management estimates the useful lives for the fixed assets as under:

Vessels	20 years
Buildings	15 years
Furniture and Fixtures	5 years
Office Equipments	5 years
Vehicles	4 years
Computers	3 years

iv. Impairment of fixed assets:

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Reversal of impairment loss is recognised immediately as income in the Statement of Profit and Loss.

v. Investments:

Investments are either classified as current or long-term investments. Current investments are carried at lower of cost and market value. Long-term investments are carried at cost of acquisitions, net of diminution in value, if any, which is other than temporary.

vi. Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost is ascertained on a first-in-first-out basis.

vii. Unfinished Voyage:

Unfinished voyages represent voyage charter earnings received, reduced by direct operating expenses, related to incomplete voyages as at the Balance Sheet date.

viii. Revenue Recognition:

Freight and demurrage earnings are recognised on a completed voyage basis.

Time charter earnings are accrued on a time proportion basis.

Interest Income is recognised on the time proportionate basis taking into account the amount outstanding and rate applicable.

Dividend Income is recognised when the right to receive such dividend is established.

ix. Insurance Claims:

Insurance claims for damages to ship's hull, machinery etc. are being accrued in the year of acceptance of the claim and are based on technical considerations.

NOTES TO THE FINANCIAL STATEMENTS

x. Employee Benefits :

a. Short-term Employee Benefits

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

b. Long-term Employee Benefits

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

i) Defined-contribution plans

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

ii) Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the Balance Sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

c. Other Employee Benefits

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

xi. Transactions in Foreign Currency:

a. Foreign currency transactions are recorded on initial recognition by applying the exchange rate prevailing on the date of the transaction at the commencement of the month in which the transaction takes place, if it approximates the actual rate on the date of the transaction. In other cases, the rates prevailing at the date of the transaction are used.

b. As at the Balance Sheet date:

i) foreign currency monetary items are reported using the closing rate;

ii) non monetary items that are carried at historical cost and denominated in foreign currency are reported using the exchange rate at the date of the transaction; and

iii) non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c. Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

xii. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

xiii. Provisions and Contingencies:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

NOTES TO THE FINANCIAL STATEMENTS

xiv. Taxes on Income :

The Company's income taxes include taxes on the Company's taxable profits, fringe benefits tax, adjustment attributable to earlier periods and changes in deferred taxes.

Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

xv. Operating Lease:

Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are effectively retained by the lessors are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the lease period.

2. SHARE CAPITAL

AUTHORISED

50,000,000 (2011 - 50,000,000) Equity shares of ₹ 10/- each

2,500,000 (2011 - 2,500,000) Redeemable Preference shares of ₹ 100/- each

ISSUED, SUBSCRIBED AND PAID-UP

36,308,425 (2011 - 36,308,425) Equity Shares of ₹ 10/- each, fully paid up

	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
	5,000.00	5,000.00
	2,500.00	2,500.00
	7,500.00	7,500.00
	3,630.84	3,630.84
TOTAL	3,630.84	3,630.84

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 and pays dividends in Indian Rupees.

The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders. In last 5 years no classes of shares has been issued or bought back by the Company nor have any bonus issues been made by the Company.

Following are the names of the shareholders together with the number of Equity Shares holding more than 5 percent of the total Equity Shares:

Name of the Equity Shareholders		Numbers of shares 31-Mar-2012	Numbers of shares 31-Mar-2011
Chowgule and Company Private Limited		16,817,554	16,817,554
	Percentage	46.32	46.32
Quail Investments Limited		2,260,843	2,260,843
	Percentage	6.23	6.23

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
3 RESERVES AND SURPLUS		
a) CAPITAL RESERVE		
Balance as per last balance sheet	11.96	11.96
b) CAPITAL REDEMPTION RESERVE		
Balance as per last balance sheet	30.00	30.00
c) SHARE PREMIUM		
Balance as per last balance sheet	2,922.01	2,922.01
d) REVALUATION RESERVE		
Balance as per last balance sheet	1,365.34	1,437.20
Less: Adjusted against corresponding depreciation charge (Refer to Note No. 11)	(68.27)	(71.86)
	1,297.07	1,365.34
e) OTHER RESERVES		
GENERAL RESERVE	4,117.50	4,117.50
f) SURPLUS / (DEFICIT) IN STATEMENT OF PROFIT AND LOSS		
Opening Balance	5,713.70	6,236.36
Add:- Profit / (Loss) for the year	(1,660.92)	(101.38)
Amount available for appropriation	4,052.78	6,134.97
Appropriations:		
Proposed Dividend (Refer to Note No. 10)	-	363.08
Tax on Dividend (Refer to Note No. 10)	-	58.20
Excess Provision of Dividend Tax of earlier year	1.40	-
Closing Balance	4,054.18	5,713.70
TOTAL	12,432.72	14,160.51

4 LONG-TERM BORROWINGS:-

SECURED BORROWINGS

Loans from Bank:

Term Loan

Secured by mortgage of vessel m .v. Maratha Providence forming part of fleet
(Refer to Note No. 9)

1,803.55	2,934.10
TOTAL	2,934.10

Terms of Repayment

Repayment terms: The loan shall be repaid over a period of 8 years in 16 Semi annual installments to be paid during September & March every year of USD 1,500,000 each plus USD 500,000 alongwith last installment. Till date 10 installments of USD 1,500,000 has been paid and USD 8,500,000 has been prepaid.

NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
5 DEFERRED TAX LIABILITIES		
Deferred tax liability :		
Depreciation on Fixed Assets & Exchange Difference	1,863.63	3,170.64
SUB-TOTAL	1,863.63	3,170.64
Deferred Tax Asset :		
Provision for Doubtful Debts	(13.52)	(13.84)
Related to Employees' Benefits	(21.56)	(16.03)
Exchange Fluctuation	(134.55)	-
SUB-TOTAL	(169.63)	(29.87)
Net Deferred Tax Liability	1,694.00	3,140.77

The Company has recognised in the Statement of Profit and Loss the net provision of deferred tax asset of ₹ 1,446.77 lakhs (2011 - ₹ 549.90 lakhs).

6 LONG-TERM PROVISIONS		
Provision for Employee Benefits:		
Compensated Absences	19.03	10.82
TOTAL	19.03	10.82

7 SHORT-TERM BORROWINGS		
SECURED BORROWINGS		
Loans and Advances from Banks :		
Cash Credits: (Refer to Note No. 16)	0.59	0.33
Secured against hypothecation of book debts and stocks / stores aboard the vessels and first equitable mortgage on the Company's office premises		
TOTAL	0.59	0.33

8 TRADE PAYABLES		
Shipping Cost Payable	197.82	135.64
TOTAL	197.82	135.64

According to the information available with the Company there are no dues payable to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2012.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
9 OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt		
Secured by mortgage of vessel forming part of fleet (Refer to Note No. 4)	1,545.90	1,354.20
Interest accrued but not due on Loans	0.31	0.16
Charter Hire (received in advance)	50.17	–
Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 not due:		
Unclaimed Dividends	53.52	47.11
Other Liabilities		
Taxes & Duties	3.83	5.69
Provision for Other Expenses	12.45	8.04
TOTAL	1,666.18	1,415.20

10 SHORT-TERM PROVISIONS

Provision for Employee Benefits: (Refer to Note No. 29)		
Gratuity	40.14	31.52
Compensated Absences	7.29	5.94
Proposed Dividend: (Refer to Note No. 3)		
Proposed Dividend	–	363.08
Tax on Dividend	–	60.30
TOTAL	47.43	460.84

FOOTNOTE:

Amount remitted during the year in Foreign Currency on account of dividends

	31.03.2012	31.03.2011
1. Number of Shareholders	9	9
2. Number of Shares held	3,701,353	3,698,568
3. Amount remitted (in ₹ in Lakhs)	37.01	55.48
4. Year to which dividend relates	2010-11	2009-10

NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSETS

Particulars	COST				DEPRECIATION			WRITTEN DOWN VALUE				
	Opening as at 1-Apr-2011	Additions during the year	Acquired through business combinations	Deductions / Write off during the year	Closing as at 31-Mar-2012	Up to 31-Mar-2011	For the year on original cost	adjusted against corresponding draw down from revaluation reserve	Impairment during the year	Up to 31-Mar-2012	As at 31-Mar-2011	As at 31-Mar-2011
Tangible Assets												
Land	198.54	37.15	-	-	235.69	-	-	-	-	-	235.69	198.54
Building (See Footnote No. 3) On Leasehold land -	2,086.86	-	-	-	2,086.86	789.22	0.24	64.99	-	847.45	1,939.41	1,304.64
Office Premises (See Footnote No. 1) On Freehold land -	110.43	-	-	-	110.43	43.80	0.09	3.27	-	46.56	63.87	67.23
Staff Quarters (See Footnote No. 2)	113.68	-	-	60.93	52.75	78.49	6.00	-	-	30.67	22.08	35.19
Furniture and Fixtures	42.64	-	-	26.52	16.12	27.85	2.55	-	-	9.22	6.90	14.79
Vehicles	157.59	1.19	-	4.94	153.84	96.44	10.25	-	3.96	102.73	51.11	61.15
Office Equipments	13,530.37	-	-	-	13,530.37	4,008.23	1,002.84	-	2,600.11	7,611.18	5,919.19	9,522.14
Vessel (See Footnote No. 4)												
TOTAL	16,240.11	38.34	-	92.39	16,186.06	5,036.43	1,021.97	68.26	2,600.11	78.96	7,538.95	11,203.68
Previous Year	19,683.27	8.65	-	3,391.81	16,240.11	5,842.56	1,185.66	71.86	-	2,063.65	11,203.68	

FOOTNOTES:

- Includes cost of 5 shares (2011 - 5 shares) of ₹ 50 each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited. Secured also as first equitable mortgage for Cash Credit facility from State Bank of India.
- Includes cost of 5 shares (2011 - 5 shares) of ₹ 50 each fully paid in Dadar Paschim Apartments Co-operative Housing Society Limited and 5 shares (2011 - 5 shares) of ₹ 50 each fully paid in Olympus Co-operative Housing Society Limited.
- The Company had revalued its block of assets under 'Buildings' as on 31.03.2002. The revaluation had been carried out based on a report by an independent professional valuer. The revalued amounts are as under:

Buildings	Historical cost as on 31.03.2002 (₹ in Lakhs)	Written Down Value as on 31.03.2002 (₹ in Lakhs)	Revalued Amount (Substituted for original cost) as on 31.03.2002 (₹ in Lakhs)	Difference in W.D.V. and revalued amount (₹ in Lakhs)
Leasehold land - Office Premises	24.45	7.59	2,070.00	2,062.41
Freehold land - Staff Quarters	6.49	2.76	106.68	103.92
TOTAL	30.94	10.35	2,176.68	2,166.33

The revaluation was based on comparable sale approach, taking into consideration situation of buildings, size, specification of construction, existing amenities and demand for such type of buildings in same locality and prevailing market for such type of buildings. Revaluation Reserve was appropriately created for the same.

