

# CHOWGULE STEAMSHIPS LIMITED

## BOARD OF DIRECTORS

Vijay V. Chowgule	Chairman	- Promoter Non-Executive Director
S. Y. Rege		- Independent Non-Executive Director
M. R. B. Punja		- Independent Non-Executive Director
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
M. P. Patwardhan		- Non-Promoter Non-Executive Director (upto 22.04.2010)
Prof. Rohini V. Chowgule		- Promoter Non-Executive Director
Mangesh Sawant	Executive Director & CFO	- Non-Promoter Executive Director (w.e.f. 22.04.2010)

## COMPANY SECRETARY & COMPLIANCE OFFICER

Suhas Joshi

## SOLICITORS

Crawford Bayley & 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 Eighth Annual General Meeting of the Members of CHOWGULE STEAMSHIPS LIMITED will be held on Friday, July 8, 2011 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, 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Admiral Madhvendra Singh (Retd), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sanjiv N. Shah, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Nathan R. Chowgule, who retires by rotation and, being eligible, offers himself for re-appointment.
6. 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

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:  
“**RESOLVED** that pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) and further to the approval granted by the shareholders at the 47th Annual General Meeting of the Company held on July 9, 2010, approval of the Company be and is hereby accorded to the appointment and payment of remuneration of Mr. Mangesh Sawant as the Whole-time Director of the Company, designated as Executive Director & CFO, for a period of three years, with effect from April 22, 2010 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board”, which term shall deem to include any Committee of the Board constituted to exercise its powers including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment and/or designation and/or remuneration subject to the provisions of Schedule XIII to the Companies Act, 1956 or any re-enactment thereof.  
**RESOLVED FURTHER** that the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to this resolution.”

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

Place : Mumbai,  
Date : April 21, 2011

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 July 1, 2011 to July 8, 2011, both days inclusive. The Dividend as recommended by the Directors, if approved at the meeting, will be payable to those shareholders whose names shall appear on the Register of Members of the Company on July 8, 2011 and to those shareholders holding shares in dematerialized form as per the details made available to the Company as on June 30, 2011 by the Depositories.
- 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, who have so far not claimed their Dividend for any of the years since 2004-2005, are requested to immediately write to the Company's Share Transfer Agents.
- 9) Members holding shares in electronic form may please note that their dividend would be paid through Electronic Clearing Services (ECS)/ National Electronic Clearing Services (NECS) at the available SBI/ RBI locations. The Dividend would be credited to their bank account as per the mandate given by the members to their Depository Participant (DP). In the absence of availability of ECS/NECS facility, the Dividend would be paid through warrants and the bank details furnished by the respective Depositories to the Company will be printed on the Dividend Warrants. Members holding shares in physical form and desirous of receiving their Dividend directly in their bank account through ECS are requested to intimate their ECS mandate to the Company's Share Transfer Agents. For this purpose, the members may fill in the necessary details as provided at the bottom portion of the Proxy Form. Members are advised, in their own interest, to have the shares dematerialized.
- 10) The shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and the listing fees in respect thereof for the year 2011-12 has been paid to BSE.
- 11) All enquiries and correspondence regarding transfer of shares, dematerialization, etc., should be made with the Share Transfer Agents of the Company, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078.
- 12) Pursuant to the amended Clause 5A of the Listing Agreement, the Company has initiated steps to send 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.

## Important Communication to Members

**The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the form provided on last page of the Annual Report and send the same to Link Intime India Private Limited. Alternatively, they can send an E-mail to this effect to the Company's Share Transfer Agent at [chowgulegogreen@linkintime.co.in](mailto:chowgulegogreen@linkintime.co.in) or to the Company at [joshi.csl@chowgule.co.in](mailto:joshi.csl@chowgule.co.in)**