Depreciation provided on the revalued portion of the buildings amounting to ₹ 68.26 lakhs (2011 - ₹ 71.86 lakhs) has been directly adjusted from the Revaluation Reserve.

- During the year, the Company has identified its Vessel as impaired due to significant drag on revival of charter hire rates and realisable value of the Vessel after considering the economic life. The impairment loss of ₹ 2,600.11 lakhs (2011 - ₹ Nil) is computed considering value in use.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	Nos.	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
12 NON CURRENT INVESTMENTS			
LONG TERM :			
Trade Investments			
Investments in the Subsidiary Company (Unquoted) at Cost:			
Chowgule Steamships Overseas Limited (100% wholly owned subsidiary) (Equity Shares of \$ 1 each fully paid up)	9,200,000	4,191.79	4,191.79
Investments in Equity Shares (Quoted) of ₹ 10 each fully paid up at Cost:			
Global Offshore Services Limited (earstwhile Garware Offshore Services Limited)	50	0.01	0.01
Essar Ports Limited (earstwhile Essar Shipping Ports & Logistics Limited)	467	0.02	0.03
Essar Shipping Limited (on splitting of shares of Essar Ports Limited)	233	0.01	–
Great Offshore Limited (on splitting of shares of The Great Eastern Shipping Company Limited) #	30	–	–
The Great Eastern Shipping Company Limited	121	0.02	0.02
Varun Shipping Company Limited	150	0.02	0.02
Shreyas Shipping and Logistics Limited #	100	–	–
The Shipping Corporation of India Limited	75	0.02	0.02
		0.10	0.10
Non-Trade Investments			
Unquoted (Equity Shares of ₹ 10 each fully paid up) at Cost:			
Chowgule Ports Infrastructure Private Limited	5,000	0.50	0.50
CMA Constructions & Properties Private Limited		–	0.50
		0.50	1.00
Quoted (Equity Shares of ₹ 10 each fully paid up) at Cost:			
Mahindra Lifespace Developers Limited #	16	–	–
ICICI Bank Limited	150	0.05	0.05
		0.05	0.05
TOTAL		4,192.44	4,192.94
Aggregate amount of quoted investments		0.15	0.15
Aggregate amount of unquoted investments		4,192.29	4,192.79
Aggregate market value of quoted investments		2.29	3.00
# value less than ₹ 500			

NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
13 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Security Deposits	6.47	7.73
Advance to Wholly Owned Subsidiary (Refer to Note No. 30)	2,535.50	–
Prepaid Expenses	0.03	0.23
Disputed Sales Tax Deposit [Refer to Note No. 21(b)]	47.40	47.40
TOTAL	2,589.40	55.36
14 OTHER NON CURRENT ASSETS		
Balances with bank		
On deposit account with maturity of more than 12 months from Balance Sheet date	0.50	0.50
TOTAL	0.50	0.50

Margin Money against Bank Guarantee which has an maturity of more than 12 months from Balance Sheet date. Guarantee is given by Bank and counter guaranteed by the Company for due performance of the Company's obligations.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15 CURRENT INVESTMENTS

Investment in Mutual Fund:

Unquoted (at cost or market value whichever is lower):

	Face Value in ₹	No. of units	As at 31-Mar-2012 (₹ in Lakhs)	No. of units	As at 31-Mar-2011 (₹ in Lakhs)
Birla Sun Life FTP - Series DC Growth	10	7,255,812	725.58	–	–
Birla Sun Life Dynamic Bond Fund-Growth	10	8,015,316	1,375.77	–	–
M590G BNP Paribas Fixed Term Fund-Series 21A Growth		–	–	8,200,000	820.00
DWS Money Plus Advantage Fund - Regular Plan - Growth		–	–	1,668,238	200.00
DSP Blackrock FMP 12M Series 13 Growth		–	–	6,861,108	686.11
Fidelity Short Term Income Fund - Growth	10	12,999,192	1,348.95	5,995,503	600.00
8001 / HDFC Short Term Growth	10	5,272,493	1,006.71	3,234,763	600.00
HDFC Short Term Fund-Growth-5322339/56	10	1,767,704	344.39	–	–
HDFC Cash Mgmt -Fund Treasury Adv Retail- Wkly Div	10	7,681,090	771.29	–	–
P1529 ICICI Prudential Flexible Income Plan-Regular Weekly Dividend		–	–	484,989	486.49
P1631 ICICI Prudential FMP Series 53 - 1Y Plan A Commulative		–	–	7,000,000	700.00
ICICI Prudential MF P1642 FMP-Sr.53-1Y Plan D Commulative		–	–	5,000,000	500.00
ICICI Prudential Fixed Maturity Plan-Series 56	10	2,750,000	275.00	–	–
IDFC FMP 100 Days Series 3 Growth		–	–	4,746,412	474.64
Reliance Regular Saving Fund - Debt Plan - Institutional - Growth Plan		–	–	1,970,086	250.00
Reliance Fixed Horizon Fund XVI Series 6 Growth Plan		–	–	5,005,373	500.54
Templeton India Short Term Income- Retail Plan - Weekly Dividend - Reinvestment		–	–	37,093	398.54
Templeton India Income Opportunites Fund - Growth		–	–	2,429,260	250.00
			5,847.69		6,466.32
Less: Provision for Diminution in value of the Current Investments			(0.14)		–
TOTAL			5,847.55		6,466.32
Aggregate Net Asset Value of units in Mutual Funds			6,190.38		6,606.55

16 INVENTORIES

(at lower of Cost and Net Realisable Value)

Paints		2.76	4.21
Fuel oil and Lube Oil on Ships		23.02	47.15
TOTAL		25.78	51.36

Secured for Cash credit facility taken from Bank (Refer to Note No. 7)

NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
17 TRADE RECEIVABLES		
(Unsecured)		
Considered good		
More than six months	–	7.17
Others	–	159.77
	–	166.94
Considered doubtful		
More than six months	41.67	41.67
Others	–	–
	41.67	41.67
Less: Provision for doubtful debts	41.67	41.67
	–	–
TOTAL	–	166.94

18 CASH AND BANK BALANCES

a) Cash and cash equivalents:		
On Current Account	816.51	2,937.18
On Deposit Accounts with maturity of less than three months from Balance Sheet date	115.00	40.00
b) Other Balances:		
On Unpaid Dividend Accounts	53.52	47.11
On Deposit Accounts with maturity for more than three months but less than twelve months from Balance Sheet date	30.00	125.00
	TOTAL	3,149.29
	1,015.03	3,149.29

19 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)		
Advance Income Tax (net of provision for tax ₹ 819.00 lakhs [2011 - ₹ 2,287.90 lakhs])	178.63	166.30
MAT credit entitlement	17.85	386.91
Fringe Benefit Tax (net of provision for tax ₹ 7.66 lakhs [2011 - ₹ 7.66 lakhs])	0.58	0.59
Prepaid expenses	18.72	24.38
Advance for Expenses	12.72	10.47
Advance to Provident Fund Trust	45.50	–
	TOTAL	588.65
	274.00	588.65

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
20 OTHER CURRENT ASSETS		
Accrued Interest on Fixed Deposits with Banks	0.69	0.79
TOTAL	0.69	0.79
21 CONTINGENT LIABILITIES AND COMM ITMENTS		
a) Estimated amount of contracts remaining to be executed on capital account not provided for	–	1.73
b) Sales Tax demand not provided for: (Refer to Note No. 13)	237.00	237.00
<p>Note: The Company has contested the above claims against the Order of the Appellate Assistant Commissioner, Chennai, confirming the Order of the Commercial Tax Officer for the Assessment Year 1995-96 in respect of charter hire of the vessel, 'm .v. Maratha Prudence'. The Company has already deposited ₹ 47.40 lakhs (Refer Note No.13)(including refunds withheld by the authorities) and executed a bond of ₹.218.04 lakhs in respect of the said claim. The Company does not expect any liability to devolve on it in respect of the above and therefore no provision is held.</p>		