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

Suhas Joshi  
**Company Secretary**

Place : Mumbai,  
Date : April 21, 2011

## ANNEXURE TO THE NOTICE

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

#### Item No. 7:

#### SPECIAL BUSINESS

Mr. Mangesh Sawant was appointed as a Whole-time Director designated as Executive Director & CFO of the Company for a period of three years w.e.f. April 22, 2010 which was approved by the shareholders at the 47th Annual General Meeting held on July 9, 2010 by way of an ordinary resolution. The terms of appointment and remuneration were as enumerated in the notice of the 47th Annual General Meeting. In accordance with the said approval, the Board of Directors has given an increment to Mr. Mangesh Sawant at its meeting held on October 19, 2010. Pursuant to Schedule XIII to the Companies Act, 1956, in case of no profits or inadequacy of profits in any financial year, a company can pay remuneration, as Minimum Remuneration, to its Managerial Personnel up to the limits stipulated under Table B, Section II, Part II of the said Schedule, provided an approval of shareholders by way of Special Resolution is obtained. The Company has incurred a loss in the Financial Year 2010-11 and the remuneration payable to Mr. Sawant, as referred above, falls within the limits as prescribed in Table B, Section II, Part II of Schedule XIII to the Companies Act, 1956. In light of the above, approval of the shareholders by way of passing a Special Resolution is being sought to the appointment and terms of remuneration of Mr. Sawant as stated under:

#### A. Remuneration & Perquisites

- i) Basic Salary – ₹ 1,70,000/- in the scale of ₹ 1,25,000 – ₹ 15000 – ₹ 2,00,000. The annual increments will be as decided by the Board of Directors.
- ii) House Rent Allowance up to 30% of Basic Salary per month.
- iii) Leave Travel reimbursement for self and family subject to maximum up to ₹ 60,000/- per annum.
- iv) Reimbursement of medical expenses incurred for self and family subject to maximum of ₹ 40,000/- in a financial year.
- v) Performance Related Incentive – As may be determined by the Board of Directors at the end of each financial year subject to overall ceiling pursuant to Section, 198 and 309 of the Companies Act, 1956.

B. Other Benefits – The Whole-time Director shall be eligible to the following, which shall not be included in computation of ceiling on Remuneration:

# CHOWGULE STEAMSHIPS LIMITED

- (i) Contributions to Provident Fund and Superannuation Fund to the extent not taxable under the Income Tax 1961.
  - (ii) Gratuity not exceeding one month's salary for each completed year of service.
  - (iii) Provision of car with driver for use on the Company's business and telephone at residence. The use of car for personal purpose and personal long distance calls, shall be billed by the Company to the Whole-time Director.
- C. Subject to aforesaid, the Whole-time Director will be governed by such other existing Service Rules as are applicable to Senior Management personnel of the Company as may be in force from time to time.
- D. Where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or inadequacy of profits, the remuneration payable to the Whole-time Director by way of salary and perquisites shall be subject to limits prescribed under Table B, Section II, Part II of Schedule XIII to the Companies Act, 1956.
- E. The Whole-time Director shall be entitled to reimbursement of travelling and entertainment expenses actually incurred for the purpose of business of the Company.
- F. Modification of Terms  
The terms and conditions of the appointment including the designation of the appointee may, subject to the conditions laid down in Schedule XIII of the Companies Act, 1956, be altered and varied in such manner as may be agreed to between the Board and the Whole-time Director.

Information as required under Schedule XIII of the Companies Act, 1956 and clause 49 of the Listing Agreement is given below:

## I. GENERAL INFORMATION

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

(₹ in Crores)

Particulars	F.Y. 2010-11	F.Y. 2009-10	F.Y. 2008-09
Total Revenue	36.29	42.96	127.70
Total Expenses	36.94	57.15	69.59
Profit/Loss after Tax	(1.01)	40.89	23.23
Dividend Rate	10%	15%	15%

## 5) Export performance and net foreign exchange collaboration:

Foreign exchange earnings amounted to ₹ 2859.18 Lacs as against foreign exchange outgo of ₹ 2504.63 Lacs for the financial year ended on March 31, 2011

## 6) Foreign investment or collaborators, if any: NIL

The Company is listed as on March 31, 2011, the foreign holdings in the Company were about 11.76%. There are no foreign collaborators.

## II. INFORMATION ABOUT THE APPOINTEE:

### 1) Back ground details:

Mr. Mangesh Sawant is a Commerce Graduate & Chartered Accountant. He has also passed ICWA final examination and LLB (Gen). Mr. Sawant joined the Company in 1986 as an Accounts Officer and rose to the level of CFO & Director (Operations) in 2007. In 2009, the Board appointed him as the Manager pursuant to Section 269 of the Companies Act, 1956, which position he held till April 22, 2010 when he was appointed as the Whole-time Director designated as Executive Director & CFO. Mr. Sawant has been involved in the business of the Company for more than two decades at senior management positions and thus has gained experience and expertise in various aspects of shipping business.

Before joining the Company, Mr. Sawant was employed with A.F. Ferguson & Co., Chartered Accountants, as Assistant Audit Manager since 1985. Mr. Sawant is not on the Board of any other public limited company. Mr. Sawant is a joint holder of 133 equity shares in the Company.

### 2) Past Remuneration:

In terms of the approval granted by the shareholders at the 47th Annual general Meeting held on July 9, 2010, Mr. Mangesh Sawant had been drawing remuneration as under:

Remuneration & Perquisites

- i) Basic Salary - ₹ 1,40,000/- in the scale of ₹ 1,25,000 - ₹ 15000 - ₹ 2,00,000. The annual increments to be decided by the Board of Directors.

- ii) House Rent Allowance up to 30% of Basic Salary per month.
- iii) Leave Travel reimbursement for self and family subject to maximum up to ₹ 60,000/- per annum.
- iv) Reimbursement of medical expenses incurred for self and family subject to maximum of ₹ 40,000/- in a financial year.
- v) Performance Related Incentive - As may be determined by the Board of Directors at the end of each financial year subject to overall ceiling pursuant to Section, 198 and 309 of the Companies Act, 1956.

In addition to the above, Mr. Sawant has also been entitled to the following which are not included in computation of ceiling on Remuneration:

- (i) Contributions to Provident Fund and Superannuation Fund to the extent not taxable under the Income Tax 1961.
- (ii) Gratuity not exceeding one month's salary for each completed year of service.
- (iii) Provision of car with driver for use on the Company's business and telephone at residence. The use of car for personal purpose and personal long distance calls, shall be billed by the Company to the Whole-time Director.

Subsequently, in terms of the annual increments granted by the Board of Directors at its meeting held on October 19, 2010, the Basic Salary of Mr. Sawant was increased from ₹ 1,40,000/- per month to ₹ 1,70,000/- per month.

### 3) Job profile of the Whole time Directors and Suitability:

The responsibilities of the managerial personnel have substantially increased with the growth of the Company. Mr. Sawant has an outstanding career with rich and varied experience. He is designated as Executive director & CFO to handle operations of the Company and other day to day affairs of the company. He is vested with the powers of management subject to the control, direction, and supervision of the Board of Directors of the Company. Considering vast experience of Mr. Sawant in operations and shipping business, the company would be immensely benefitted by his appointment as Executive Director & CFO.

### 4) Remuneration proposed : As stipulated in the explanatory statement herein above.

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

The remuneration to senior executives in the industry has increased manifold. The Remuneration Committee while approving remuneration of the Executive Director & CFO has examined the remuneration of managerial personnel in the shipping companies of comparable size, financial position of the Company, the trends in industry, qualification, experience, responsibilities and past performance, etc. of the aforesaid Executive Director of the Company. The starting annual remuneration packages of managerial personal in other shipping companies of comparable size ranges between ₹ 35 Lacs to ₹ 40 Lacs.

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

Mr. Sawant jointly holds 133 Equity shares of the Company and except drawing of remuneration as an Executive Director and CFO of the Company, Mr. Sawant does not have any pecuniary relationship with the Company or any managerial personnel.

## III. OTHER INFORMATION

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

Shipping is a cyclical industry and is considerably influenced by prevalent economic scenario in world economy. The Company is engaged in providing vessels on time charter basis in international waters. The sluggish international freight market during the year under review has impacted the revenues of the Company and resulted in loss during the year.

The Company is hopeful that the things will improve slowly in future. The Company is taking all steps to improve margins wherever possible.

## IV. DISCLOSURES

The Corporate Governance Report which forms part of the Director's Report contains details of remuneration paid to all Directors including remuneration, notice period, service contract etc. of the Executive Director & CFO.

The Board recommends the resolution for approval of the shareholders.

The above may be treated as an abstract of terms of appointment of Mr. Mangesh Sawant pursuant to Section 302 of the Companies Act, 1956.

None of the Directors, except Mr. Mangesh Sawant is concerned or interested in this resolution. The Board commends the resolution for approval of the members.

By order of the Board of Directors  
For **Chowgule Steamships Limited**  
Suhas Joshi  
Company Secretary

Place : Mumbai,  
Date : April 21, 2011

# CHOWGULE STEAMSHIPS LIMITED

## DIRECTORS' REPORT 2010-2011

To

The Shareholders,

Your Directors present the Forty Eighth Annual Report and the Audited Accounts for the year ended March 31, 2011.