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31-Mar-2012 (₹ in Lakhs)	For the year ended 31-Mar-2011 (₹ in Lakhs)
22 REVENUE FROM OPERATIONS		
Sale of Services (Earnings in Foreign Currency):		
Charter Hire Receipts	2,270.83	3,110.65
Other Operating Revenue:		
Foreign Exchange Rate Difference (Net)	181.88	117.24
Refund of War Risk Insurance Premium	12.18	80.97
Sundry Balances Written Back		
Trade Payable Written Back	12.87	36.10
TOTAL	<u>2,477.76</u>	<u>3,344.96</u>
23 OTHER INCOME		
Interest on -		
Bank Deposits	11.28	22.57
Dividends		
On Other Investments	105.69	58.52
Profit on Sale of Current Investments (net)	322.73	203.04
Profit on Sale of Assets	2.83	-
TOTAL	<u>442.53</u>	<u>284.13</u>
24 OPERATING EXPENSES		
Fuel, Oil and Water	37.84	112.63
Stores and Spare Parts Consumed	162.48	269.82
Port Disbursement, Stevedorage, Light Dues etc.	27.68	5.83
Ship Repairs and Survey Charges including Repairs to Building of ₹ Nil (2011- ₹ 0.98 lakhs)	155.14	297.38
Dry Docking Charges	-	95.69
Insurance & Protection Club Dues	101.91	143.04
Commission, Brokerage and Agency Fees	142.62	174.88
Claims Paid	-	1.51
Ship Management Fees	65.48	137.24
Crew Expenses	76.08	103.35
Quality & Safety Facilities	10.84	8.14
Handling & Transport	8.22	11.11
TOTAL	<u>788.29</u>	<u>1,360.62</u>

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31-Mar-2012 (₹ in Lakhs)	For the year ended 31-Mar-2011 (₹ in Lakhs)
25 EMPLOYEE BENEFITS EXPENSES		
Manning Cost	446.34	729.09
Salaries, Wages and Other Benefits (Refer to Note No. 29)	130.03	96.24
Contributions to Provident and Other Funds (Refer to Note No. 29)	16.71	12.88
Staff Welfare Expenses	2.82	3.44
TOTAL	595.90	841.65
26 FINANCE COSTS		
Interest on Borrowings	71.39	96.41
Other Borrowing Costs	3.12	4.90
TOTAL	74.51	101.31
27 OTHER EXPENSES		
Legal and Professional Expenses	14.06	28.48
Postage, Telephone, Telexes etc.	13.11	8.02
Rent	1.03	3.18
Rates and Taxes	11.82	11.83
Auditors' Remuneration		
For Statutory Audit	3.50	3.50
For Tax Audit	0.80	0.80
For Other Services	2.50	2.20
For Reimbursement of Expenses	0.06	0.21
Service Tax on above	0.81	0.67
	7.67	7.38
Directors' Sitting Fees	10.50	10.70
Travelling Expenses (Including Foreign Travelling)	81.76	67.20
Miscellaneous Expenses	68.30	67.98
Fixed assets written off	8.10	-
Deposits Written off	1.00	-
Investments Written off	0.50	-
TOTAL	217.85	204.77
28 EXCEPTIONAL ITEMS		
Foreign Currency Translation Difference on Borrowings (Gain)/Loss	415.35	(41.80)
Loss on Sale of Fleets	-	123.16
Impairment	2,600.11	-
TOTAL	3,015.46	81.36

NOTES TO THE FINANCIAL STATEMENTS

29 EMPLOYEE BENEFITS OBLIGATIONS

Staff Costs for the year ended 31st March, 2012, include provision for employee benefits as given below consequent to the adoption of the revised Accounting Standard (AS) 15 on Employee Benefits. The necessary disclosures in respect thereof are as under: -

(a) The Company has recognised the following amounts in the Statement of Profit and Loss as contribution under defined contribution schemes

	2011-12 (₹ in Lakhs)	2010-11 (₹ in Lakhs)
i) Provident Fund	7.08	6.62
ii) Superannuation Fund	9.63	6.66

(b) Details of gratuity plan are as follows (Refer to Note Nos 6, 10 & 25):

The amounts recognised in the Balance Sheet are as follows:

i) Present value of funded obligations	63.80	43.18
ii) Fair value of plan assets	23.66	11.67
iii) Amounts In the Balance Sheet		
Liabilities	40.14	31.51
Assets	-	-

The amounts recognised in the Statement of Profit and Loss are as follows:

i) Current service cost	9.69	4.45
ii) Interest on obligation	3.24	2.61
iii) Expected return on plan assets	(1.62)	(0.90)
iv) Net actuarial losses recognised in year	14.55	4.41
v) Past service cost	-	-
vi) Expenses recognized in the Statement of Profit and Loss	25.86	10.57

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

i) Opening defined benefit obligation	43.18	32.61
ii) Service cost	9.69	4.45
iii) Interest cost	3.24	2.61
iv) Actuarial losses	12.93	3.51
v) Past service cost	-	-
vi) Benefits paid	(5.25)	-
vii) Closing defined benefit obligation	63.79	43.18

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

i) Opening fair value of plan assets	11.67	9.77
ii) Adjustment to Opening Balance	0.19	1.02
ii) Expected return	1.62	0.90
iii) Actuarial gains	(1.62)	(0.90)
iv) Contribution by employer	17.04	0.88
v) Benefits paid	(5.25)	-
vi) Closing fair value of plan assets	23.66	11.67

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

The Company has the Gratuity Fund administered and managed by the Life Insurance Corporation of India (LIC). The fair value of the plan assets are based on the LIC Fund balance position as at the Balance Sheet date. The composition and the categories of plan assets are unavailable with the Company.

Principal actuarial assumptions at the balance sheet date are as follows:

	2011-12	2010-11
i) Discount rate at 31st March	8.50% p.a.	8.00% p.a.
ii) Expected return on plan assets at 31st March	9.15% p.a.	8.00% p.a.
iii) Rate of increase in compensation	10.00% p.a.	5.00% p.a.
iv) Withdrawal rate	0.50% p.a.	0.50% p.a.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The contribution expected to be made by the Company during the current financial year 2012-13 is ₹ 25 lakhs (2011-12 ₹ 4.00 lakhs).

The amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan, experience adjustment, arising on plan liabilities and plan assets for the current annual period and previous four periods are as under -

	2007-08 (₹ in Lakhs)	2008-09 (₹ in Lakhs)	2009-10 (₹ in Lakhs)	2010-11 (₹ in Lakhs)	2011-12 (₹ in Lakhs)
Present value of the obligation	41.16	27.39	32.61	43.18	63.79
Fair value of the plan assets	23.08	11.69	9.77	11.67	23.66
Surplus / (Deficit)	(18.08)	(15.70)	(22.84)	(31.51)	(40.13)
Experience Adjustment on Plan Liabilities	9.15	0.21	8.18	3.51	(4.50)
Experience Adjustment on Plan Assets	2.01	1.39	(0.91)	(0.90)	(1.62)

The above information is as confirmed by the actuary and are relied upon by the Auditors.

30 Related party disclosures, as required by AS-18 "Related Party Disclosures" as notified under the Companies (Accounting Standard) Rules, 2006, are given below.

Name of the related parties where control exists

- Chowgule Steamships Overseas Limited (CSOL) - Wholly owned subsidiary
- Sunshine LLC - Wholly owned subsidiary of CSOL
- Sea Bird LLC - Wholly owned subsidiary of CSOL
- Sea Lord LLC - Wholly owned subsidiary of CSOL
- Sea Green LLC - Wholly owned subsidiary of CSOL
- Sea King LLC - Wholly owned subsidiary of CSOL

Name of related party	Nature of Relationship	Nature of Transactions	31-Mar-2012 (₹ in Lakhs)	31-Mar-2011 (₹ in Lakhs)
Key Management Personnel				
Mr. Mangesh Sawant	Executive Director & CFO	Remuneration for the year	36.56	31.04
Associates				
Chowgule & Company Private Limited	Significant Investor	Amount Payable (Closing balance)	-	-
Subsidiary				
Chowgule Steamships Overseas Limited (CSOL) (Refer to Note No. 13)	Wholly owned subsidiary	Opening balance	-	-
		Loan Given	2,535.50	-
		Closing Balance	2,535.50	-

NOTES TO THE FINANCIAL STATEMENTS

31 SEGMENT REPORTING

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

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

	2011-12	2010-11
a. Net profit for the year (₹ In Lakhs)	(1,660.92)	(101.38)
b. Number of equity shares of face value of ₹ 10 each	36,308,425	36,308,425
c. Basic and Diluted Earnings Per Equity Share on the above (₹)	(4.57)	(0.28)

33 FOREIGN CURRENCY EXPOSURES

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

Particulars	2011-12		2010-11	
	(₹ in Lakhs)	USD Million	(₹ in Lakhs)	USD Million
Non-Current Loans	1,803.55	3.50	2,934.10	6.50
Current Loans	1,545.90	3.00	1,354.20	3.00
Trade Receivables & Other assets	9.28	0.02	184.95	0.42
Trade Payables & Other Liabilities	97.88	0.19	74.52	0.17
Loans & Advances	2,535.50	5.00	20.88	0.05
Cash & Bank Balances	773.93	1.53	2,922.89	6.61
Advance Given to Trade Payables	11.53	0.02	-	-
Advance from Trade Receivables	49.61	0.10	-	-

Note : USD = US Dollar

34 Earnings / Expenditure in Foreign Currency.

	2011-12	2010-11
	(₹ in Lakhs)	(₹ in Lakhs)
Earning in Foreign Currency	2,389.40	2,504.63
Expenditure Foreign Currency		
Ship Operating Expences, Manning Costs and Other Related Expenditure	1,053.70	1,425.50
Interest Paid	63.83	85.78
TOTAL	1,117.53	1,511.28