### 1. FINANCIAL RESULTS & APPROPRIATIONS:

	2010-11 (₹ in Million)	2009-10 (₹ in Million)
Profit before Financial Charges, depreciation, Exceptional Item & Tax	122.209	31.224
Financial Charges	10.135	25.264
Depreciation	118.566	147.882
Profit/(Loss) before Exceptional Item & Tax	(6.492)	(141.922)
Profit/(Loss) on Sale of ships	(12.316)	615.635
Foreign Currency Translation difference	4.180	99.790
Profit/(Loss) before Taxation	(14.628)	573.503
Provision for Taxation – Current	(50.500)	(89.100)
MAT Credit entitlement	–	89.100
Income Tax of earlier years	–	2.522
Profit/(Loss) before Deferred Tax Provision	(65.128)	576.025
Provision for Deferred Tax (Net)	54.990	(167.134)
Profit/(Loss) after Tax	(10.138)	408.891
Brought forward from previous year	623.636	298.909
Available for Appropriation	613.498	707.800
Transferred to General Reserve (statutory)	–	20.445
Proposed Dividend	36.308	54.463
Tax on Proposed Dividend	5.820	9.256
Balance Transferred to Balance Sheet	571.370	623.636

### DIVIDEND

In view of the loss/inadequacy of profits for the year under review, your Directors have recommended a Dividend of ₹ 1/- (10 %) per equity share on 3,63,08,425 equity shares for the financial year 2010-2011 out of the accumulated profits of the earlier years.

### 2. MANAGEMENT DISCUSSION AND ANALYSIS/OPERATIONS REPORT

#### INTERNATIONAL FLEET

Dry bulk market collapsed in the last quarter of 2008 but the following year, 2009 turned out to be much better than expected. The first half of 2010 was steady but subsequently there has been downward pressure on freight rates due to the large number of new building deliveries. The BDI came down from 2991 in April 2010 to 1530 in March 2011. However the Company could get the benefit of better market since the vessel was contracted for employment in early 2010.

#### COASTAL FLEET

The freight rates on coastal trade continued to be very low as there has been no volume growth in coastal trade. On the other hand the operational cost of the coastal fleet had been increasing on the back of substantial increase in manpower and fuel costs. Considering the present static picture in the coastal trade in India and also in view of age of coastal vessels owned, the Company sold three vessels at suitable market price respectively. The Company, will however, keep on looking for opportunities in future for owning mini bulk carriers for operating on coast either in India or abroad.

## COMPANY'S PERFORMANCE

After an unexpectedly good year in 2010, the dry bulk market slumped in the first quarter 2011 due to sluggish economic growth and relatively lower demand. The freight and charter hire receipts during the year amounted to ₹ 31.11 Crores as against ₹ 32.08 Crores during the previous year showing a decline of ₹ 0.97 Crores. The reduction in earnings during the year was primarily on account of sale of a panamax vessel in September 2009.

## INDUSTRY REVIEW & FUTURE OUTLOOK

The developments in the world economy were not so very different from those in the shipping market. After the major collapse in 2009, when global GDP fell by 0.5%, there was a recovery due to stimulus packages provided by the governments of various countries. Current forecast suggests global GDP growth of around 4.8% in 2010. However, these growth figures give a rather one-sided view of what is going on, because getting industrial output back to where it was in 2008 is not enough considering the fleet growth.

The bulk carrier market has done well in 2010. Although earnings have fallen sharply from the 2008 peak, they remain well above operating cost, with reasonable margin for recovery of capital cost. China continues to surprise with the scale and persistence of its growth, and the emergence of coal as a potential major future import cargo is encouraging.

In summary, bulk carriers have done well, despite the economic meltdown in late 2008. Earnings are down, but with interest rates at rock bottom are adequate to fund reasonable pre-crisis financing. The large order book is a major concern, but remains uncertain due to the combined impact of limited credit and the reduced collateral value of new vessels. China continues to provide growth drive to the world trade, much of which is concentrated in the dry bulk segment. But given supply side pressures, it will require extraordinary performance on all account to bring the shipping industry back into profitability.