35 The revised schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

Place : Mumbai,
Date : April 27, 2012

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
Executive Director & CFO

CHOWGULE STEAMSHIPS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

	Names of the Subsidiary Companies	Chowgule Steamships Overseas Ltd. (See Foot Note 1)	Sunshine LLC (See Foot Note 2)	Sea Bird LLC (See Foot Note 2)	Sea King LLC (See Foot Note 2)	Sea Lord LLC (See Foot Note 2)	Sea Green LLC (See Foot Note 2)
1	The relevant financial year of the subsidiary ended	31.3. 2012	31.3. 2012	31.3. 2012	31.3. 2012	31.3. 2012	31.3. 2012
2	No. of shares in the subsidiary Company held by Holding Company as on 31st March, 2012	9,200,000 Shares each of US\$ 1	1,000 Shares each of US\$ 1	1,000 Shares each of US\$ 1	1,000 Shares each of US\$ 1	1,000 Shares each of US\$ 1	1,000 Shares each of US\$ 1
3	Extent of holding by Holding Company as on 31st March, 2012	100%	100%	100%	100%	100%	100%
4	The net aggregate of the Subsidiary Companies' profits/(losses) so far as they concern the members of the Holding Company (a) Not dealt within the Holding Company's accounts: i) for the year ended 31.03.2012 ii) for the previous financial years of the Subsidiary Companies since they became the Holding Company's Subsidiaries (b) Dealt within the Holding Company's accounts: i) for the year ended 31.03.2012 ii) for the previous financial years of the Subsidiary Companies since they became the Holding Company's Subsidiaries	US \$ (560,929) ₹ (28,444,710) US \$ 2,182,710 ₹ 96,541,263 NIL NIL	US \$ (878,078) ₹ (44,527,335) US \$ 40,26,248 ₹ 178,080,949 NIL NIL	US \$ (2,818,759) ₹ (142,939,269) US \$ (113,139) ₹ (5,004,138) NIL NIL	US \$ (8,313,975) ₹ (421,601,672) US \$ (10,500) ₹ (464,415) NIL NIL	US \$ (4,103,383) ₹ (208,082,552) NIL NIL NIL NIL	NIL NIL NIL NIL NIL NIL

Notes :

- 100% subsidiary of Chowgule Steamships Ltd.
- 100% subsidiary of Chowgule Steamships Overseas Ltd.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

Place : Mumbai,
Date : April 27, 2012

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
Executive Director & CFO

AUDITORS' REPORT

TO THE MEMBERS OF CHOWGULE STEAMSHIPS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHOWGULE STEAMSHIPS LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached Consolidated Balance Sheet of **CHOWGULE STEAMSHIPS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitutes "the Group") as at 31st March, 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs. 68,769.93 Lakhs as at 31st March, 2012 and total revenues of Rs. 6,236.50 Lakhs and net cash outflow amounting Rs. 17,862.82 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to amounts included in respect of these subsidiaries, is based solely on the report of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with Accounting Standard (AS) 21, "Consolidated Financial Statements" as notified under the Companies (Accounting Standard) Rules, 2006.
5. Based on our audit and on the consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the loss of the group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year then ended.

For S. B. BILLIMORIA & CO.

Chartered Accountants

(Registration No. 101496W)

Z. F. Billimoria

Partner

Membership No. 42791

Place : Mumbai,

Date : April 27, 2012

CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
(I) EQUITY AND LIABILITIES :			
1 SHAREHOLDERS' FUNDS			
a) Share Capital	2	3,630.84	3,630.84
b) Reserves and Surplus	3	45,349.97	49,715.73
c) Money received against Share Warrants		—	—
		48,980.81	53,346.57
2 SHARE APPLICATION MONEY PENDING ALLOTMENT			
		—	—
3 NON-CURRENT LIABILITIES			
a) Long-Term Borrowings	4	27,962.18	11,970.55
b) Deferred Tax Liabilities (Net)	5	1,694.00	3,140.77
c) Other Long-Term Liabilities		—	—
d) Long-Term Provisions	6	19.03	10.82
		29,675.21	15,122.14
4 CURRENT LIABILITIES			
a) Short-Term Borrowings	7	0.59	0.33
b) Trade Payables	8	867.57	615.76
c) Other Current Liabilities	9	3,963.21	14,528.82
d) Short-Term Provisions	10	47.43	460.84
		4,878.80	15,605.75
TOTAL		83,534.82	84,074.46
(II) ASSETS :			
1 NON-CURRENT ASSETS			
a) Fixed Assets			
(i) Tangible Assets	11	58,651.69	29,580.39
(ii) Intangible Assets		—	—
(iii) Capital Work-in-Progress		10,099.64	16,092.50
(iv) Intangible Assets under Development		—	—
b) Non-current Investments	12	2,957.54	1,846.07
c) Deferred Tax Assets (net)		—	—
d) Long-Term Loans and Advances	13	53.90	55.36
e) Other Non-current Assets	14	0.50	0.50
		71,763.27	47,574.82
2 CURRENT ASSETS			
a) Current Investments	15	5,847.55	13,063.15
b) Inventories	16	170.92	105.54
c) Trade Receivables	17	—	166.94
d) Cash and Bank Balances	18	5,254.24	22,427.00
e) Short-Term Loans and Advances	19	274.00	588.65
f) Other Current Assets	20	224.84	148.36
		11,771.55	36,499.64
TOTAL		83,534.82	84,074.46

See Significant Accounting Policies and accompanying Notes to the Consolidated Financial Statements

In terms of our report attached.

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

Z. F. BILLIMORIA
Partner

Place : Mumbai,
Date : April 27, 2012

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

D. N. MUNGALE
Director

MANGESH SAWANT
Executive Director & CFO

SUHAS JOSHI
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note No.	For the year ended 31-Mar-2012 (₹ in Lakhs)	For the year ended 31-Mar-2011 (₹ in Lakhs)
I. Revenue from Operations	22	8,569.71	8,396.49
II. Other Income	23	628.19	660.96
III. Total Revenue		9,197.90	9,057.45
IV. Expenses:			
Operating Expenses	24	3,934.05	2,443.74
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods		-	-
Employee Benefits Expenses	25	1,937.55	1,208.90
Finance Cost	26	693.76	342.95
Depreciation and Amortisation	11	3,478.15	1,699.14
Other Expenses	27	475.37	556.92
Total Expenses		10,518.88	6,251.65
V. Profit/(Loss) before Exceptional and Extraordinary Items and Tax (III - IV)		(1,320.98)	2,805.80
VI. Less: Exceptional Items	28	10,397.29	81.36
VII. Profit/(Loss) before Extraordinary Items and Tax (V - VI)		(11,718.27)	2,724.44
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) Before Tax (VII - VIII)		(11,718.27)	2,724.44
X. Tax Expense:			
- Current Tax		(314.00)	(505.00)
- Reversal of Deferred Tax Liabilities	5	1,446.77	549.90
		1,132.77	44.90
XI. Profit/(Loss) for the year from Continuing Operations (IX - X)		(10,585.50)	2,769.34
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/(Loss) for the year from Discontinuing Operations (after tax) (XII - XIII)		-	-
XV. Profit/(Loss) for the year (XI + XIV)		(10,585.50)	2,769.34
XVI. Earnings Per Share - Basic and Diluted (₹) (Face Value ₹ 10)	32	(29.15)	7.63

See Significant Accounting Policies and accompanying Notes to the Consolidated Financial Statements

In terms of our report attached.

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

Z. F. BILLIMORIA
Partner

Place : Mumbai,
Date : April 27, 2012

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Executive Director & CFO

SUHAS JOSHI
Company Secretary

CHOWGULE STEAMSHIPS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	For the year ended 31-Mar-2012 (₹ in Lakhs)	For the year ended 31-Mar-11 (₹ in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before Tax and Extraordinary Items	(11,718.27)	2,794.44
Adjustments for:		
Depreciation	3,478.15	1,699.14
Impairment	9,981.94	-
Provision for Employee Benefits	18.18	12.49
Reversal of Provision for Doubtful Debts and Advances	2.42	133.35
Sundry Balance Written Off / (Back)	(19.98)	(36.96)
Foreign Exchange Translation Differences	1,659.48	16.87
Foreign Exchange Difference Arising on Consolidation	3,591.32	(566.68)
Interest and Dividend Income	(466.36)	(424.24)
Profit on Sale of Current Investments	(159.00)	(236.72)
Loss/(Profit) on Sale of Fixed Assets	(2.83)	123.16
Fixed Assets Written Off	8.10	-
Deposits / Investment Written Off	1.50	-
Interest & Other Finance Charges Paid	693.76	342.95
Operating Profit before Working Capital Changes	7,075.41	3,787.80
Adjustments for:		
(Increase) / Decrease in Trade Receivables	166.94	(99.06)
(Increase) / Decrease in Long-term Loans and Advances	0.46	131.54
(Increase) / Decrease in Short-term Loans and Advances	(40.62)	38.32
(Increase) / Decrease in Other Current Assets	(76.58)	(41.78)
(Increase) / Decrease in Term Deposits Pledged with Banks	95.50	18,634.85
Movement in Restricted Bank Balances	(6.41)	(9.65)
(Increase) / Decrease in Inventories	(65.38)	(15.95)
Increase/(Decrease) in Trade Payables	246.48	20.41
Increase/(Decrease) in Other Current Liabilities	123.13	14.75
Cash generated from operations	7,518.93	22,461.23
Less: Taxes (paid)/Refund Received	42.74	17.46
Net Cash from Operating Activities (A)	7,561.67	22,478.69
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(39,920.76)	(15,827.85)
Movement in Capital Work-in-Progress	5,992.86	(428.36)
Sale of Fixed Assets	8.18	1,205.00
Sale of Current / Long Term Investments	22,397.07	12,763.97
Purchase of Current Investments	(16,134.43)	(19,855.33)
Interest Received	324.80	271.89
Dividend Received	141.66	87.41
Net Cash Used in Investing Activities (B)	(27,190.62)	(21,783.27)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Net Increase / (Decrease) in Cash Credit Balance	0.26	(3.69)
Repayment of Borrowings	(14,957.33)	(3,557.60)
Borrowings from Banks	18,458.44	10,649.03
Interest Paid	(639.91)	(356.09)
Dividend and Tax on Dividend Paid	(415.58)	(627.53)
Net Cash from / (used) in Financing Activities (C)	2,445.88	6,104.12
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(17,183.07)	6,799.54
Cash and Cash Equivalents - Opening Balance	22,254.89	15,484.43
Cash and Cash Equivalents - Closing Balance	5,071.82	22,283.97
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	5,071.82	22,283.97
Effect of Exchange Rate Change Favourable / (Adverse)	98.90	(29.08)
Cash & Cash Equivalents as Restated	5,170.72	22,254.89
Foot Note:		
Cash & Cash Equivalents as above (Refer to Note No. 18)	5,170.72	22,254.89
Add: Restricted Bank Balances	53.52	47.11
Add: FD's maturing for more than three months	30.00	125.00
Cash and Cash Equivalents - Closing balance	5,254.24	22,427.00