## PORT AND SHIP REPAIR PROJECTS AT JAIGAD

Chowgule Ports & Infrastructure Private Limited (CPIPL), a company co-promoted by Chowgule Steamships Limited and Chowgule And Company Private Limited (CCPL) is implementing the Port and Ship Repair Projects at Lavgan, Ratnagiri through its subsidiaries viz. Jaigad Ports Infrastructure Private Limited and Lavgan Dockyard Private Limited, respectively. Both these companies have achieved financial closure and the project implementation work is in full swing for both the projects.

## 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

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

## INDUSTRIAL RELATIONS

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

## THREATS, RISKS & CONCERNS

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

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

**Forex Risk:** As major portion of the 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 charters to avoid the risks to the freight earnings.

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

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

## CAUTIONARY STATEMENT

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

## 3. LOAN REPAYMENT

During the year, the Company has repaid loan of ₹ 3,418.50 Lacs (US\$ 7.50 million). The total outstanding loan at year end is ₹ 4,288.30 Lacs (US \$ 9.50 million).

# CHOWGULE STEAMSHIPS LIMITED

## 4. DEFERRED TAX LIABILITY

In terms of the Accounting Standard AS-22 issued by The Institute of Chartered Accountants of India, the Company has recognized Deferred Tax Assets of ₹ 549.90 Lacs for the Financial Year 2010-2011, which is reflected in the Profit & Loss Account. The net Deferred Tax Liability of ₹ 3,140.77 Lacs as at March 31, 2011 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 previous years, CSOL, in terms of its expansion plan, has signed contracts for acquisition of vessels. The deliveries of these vessels have started from March 2011.

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

	2010-11 (In US \$ million)	2009-10 (In US \$ million)
Income	9.837	13.272
Gross Profit before depreciation	7.241	9.221
Depreciation	1.156	1.072
Net Profit	6.085	8.149

## 6. SUBSIDIARIES – EXEMPTION

In terms of general approval granted by the Central Government vide notification No.51/12/2007-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 Consolidated Financial Statements presented by the Company include the financial information of its subsidiaries. The Company will make available the Annual Accounts of these subsidiary companies and the related detail information upon request by any member of the Company.

## 7. INSURANCE

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

## 8. DIRECTORS

Admiral Madhvendra Singh, Mr. Sanjiv N. Shah and Mr. Nathan R. Chowgule, Directors, retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

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 confirm 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

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

## 13. PARTICULARS OF EMPLOYEES

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. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Notes forming part of accounts are self explanatory.

## 16. ACKNOWLEDGEMENT

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.

For **Chowgule Steamships Limited**

Place: Mumbai,  
Date: April 21, 2011

**VIJAY V. CHOWGULE**  
Chairman

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## 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, 2011.

Place : Mumbai,  
Dated : April 21, 2011

**Mangesh Sawant**  
Executive Director & CFO

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# 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	5
<b>Total</b>	<b>4</b>		<b>6</b>

**Grand Total = 10**

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

In all, four Board Meetings were held during the financial year 2010-2011 on 22.04.2010, 09.07.2010, 19.10.2010 and 14.01.2011.

The attendance of the Directors is as under:

Name	No. of Board Meeting attended	Attendance at the previous AGM
Mr. Vjay V. Chowgule	4	P
Mr. S. Y. Rege	3	A
Mr. M.R.B. Punja	4	P
Mr. Dhananjay N. Mungale	4	P
Mr. Jaywant Y. Chowgule	3	P
Admiral Madhvendra Singh (Retd)	4	P
Mr. Sanjiv N. Shah	3	P
Mr. Nathan R. Chowgule	4	P
Prof. Rohini V. Chowgule	4	P
Mr. M. P. Patwardhan#	1	NA
Mr. Mangesh Sawant*	3	P

# Ceased to be a director w.e.f. April 22, 2010

\* Appointed as an Executive Director & CFO w.e.f. Aril 22, 2010

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. Vjay V. Chowgule	3 – 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	10 – BM	8 – CM	2 – CC
Mr. Jaywant Y. Chowgule	0 – 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

Name of the Director	No. of other Public Ltd. Companies in which Director / Membership in other committees		
Mr. Mangesh Sawant	0 – BM	0 – CM	0 - CC
Mr. M. P. Patwardhan #	0 – 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

# Resigned w.e.f. April 22, 2010

### 3. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Dhananjay N. Mungale, as its Chairman and Mr. S.Y. Rege, Mr. Vijay V. Chowgule, Mr. Sanjiv N. Shah as members. Mr. Dhananjay N. Mungale and Mr. Sanjiv N. Shah have the requisite financial and accounting background. The Audit Committee met on four occasions during the financial year and the attendance details of the Committee members are as under:

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

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

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.
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.