See Significant Accounting Policies and accompanying Notes to the Consolidated Financial Statements

In terms of our report attached.

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

Z. F. BILLIMORIA
Partner

Place : Mumbai,
Date : April 27, 2012

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE
Chairman

D. N. MUNGALE
Director

MANGESH SAWANT
Executive Director & CFO

SUHAS JOSHI
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Accounting:

The financial statements are prepared and presented under the historical cost convention, except as indicated in iv below, on an accrual basis of accounting in accordance with generally accepted accounting principles in India and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.

ii. Principles of Consolidation:

a) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements' as notified under the Companies (Accounting Standard) Rules, 2006. The consolidated financial statements relate to Chowgule Steamships Limited ("CSL" / "the Company") and its subsidiaries. The Company and its subsidiaries comprise the Group. The Consolidated Financial Statements have been prepared on the following basis.

- The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits and losses.

- As the subsidiaries are foreign, revenue and Balance Sheet items are consolidated at the standard rate. Exchange gains / (losses) arising on conversion are recognised under Foreign Currency Translation Reserve.

- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2012.

- As the subsidiaries are wholly owned, no goodwill or capital reserve or minority interest arises.

- Intra-group balances, intra-group transactions and the resulting unrealised profits, if any, have been eliminated.

b) The list of subsidiary Company included in the Consolidation and the Company's holdings therein are as under-

Name of the Company	Country of Incorporation	"Ownership Direct or through subsidiaries"	
		2011-12	2010-11
Chowgule Steamships Overseas Ltd (CSOL)	Guernsey	100%	100%
Sunshine LLC	The Marshall Islands	100%	100%
Sea Bird LLC	The Marshall Islands	100%	100%
Sea Lord LLC	The Marshall Islands	100%	100%
Sea Green LLC	The Marshall Islands	100%	100%
Sea King LLC	The Marshall Islands	100%	100%

Information pertaining to the above subsidiaries for the current financial year as prescribed by the Ministry of Company Affairs vide its notification dated 8th February, 2011 is given in the annexure

iii. Use of Estimates:

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

iv. Tangible Fixed assets and depreciation:

Fixed assets (other than buildings) are stated at purchase price and exchange differences arising on the conversion of foreign currency borrowings for the acquisition of ships from outside India at the year end date and exchange differences on the payment of those borrowings during the year are credited / debited to the Statement of Profit and Loss.

Buildings have been revalued on 31st March, 2002.

The Company depreciates its fleet of ships on a straight line basis at the rates specified in Schedule XIV to the Companies Act, 1956. The cost of second hand ships and other capital additions thereto are depreciated with reference to their residual lives if such lives are lower than lives determined with reference to rates prescribed in Schedule XIV to the Companies Act, 1956. Other assets are depreciated on written down value basis at the rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation on buildings has been provided on revalued amount. The additional depreciation on revaluation is recouped from the revaluation reserve.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Management estimates the useful lives for the fixed assets as under:

Vessels	20 years
Buildings	15 years
Furniture and Fixtures	5 years
Office Equipments	5 years
Vehicles	4 years
Computers	3 years

v. Impairment of fixed assets:

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Group's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Reversal of impairment loss is recognised immediately as income in the Statement of Profit and Loss.

vi. Investments:

Investments are either classified as current or long-term investments. Current investments are carried at lower of cost and market value. Long-term investments are carried at cost of acquisitions, net of diminution in value, if any, which is other than temporary.

vii. Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost is ascertained on a first-in-first-out basis.

viii. Unfinished Voyage:

Unfinished voyages represent voyage charter earnings received, reduced by direct operating expenses, related to incomplete voyages as at the Balance Sheet date.

ix. Revenue Recognition:

Freight and demurrage earnings are recognised on a completed voyage basis.

Time charter earnings are accrued on a time proportion basis.

Interest Income is recognised on the time proportionate basis taking into account the amount outstanding and rate applicable. Dividend Income is recognised when the right to receive such dividend is established.

x. Bareboat Charges:

Bareboat charges payable under bareboat charter agreements are charged against income on a straight line basis over the charter term.

xi. Insurance Claims:

Insurance claims for damages to ship's hull, machinery etc. are being accrued in the year of acceptance of the claim and are based on technical considerations.

xii. Employee Benefits:

a. Short-term Employee Benefits

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

b. Long-term Employee Benefits

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

i. Defined-contribution plans

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

ii. Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the Balance Sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

c. Other Employee Benefits

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

xiii. Transactions in Foreign Currency:

- a Foreign currency transactions are recorded on initial recognition by applying the exchange rate prevailing on the date of the transaction at the commencement of the month in which the transaction takes place, if it approximates the actual rate on the date of the transaction. In other cases, the rates prevailing at the date of the transaction are used.
- b As at the Balance Sheet date:
 - i) foreign currency monetary items are reported using the closing rate;
 - ii) non-monetary items that are carried at historical cost and denominated in foreign currency are reported using the exchange rate at the date of the transaction; and
 - iii) non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- c Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

xiv. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

xv. Provisions and Contingencies:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

xvi. Taxes on Income :

The Company's income taxes include taxes on the Company's taxable profits, fringe benefits tax, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

xvii. Operating Lease:

Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are effectively retained by the lessors are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the lease period.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SHARE CAPITAL

AUTHORISED

50,000,000 (2011 - 50,000,000) Equity shares of ₹ 10/- each

2,500,000 (2011 - 2,500,000) Redeemable Preference shares of ₹ 100/- each

TOTAL

ISSUED, SUBSCRIBED AND PAID-UP

36,308,425 (2011 - 36,308,425) Equity Shares of ₹ 10/- each, fully paid up

TOTAL

	As at 31-Mar-12 (₹ in Lakhs)	As at 31-Mar-11 (₹ in Lakhs)
	5,000.00	5,000.00
	2,500.00	2,500.00
TOTAL	7,500.00	7,500.00
	3,630.84	3,630.84
TOTAL	3,630.84	3,630.84

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 and pays dividends in Indian Rupees.

The dividend proposed, if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

In last 5 years no classes of shares has been issued or bought back by the Company nor have any bonus issues been made by the Company. Following are the names of the shareholders together with the number of Equity Shares holding more than 5 percent of the total Equity Shares:

Name of the Equity Shareholders	Numbers of shares 31-Mar-12	Numbers of shares 31-Mar-11
Chowgule and Company Private Limited	16,817,554	16,817,554
Percentage	46.32	46.32
Quail Investments Limited	2,260,843	2,260,843
Percentage	6.23	6.23

3 RESERVES AND SURPLUS

a) CAPITAL RESERVE

Balance as per last balance sheet

11.96

11.96

b) CAPITAL REDEMPTION RESERVE

Balance as per last balance sheet

30.00

30.00

c) SHARE PREMIUM

Balance as per last balance sheet

2,922.01

2,922.01

d) REVALUATION RESERVE

Balance as per last balance sheet

1,365.34

1,437.20

Less: Adjusted against corresponding depreciation charge
(Refer to Note No. 11)

(68.27)

(71.86)

1,297.07

1,365.34

Carried forward

4261.04

4329.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-12 (₹ in Lakhs)	As at 31-Mar-11 (₹ in Lakhs)
3 RESERVES AND SURPLUS (contd.)		
Brought forward	4261.04	4329.31
e) OTHER RESERVES		
GENERAL RESERVE		
Balance as per last balance sheet	4,117.50	4,117.50
f) FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as per last balance sheet	1,228.31	1,794.99
Addition/(Deductions) during the year	6,286.61	(566.68)
	7,514.92	1,228.31
g) SURPLUS / (DEFICIT) IN STATEMENT OF PROFIT AND LOSS		
Opening Balance	40,040.61	37,692.55
Add:- Profit / (Loss) for the year	(10,585.50)	2,769.34
Amount available for Appropriation	29,455.11	40,461.89
Appropriations:		
Proposed Dividend (Refer to Note No. 10)	-	(363.08)
Tax on Dividend (Refer to Note No. 10)	-	(58.20)
Excess Provision of Dividend Tax of Earlier Year	1.40	-
Closing Balance	29,456.51	40,040.61
TOTAL	45,349.97	49,715.73
4 LONG-TERM BORROWINGS		
SECURED BORROWINGS		
Term loans from Bank:		
Secured by Mortgage of Vessels forming Part of Fleet (Refer to Note No. 9)	27,962.18	11,970.55
TOTAL	27,962.18	11,970.55
5 DEFERRED TAX LIABILITIES		
Deferred tax liability :		
Depreciation on Fixed Assets & Exchange Difference	1,863.63	3,170.64
SUB-TOTAL	1,863.63	3,170.64
Deferred tax asset :		
Provision for Doubtful Debts	(13.52)	(13.84)
Related to Employees' Benefits	(21.56)	(16.03)
Exchange Fluctuation	(134.55)	-
SUB-TOTAL	(169.63)	(29.87)
Net Deferred Tax Liability	1,694.00	3,140.77
The Company has recognised in the Statement of Profit and Loss the net provision of deferred tax asset of ₹ 1,446.77 lakhs (2011- ₹ 549.90 lakhs).		
6 LONG-TERM PROVISIONS		
Provision for employee benefits:		
Compensated Absences	19.03	10.82
TOTAL	19.03	10.82

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-12 (₹ in Lakhs)	As at 31-Mar-11 (₹ in Lakhs)
7 SHORT-TERM BORROWINGS		
SECURED BORROWINGS		
Loans and Advances from Banks :		
Cash Credits (Refer to Note No. 16)	0.59	0.33
Secured against hypothecation of book debts and stocks / stores aboard the vessels and first equitable mortgage on the Company's Office Premises		
TOTAL	0.59	0.33
8 TRADE PAYABLES		
Shipping Cost Payable	867.57	615.76
TOTAL	867.57	615.76
According to the information available with the Company there are no dues payable to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2012.		
9 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts:		
Secured by Mortgage of Vessels forming Part of Fleet (Refer Note No. 4)	3,502.78	14,251.78
Interest Accrued but not Due on Loans	76.74	22.88
Charter Hire (received in advance)	195.28	150.42
Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 not due:		
Unclaimed Dividends	53.52	47.11
Other Liabilities		
Duties & Taxes	3.83	5.69
Provision for Other Expenses	131.06	50.94
TOTAL	3,963.21	14,528.82
10 SHORT-TERM PROVISIONS		
Provision for employee benefits: (Refer to Note No. 29)		
Gratuity	40.14	31.52
Compensated Absences	7.29	5.94
Proposed Dividend: (Refer to Note No. 3)		
Proposed Dividend	-	363.08
Tax on Dividend	-	60.30
TOTAL	47.43	460.84
FOOTNOTE:		
Amount remitted during the year in Foreign Currency on account of dividends	31.03.2012	31.03.2011
1. Number of Shareholders	9	9
2. Number of Shares held	3,701,353	3,698,568
3. Amount remitted (in ₹ Lakhs)	37.01	55.48
4. Year to which dividend relates	2010-11	2009-10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 FIXED ASSETS

(₹ in Lakhs)

Particulars	COST					DEPRECIATION				WRITTEN DOWN VALUE				
	Opening as at 1-Apr-2011	Additions during the year	Acquired through business combinations	Adjustment during the year	Deductions during the year	Closing as at 31-Mar-2012	Up to 31-Mar-2011	For the year on original cost	adjusted against corresponding down from revaluation reserve	Impairment	Deductions during the year	Up to 31-Mar-2012	As at 31-Mar-2012	As at 31-Mar-2011
TANGIBLE ASSETS:														
Land	198.54	37.15	-	-	-	235.69	-	-	-	-	-	-	235.69	198.54
Building (See Footnote 3)														
On Leasehold land - Office Premises (See Footnote 1)	2,086.86	-	-	-	-	2,086.86	789.22	0.24	64.99	-	-	847.45	1,239.41	1,304.64
On Freehold land - Staff Quarters (See Footnote 2)	110.43	-	-	-	-	110.43	43.20	0.09	3.27	-	-	46.56	63.87	67.93
Furniture and Fixtures	113.68	-	-	-	60.93	52.75	78.49	6.00	-	-	53.82	30.67	92.08	35.19
Vehicles	42.64	-	-	-	26.52	16.12	27.85	2.55	-	-	21.18	9.22	6.90	14.79
Office Equipments	157.59	1.19	-	-	4.94	153.84	96.44	10.25	-	-	3.96	102.73	51.11	61.15
Vessels (See Footnote 4, 5 & 6)	35,143.96	39,882.42	-	3,166.54	-	78,192.92	7,245.11	3,459.02	-	474.92	9,981.94	21,160.99	57,032.63	27,898.85
TOTAL TANGIBLE ASSETS	37,853.70	39,920.76	-	3,166.54	92.39	80,848.61	8,273.31	3,478.15	68.26	474.92	9,981.94	22,196.92	58,651.69	29,580.39
Previous Year	25,564.35	15,739.68	-	-	3,450.33	37,853.70	8,595.61	1,699.14	71.86	-	2,093.30	8,273.31	29,580.39	

FOOTNOTES:

- Includes cost of 5 shares (2011 - 5 shares) of ₹ 50 each fully paid in Bakhtwar Commercial Premises Co-operative Society Limited. Secured also as first equitable mortgage for Cash Credit facility from State Bank of India
- Includes cost of 5 shares (2011 - 5 shares) of ₹ 50 each fully paid in Dadar Paschim Apartments Co-operative Housing Society Limited and 5 shares (2011 - 5 shares) of ₹ 50 each fully paid in Olympus Co-operative Housing Society Limited.
- The Group had revalued its block of assets under 'Buildings' as on 31.03.2002. The revaluation had been carried out based on a report by an independent professional valuer. The revalued amounts are as under

Buildings	Historical cost as on 31.03.2002 (₹ in Lakhs)	Written Down Value as on 31.03.2002 (₹ in Lakhs)	Revalued Amount (Substituted for original cost) as on 31.03.2002 (₹ in Lakhs)	Difference in W.D.V. and revalued amount (₹ in Lakhs)
Leasehold land - Office Premises	24.45	7.59	2,070.00	2,062.41
Freehold land - Staff Quarters	6.49	2.76	106.68	103.92
TOTAL	30.94	10.35	2,176.68	2,166.33

The revaluation was based on comparable sale approach, taking into consideration situation of buildings, size, specification of construction, existing amenities and demand for such type of buildings in same locality and prevailing market for such type of buildings. Revaluation Reserve was appropriately created for the same.

Depreciation provided on the revalued portion of the buildings amounting to ₹ 68.26 lakhs (2011 - ₹ 71.86 lakhs) has been directly adjusted from the Revaluation Reserve.

- During the year, the Company has identified its Vessels as impaired due to significant drag on revival of charter hire rates and realisable value of the Vessels after considering the economic life. The impairment loss of ₹ 9,981.94 lakhs (2011 - ₹ Nil) is computed considering value in use. (Refer to Note No. 28)
- Adjustment in the costs for the year contains ₹ 3,166.54 lakhs (2011 - ₹ 58.52 lakhs) on account of restatement of opening gross block relating to non-integral foreign operations consequent to change in the exchange rate.
- Adjustment in the depreciation for the year contains ₹ 474.92 lakhs (2011 - ₹ 29.66 lakhs) on account of restatement of opening accumulated depreciation relating to non-integral foreign operations consequent to change in the exchange rate.

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Nos	As at 31-Mar-12 (₹ in Lakhs)	As at 31-Mar-11 (₹ in Lakhs)
12 NON CURRENT INVESTMENTS			
LONG TERM:			
TRADE INVESTMENTS			
Investment in Equity Shares (Quoted) of ₹ 10 each fully paid up)			
at Cost:			
Global Offshore Services Limited (earstwhile Garware Offshore Services Limited)	50	0.01	0.01
Essar Ports Limited (earstwhile Essar Shipping Ports & Logistics Limited)	467	0.02	0.03
Essar Shipping Limited (On splitting of shares of Essar Ports Limited)	233	0.01	–
Great Offshore Limited (On splitting of shares of The Great Eastern Shipping Company Limited) #	30	–	–
The Great Eastern Shipping Company Limited	121	0.02	0.02
Varun Shipping Company Limited	150	0.02	0.02
Shreyas Shipping and Logistics Limited #	100	–	–
The Shipping Corporation of India Limited	75	0.02	0.02
		<u>0.10</u>	<u>0.10</u>
Non-Trade Investments			
Unquoted at Cost:			
Equity Shares of ₹ 10 each fully paid up			
Chowgule Ports Infrastructure Private Limited	5,000	0.50	0.50
CMA Constructions & Properties Private Limited		–	0.50
		<u>0.50</u>	<u>1.00</u>
Others			
Northern Shipping Fund - NFC		2,956.89	1,844.92
Quoted (Equity Shares of ₹ 10 each fully paid up) at Cost:			
Mahindra Lifespace Developers Limited #	16	–	–
ICICI Bank Limited	150	0.05	0.05
		<u>0.05</u>	<u>0.05</u>
TOTAL		<u>2,957.54</u>	<u>1,846.07</u>
Aggregate amount of quoted investments		0.15	0.15
Aggregate amount of unquoted investments		2,957.39	1,845.92
Aggregate market value of quoted investments		2.29	3.00
# value less than ₹ 500			

13 LONG-TERM LOANS AND ADVANCES

(Unsecured)

Considered good

Security Deposits

Prepaid Expenses

Disputed Sales Tax Deposit (Refer to Note No. 21 (b))

TOTAL

6.47

0.03

47.40

53.90

7.73

0.23

47.40

55.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 OTHER NON CURRENT ASSETS

Balances with bank

On deposit account with maturity of more than 12 months from Balance Sheet date

TOTAL

As at 31-Mar-12 (₹ in Lakhs)	As at 31-Mar-11 (₹ in Lakhs)
0.50	0.50
0.50	0.50

Margin Money against Bank Guarantee which has an maturity of more than 12 months from Balance Sheet date. Guarantee is given by Bank and counter guaranteed by the Company for due performance of the Company's obligations.