# CHOWGULE STEAMSHIPS LIMITED

13. Review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses.

The Audit Committee inter alia has 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:

- Mr. S.Y. Rege
- Mr. Dhananjay N. Mungale
- Mr. Vijay V. Chowgule
- Admiral Madhvendra Singh (Retd)

Mr. S. Y. Rege is the Chairman of the Remuneration Committee.

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 twice on April, 21, 2010 and October 19, 2010. 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 an Executive Director & CFO of the Company for a period of Three years effective from April 22, 2010 . The details of the remuneration paid from April 22, 2010 to March 31, 2011 are as under:

Name	:	Mr. Mangesh Sawant
Designation	:	Executive Director & CFO
All elements of remuneration package	:	₹ 31.04 Lacs inclusive of Salary Benefits, Provident Fund, Gratuity, Bonus, Pension, etc. The details of remunerations of Mr. Mangesh Sawant are as stipulated in the explanatory statement annexed to the notice of the Annual General Meeting, which forms part of this Annual Report.
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 Options	:	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	₹ 190,000	817119
Mr. S. Y. Rege	₹ 140,000	2421
Mr. M. R. B. Punja	₹ 80,000	-
Mr. Dhananjay N. Mungale	₹ 140,000	-
Mr. Jaywant Y. Chowgule	₹ 60,000	64750
Admiral Madhavendra Singh (Retd)	₹ 100,000	-
Mr. Sanjiv N. Shah	₹ 120,000	-
Mr. Nathan R. Chowgule	₹ 80,000	-
Mr. M. P. Patwardhan#	₹ 30,000	-
Prof. Rohini V. Chowgule	₹ 1,30,000	207585
Mr. Mangesh Sawant	NA*	133

# Resigned w.e.f. April 22, 2010 \* Not applicable. Appointed as an Executive Director & CFO w.e.f. April 22, 2010.

## 6. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

The Company's Shareholders' and Investors' Grievances Committee functions under the Chairmanship of Mr. S. Y. Rege and other members are Mr. Vijay V. Chowgule, 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 Shareholders' and Investors' Grievances Committee goes into the details of the grievances, if any and verifies that they have been attended to. Between April 2010 and March 2011, the Company received 72 complaints / queries from shareholders. As at March 31, 2011, all the complaints / queries were resolved. There were no shares pending for transfer from the shareholders as at March 31, 2011.

## 7. DIRECTORS

Admiral Madhvendra Singh (retcd), Mr. Sanjeev N. Shah and Mr. Nathan R. Chowgule, Directors, retire by rotation and being eligible, have offered themselves for re-appointment. Approval of the shareholders is being sought for the reappointments of the above Directors.

Further, approval of the shareholders by way of Special Resolution is also sought for appointment / remuneration of Mr. Mangesh Sawant who has been appointed as an Executive Director & CFO of the Company w.e.f. April 22, 2010.

Particulars of Directors are as under:

A) Admiral Madhvendra Singh (Retcd.), born on July 11, 1942 has done M.Sc. (Defence Studies). He joined the National Defence Academy in June 1958 and after passing out joined the Indian Navy as a Cadet in June 1961. He rose to the rank of Admiral and held the appointment of Chief of the Naval Staff from December 29, 2001 to July 31, 2004. He has been on the Board of Directors of the Company since October 20, 2005. Admiral Madhvendra Singh (Retcd.) is not a Board Member of any other company. Admiral Madhvendra Singh (Retcd.) does not hold any shares in the Company.

B) Mr. Sanjiv N. Shah, born on March 2, 1958, has done BA (Economics & Statistics) from the University of Bombay, B.Sc. (Economics) from the University of London and is an associate member of Institute of Chartered Accountants, England & Wales and also Fellow member of Institute of Chartered Accountants, India.

Mr. Sanjiv N. Shah worked with Ernst & Whinney, London for the period from 1981 to 1987, Deloitte Haskins & Sells as Principal from 1987 to 1989 and S. B. Billimoria & Co. as Partner from 1989 to 2002. He has been on the Board of Directors of the Company since January 25, 2006. Mr. Shah does not hold any shares in the Company.