15 CURRENT INVESTMENTS

Investments in Bonds

Export Import Bank of India 4.375 PCT 020215 Notes Senior-ISIN No. XS0482911129

ICICI Bank Limited 5.75 PCT 120112 REGS - ISIN No. USY38575DC03

ICICI Bank Limited 6.625 PCT 031012 Tranche A REGS - ISIN No. USM5314BAC56

ICICI Bank Limited 5.875 PCT 201011 EMTN - ISIN No. XS0272292391

State Bank of India - floating rate note (Non US) - ISIN No. XS0279034283

State Bank of India, London 4.50 PCT 231014 EMTN - ISIN No. XS0458057352

Investment in Mutual Fund:

Unquoted (at cost or market value whichever is lower):

Birla Sun Life FTP - Series DC Growth

Birla Sun Life Dynamic Bond Fund-Growth

M590G BNP Paribas Fixed Term Fund-Series 21A Growth

DWS Money Plus Advantage Fund - Regular Plan - Growth

DSP Blackrock FMP 12M Series 13 Growth

Fidelity Short Term Income Fund - Growth

8001 / HDFC Short Term Growth

HDFC Short Term Fund-Growth-5322339/56

HDFC Cash Mgmt -Fund Treasury Adv Retail- Wkly Div

P1529 ICICI Prudential Flexible Income Plan-Regular Weekly Dividend

P1631 ICICI Prudential FMP Series 53 - 1Y Plan A Commulative

ICICI Prudential MF P1642 FMP-Sr.53-1Y Plan D Commulative

ICICI Prudential Fixed Maturity Plan-Series 56

IDFC FMP 100 Days Series 3 Growth

Reliance Regular Saving Fund - Debt Plan - Institutional - Growth Plan

Reliance Fixed Horizon Fund XVI Series 6 Growth Plan

Templeton India Short Term Income- Retail Plan - Weekly Dividend - Reinvestment

Templeton India Income Opportunites Fund - Growth

Less: Provision for diminution in value of the current Investments

TOTAL

Aggregate Net Asset Value of units in Mutual Funds

	Face Value in ₹	No. of units	As at 31-Mar-12 (₹ in Lakhs)	No. of units	As at 31-Mar-11 (₹ in Lakhs)
			-	10,000	440.75
			-	50,000	2,298.06
			-	35,000	1,655.64
			-	10,000	460.43
			-	30,000	1,291.25
			-	20,000	450.70
	10	7,255,812	725.58	-	-
	10	8,015,316	1,375.77	-	-
			-	8,200,000	820.00
			-	1,668,238	200.00
			-	6,861,108	686.11
	10	12,999,192	1,348.95	5,995,503	600.00
	10	5,272,493	1,006.71	3,234,763	600.00
	10	1,767,704	344.39	-	-
	10	7,681,090	771.29	-	-
			-	484,989	486.49
			-	7,000,000	700.00
			-	5,000,000	500.00
	10	2,750,000	275.00	-	-
			-	4,746,412	474.64
			-	1,970,086	250.00
			-	5,005,373	500.54
			-	37,093	398.54
			-	2,429,260	250.00
			5,847.69		13,063.15
			(0.14)		-
			5,847.55		13,063.15
			6,190.38		6,606.55

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
16 INVENTORIES		
(at lower of Cost and Net Realisable Value)		
Paints	2.76	4.21
Fuel oil and Lube oil on ships	168.16	101.33
TOTAL	170.92	105.54
Secured for Cash credit facility (Refer to Note No. 7)		
17 TRADE RECEIVABLES		
(Unsecured)		
Considered good		
More than six months	–	7.17
Others	–	159.77
	–	166.94
Considered doubtful		
More than six months	41.67	41.67
Others	–	–
	41.67	41.67
Less: Provision for doubtful debts	41.67	41.67
	–	–
TOTAL	–	166.94
18 CASH AND BANK BALANCES		
a) Cash and cash equivalents:		
On Current Account	5,055.72	22,214.89
On Deposit Accounts with maturity of less than three months from Balance Sheet date	115.00	40.00
b) Other Balances:		
On Unpaid Dividend Accounts	53.52	47.11
On Deposit Accounts with maturity for more than three months but less than twelve months from Balance Sheet date	30.00	125.00
TOTAL	5,254.24	22,427.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-2012 (₹ in Lakhs)	As at 31-Mar-2011 (₹ in Lakhs)
19 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance Income Tax (net of provision for tax ₹ 819.00 lakhs [2011 - ₹ 2,287.90 lakhs])	178.63	166.30
MAT credit entitlement	17.85	386.91
Fringe Benefit Tax (net of provision for tax ₹ 7.66 lakhs [2011 - ₹ 7.66 lakhs])	0.58	0.59
Prepaid expenses	18.72	24.38
Advance for Expenses	12.72	10.47
Advance to Provident Fund Trust	45.50	-
TOTAL	274.00	588.65
20 OTHER CURRENT ASSETS		
Accrued Interest on Fixed Deposits with Banks	0.69	0.79
Others	224.15	147.57
TOTAL	224.84	148.36
21 CONTINGENT LIABILITIES AND COMMITMENTS		
a) Estimated amount of contracts remaining to be executed on capital account not provided for	76,040.67	94,638.67
b) Sales Tax demand not provided for: (Refer to Note No. 13)	237.00	237.00
<p>Note: The Company has contested the above claims against the Order of the Appellate Assistant Commissioner, Chennai, confirming the Order of the Commercial Tax Officer for the Assessment Year 1995-96 in respect of charter hire of the vessel, 'm.v. Maratha Prudence'. The Company has already deposited ₹ 47.40 lakhs (Refer Note No.13)(including refunds withheld by the authorities) and executed a bond of ₹ 218.04 lakhs in respect of the said claim. The Company does not expect any liability to devolve on it in respect of the above and therefore no provision is held.</p>		

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31-Mar-2012 (₹ in Lakhs)	For the year ended 31-Mar-2011 (₹ in Lakhs)
22 REVENUE FROM OPERATIONS		
Sale of Services (Earnings in foreign currency):		
Charter Hire Receipts	8,530.91	7,106.07
Other Operating Revenue:		
Foreign Exchange Rate Difference (Net)	-	1,172.49
Refund of War Risk Insurance Premium	25.82	80.97
Sundry Balances Written Back		
Trade Payable Written Back	12.98	36.96
TOTAL	8,569.71	8,396.49
23 OTHER INCOME		
Interest on Bank deposits	324.70	336.83
Dividends (Current) On Other Investments	141.66	87.41
Profit on Sale of Current Investments (Net)	159.00	236.72
Profit on Sale of assets	2.83	-
TOTAL	628.19	660.96
24 OPERATING EXPENSES		
Fuel, oil and water	698.84	269.23
Stores and spare parts consumed	597.07	431.08
Port disbursement, stevedorage, light dues etc.	38.69	82.81
Ship Repairs and Survey Charges including repairs to building of ₹ Nil (2011- ₹ 0.98 lakhs)	179.29	391.88
Dry docking Charges	760.18	95.69
Insurance & Protection Club Dues	323.94	259.16
Commission, brokerage and agency fees	500.97	426.06
Claims paid	4.56	18.87
Foreign currency translation differences	227.58	-
Ship Management Fees	264.03	207.25
Crew expenses	289.25	223.31
Quality & safety facilities	36.99	14.33
Handling & transport	12.66	24.07
TOTAL	3,934.05	2,443.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31-Mar-2012 (₹ in Lakhs)	For the year ended 31-Mar-2011 (₹ in Lakhs)
25 EMPLOYEE BENEFITS EXPENSES		
Manning cost	1,787.99	1,096.34
Salaries, Wages and Other Benefits (Refer to Note No. 29)	130.03	96.24
Contributions to Provident and Other Funds (Refer to Note No. 29)	16.71	12.88
Staff Welfare Expenses	2.82	3.44
TOTAL	1,937.55	1,208.90
26 FINANCE COSTS		
Interest on Borrowings	680.22	321.43
Other Borrowing Costs	13.54	21.52
TOTAL	693.76	342.95
27 OTHER EXPENSES		
Legal and Professional Expenses	213.20	200.59
Postage, Telephone, Telexes etc.	49.29	18.37
Rent	1.03	3.18
Rates and Taxes	12.57	11.83
Auditors' Remuneration		
For Statutory Audit	3.50	3.50
For Tax Audit	0.80	0.80
For Other Services	13.60	9.91
For Reimbursement of Expenses	0.06	0.21
Service Tax on above	0.81	0.67
	18.77	15.09
Directors' Sitting Fees	10.50	10.70
Travelling Expenses (Including Foreign Travelling)	87.59	71.68
Miscellaneous Expenses	70.40	92.13
Provision for Doubtful Debts / Advances	2.42	133.35
Fixed Assets Written Off	8.10	-
Deposits Written Off	1.00	-
Investments Written Off	0.50	-
TOTAL	475.37	556.92

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31-Mar-2012 (₹ in Lakhs)	For the year ended 31-Mar-2011 (₹ in Lakhs)
28 EXCEPTIONAL ITEMS		
Foreign Currency Translation Difference on Borrowings (Gain)/Loss	415.35	(41.80)
Loss on Sale of Vessels	–	123.16
Impairment (Refer to Note No. 11)	9,981.94	–
TOTAL	10,397.29	81.36

29 EMPLOYEE BENEFITS OBLIGATIONS

Staff Costs for the year ended 31st March, 2012, include provision for employee benefits as given below consequent to the adoption of the revised Accounting Standard (AS) 15 on Employee Benefits. The necessary disclosures in respect thereof are as under: -

(a) The Company has recognised the following amounts in the Statement of Profit and Loss as contribution under defined contribution schemes

	2011-12 (₹ in Lakhs)	2010-11 (₹ in Lakhs)
i) Provident Fund	7.08	6.62
ii) Superannuation Fund	9.63	6.66

(b) Details of gratuity plan are as follows (Refer to Note Nos 6, 10 & 25):

The amounts recognised in the Balance Sheet are as follows:

i) Present value of funded obligations	63.80	43.18
ii) Fair value of plan assets	23.66	11.67
iii) Amounts In the Balance Sheet		
Liabilities	40.14	31.51
Assets	–	–

The amounts recognised in the Statement of Profit and Loss are as follows:

i) Current service cost	9.69	4.45
ii) Interest on obligation	3.24	2.61
iii) Expected return on plan assets	(1.62)	(0.90)
iv) Net actuarial losses recognised in year	14.55	4.41
v) Past service cost	–	–
vi) Expenses recognized in the Statement of Profit and Loss	25.86	10.57

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

i) Opening defined benefit obligation	43.18	32.61
ii) Service cost	9.69	4.45
iii) Interest cost	3.24	2.61
iv) Actuarial losses	12.93	3.51
v) Past service cost	–	–
vi) Benefits paid	(5.25)	–
vii) Closing defined benefit obligation	63.79	43.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

	2011-12 (₹ in Lakhs)	2010-11 (₹ in Lakhs)
i) Opening fair value of plan assets	11.67	9.77
ii) Adjustment to Opening Balance	0.19	1.02
ii) Expected return	1.62	0.90
iii) Actuarial gains	(1.62)	(0.90)
iv) Contribution by employer	17.04	0.88
v) Benefits paid	(5.25)	-
vi) Closing fair value of plan assets	23.66	11.67

The Company has the Gratuity Fund administered and managed by the Life Insurance Corporation of India (LIC). The fair value of the plan assets are based on the LIC Fund balance position as at the Balance Sheet date. The composition and the categories of plan assets are unavailable with the Company.

Principal actuarial assumptions at the balance sheet date are as follows:

	2011-12	2010-11
i) Discount rate at 31st March	8.50% p.a.	8.00% p.a.
ii) Expected return on plan assets at 31st March	9.15% p.a.	8.00% p.a.
iii) Rate of increase in compensation	10.00% p.a.	5.00% p.a.
iv) Withdrawal rate	0.50% p.a.	0.50% p.a.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The contribution expected to be made by the Company during the current financial year 2012-13 is ₹ 25 lakhs (2011-12 ₹ 4.00 lakhs).

The amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan, experience adjustment, arising on plan liabilities and plan assets for the current annual period and previous four periods are as under -

	2007-08 (₹ in Lakhs)	2008-09 (₹ in Lakhs)	2009-10 (₹ in Lakhs)	2010-11 (₹ in Lakhs)	2011-12 (₹ in Lakhs)
Present value of the obligation	41.16	27.39	32.61	43.18	63.79
Fair value of the plan assets	23.08	11.69	9.77	11.67	23.66
Surplus / (Deficit)	(18.08)	(15.70)	(22.84)	(31.51)	(40.13)
Experience Adjustment on Plan Liabilities	9.15	0.21	8.18	3.51	(4.50)
Experience Adjustment on Plan Assets	2.01	1.39	(0.91)	(0.90)	(1.62)

The above information is as confirmed by the actuary and are relied upon by the Auditors.

30 Related party disclosures, as required by AS-18 "Related Party Disclosures" as notified under the Companies (Accounting Standard) Rules, 2006, are given below.

Name of related party	Nature of Relationship	Nature of Transactions	31-Mar-12 (₹ in Lakhs)	31-Mar-11 (₹ in Lakhs)
Key Management Personnel				
Mr. Mangesh Sawant	Executive Director & CFO	Remuneration for the year	36.56	31.04

31 SEGMENT REPORTING

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

CHOWGULE STEAMSHIPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2011-12	2010-11
a. Net profit for the year (₹ in lakhs)	(10,585.50)	2,769.34
b. Number of equity shares of face value of ₹ 10 each	36,308,425	36,308,425
c. Basic and Diluted Earnings Per Equity Share on the above (₹)	(29.15)	7.63

33 According to the information available with the Company there are no dues payable to micro, small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at March, 2012. This has been accepted by the Auditors.

34 FOREIGN CURRENCY EXPOSURES

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

Particulars	2011-12		2010-11	
	(₹ in Lakhs)	USD Million	(₹ in Lakhs)	USD Million
Non-Current Loans	1,803.55	3.50	2,934.10	6.50
Current Loans	1,545.90	3.00	1,354.20	3.00
Sundry Debtors & Other assets	9.28	0.02	184.95	0.42
Sundry Creditors & Other Liabilities	97.88	0.19	74.52	0.17
Loans & Advances	-	-	20.88	0.05
Cash & Bank Balances	773.93	1.53	2,922.89	6.61
Advance Given to Creditors	11.53	0.02		
Advance from Debtors	49.61	0.10	-	-

Note : USD = US Dollar

35 The revised schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

VIJAY V. CHOWGULE

Chairman

D. N. MUNGALE

Director

Place : Mumbai,
Date : April 27, 2012

SUHAS JOSHI
Company Secretary

MANGESH SAWANT
Executive Director & CFO

**ANNEXURE TO THE NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012
DETAILS OF SUBSIDIARY COMPANIES AS ON MARCH 31, 2012**

Sr. No.	Name of the Subsidiary Company	(₹ in lakhs)						
		Chowgule Steamships Overseas Limited	SUNSHINE LLC	SEA BIRD LLC	SEA KING LLC	SEA LORD LLC	SEA GREEN LLC	
1	Capital	4,665.39	0.51	0.51	0.51	0.51	0.51	
2	Reserves	16,219.32	24,672.15	(1,486.77)	(4,921.34)	(2,080.83)	-	
3	Total Assets	44,512.32	24,837.26	16,053.82	16,536.90	16,939.91	1,906.27	
4	Total Liabilities	44,512.32	24,837.26	16,053.82	16,536.90	16,939.91	1,906.27	
5	Details of Investments	2,959.42	-	-	-	-	-	
6	Total Income	353.27	1,960.59	2,143.24	2,172.65	41.07	-	
7	Loss before taxation	(284.45)	(445.27)	(1,429.39)	(4,216.02)	(2,080.83)	-	
8	Provision for taxation	-	-	-	-	-	-	
9	Loss after taxation	(284.45)	(445.27)	(1,429.39)	(4,216.02)	(2,080.83)	-	

Exchange rate as on 31.03.2012
USD 1 = INR 50.71

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

D. N. MUNGALE
Director

MANGESH SAWANT
Executive Director & CFO

SUHAS JOSHI
Company Secretary

Place : Mumbai,
Date : April 27, 2012

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PROXY FORM

CHOWGULE STEAMSHIPS LIMITED

Registered Office : Chowgule House, Mormugao Harbour, GOA - 403 803

Folio No. / DP ID _____

No. of Shares held _____

I/We _____
of _____ in the district of _____
being member/s of **Chowgule Steamships Limited** hereby appoint _____
_____ of _____ in the district of _____
or failing him / her _____ of _____ in the district of _____
as my / our proxy to attend and vote for me / us on my / our behalf at the Forty Ninth Annual General Meeting of Chowgule Steamships Limited to be held on July 6, 2012, at 11.00 AM (I.S.T.) and at any adjournment thereof.

Signed this..... day of.....2012

Signature

**Affix
1 Rupee
Revenue
Stamp**

Note: This form duly completed should be deposited at Registered Office of the Company not less than 48 hours before the time of holding the meeting.

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To
Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai-400 078.

Dear Sirs,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

Please fill in the information in CAPITAL LETTERS in ENGLISH only. Please TICK wherever applicable.

For shares held in physical form

Master

Folio No.

FOR OFFICE USE ONLY

ECS
Ref. No.

Name of First Holder _____

Bank Name _____

Branch Name _____

Branch Code

(9 Digits Code Number appearing on the MICR Band of the cheque by the Bank). Please attach a photo copy of a cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch name and code number.

Account Type

Savings

Current

Cash Credit

A/c. No. (as appearing in the cheque book)

Effective date of this mandate

I, hereby, declare that the particulars given are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness, Link Intime India Pvt. Ltd. / Chowgule Steamships Ltd. will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by Chowgule Steamships Ltd.

I further undertake to inform the Company any change in my Bank / branch and account number.

Date :

(Signature of First Holder)

Note : * On dematerialisation of your shares, the details registered with your Depository Participant will be considered for payment through ECS.

* This form duly filled in may be returned to Link Intime India Private Limited.

Fleet Profile

CHOWGULE STEAMSHIPS LIMITED

	Name	Year Built	DWT (M.T.)
1.	M. V. Maratha Providence	1995	47574

CHOWGULE STEAMSHIPS OVERSEAS LIMITED

	Name	Year Built	DWT (M.T.)
1.	M. V. Global Triumph (Owned by Sunshine LLC)	1996	72870
2.	M. V. Maratha Pride (Owned by Sea Bird LLC)	2011	37221
3.	M. V. Maratha Paramount (Owned by Sea King LLC)	2011	32080
4.	M. V. Maratha Promise (Owned by Sea Lord LLC)	2012	37187

BOOK-POST

If undelivered, please return to:
Link Intime India Private Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078.
Email : rnt.helpdesk@linkintime.co.in