Mr. Sanjiv N. Shah is a Director on the Boards of the following companies:

- i. Bharat Bijlee Ltd.
- ii. Andhra Pradesh Tanneries Ltd.
- iii. SNS Consulting Pvt. Ltd.
- iv. Nemish Shah Investments Pvt. Ltd.
- v. Jaigad Ports Infrastructure Pvt. Ltd.

C) Mr. Nathan R. Chowgule, born on May 1, 1973 holds a Master's Degree in Business Administration from the University of Utah (USA). Mr. Nathan R. Chowgule worked with Utah Media Access as Vice President, Business Development during 2002 – 2003 and with Komatsu Equipment USA as Director, Marketing, during 2003-2004. He is with Chowgule & Company (Salt) Pvt. Ltd. as Executive Director since 2004. He has been on the Board of Directors of the Company since January 25, 2006. Mr. Nathan R. Chowgule is a nephew of Mr. Vijay Chowgule, Chairman and Mr. Jaywant Chowgule, Director. Mr. Nathan R. Chowgule does not hold any shares in the Company.

Mr. Nathan R. Chowgule is a Director on the Boards of the following companies:

- i. Chowgule & company (Salt) Pvt. Ltd.
- ii. Kolhapur Gases (Carbondioxide) Pvt. Ltd.

## 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:

Day	Date	Time
Friday	July 9, 2010	11.00 a.m.
Friday	July 17, 2009	11.00 a.m.
Friday	July 25, 2008 (*)	11.00 a.m.

(\*) One Resolution pertaining to the Inter corporate loans, investments and guarantees pursuant to Section 372A of the Companies Act, 1956 was put through the Postal Ballot and was passed with requisite majority. The Postal Ballots were scrutinized by Mr. V. N. Deodhar, Practicing Company Secretary.

# CHOWGULE STEAMSHIPS LIMITED

## 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](http://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

### 48th Annual General Meeting

Date & Time : July 8, 2011 at 11.00 a.m.

Venue : Chowgule House, Mormugao Harbour, Goa-403803

Financial Year : 2010-2011

Book Closure Date : July 1, 2011 – July 8, 2011 (both days inclusive)

Dividend Payment Date : July 18, 2011

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 2010 - MARCH 2011 (BSE)

Month	High (₹)	Low (₹)
April	47.70	41.10
May	43.45	36.40
June	43.45	34.95
July	44.00	37.80
August	49.40	40.25
September	44.80	39.25
October	44.30	38.50
November	43.00	35.05
December	37.40	33.00
January	38.90	34.40
February	37.90	31.30
March	38.40	33.55

### 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
30.04.2010	17558.71	+0.18	43.60	+3.56
28.05.2010	16944.63	-3.50	38.10	-14.44
30.06.2010	17700.90	+4.46	39.50	+3.54
30.07.2010	17868.29	+0.95	41.15	+4.01
31.08.2010	17971.12	+0.58	40.40	-1.86
30.09.2010	20069.12	+11.67	39.40	-2.54
29.10.2010	20032.34	-0.18	38.75	-1.68
30.11.2010	19521.25	-2.55	36.05	-7.49
31.12.2010	20509.09	+5.06	35.00	-3.00
31.01.2011	18327.76	-10.64	36.00	+2.78
28.02.2011	17823.40	-2.75	34.95	-3.00
31.03.2011	19445.22	+9.10	35.85	+2.51

**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		23912	89.6590	30063310	8.2800
5001	10000	1473	5.5230	12073270	3.3250
10001	20000	610	2.2870	9470190	2.6080
20001	30000	207	0.7760	5330860	1.4680
30001	40000	89	0.3340	3204860	0.8830
40001	50000	105	0.3940	5009270	1.3800
50001	100000	116	0.4350	8742030	2.4080
100001	And above	158	0.5920	29190460	79.6480
<b>Total</b>		<b>26670</b>	<b>100</b>	<b>363084250</b>	<b>100.00</b>

Category	No. of Shares	% Shareholding
Promoters/Person acting in concert	24603430	67.76
Banks, Financial Institution, Insurance Cos. etc	274418	0.76
Private Corporate Bodies	821967	2.26
NRIs / OCBs	236619	0.65
Mutual Funds & UTI	10423	0.03
Indian Public	10361568	28.54
<b>TOTAL</b>	<b>36308425</b>	<b>100</b>

About 35.71% (13282 shareholders) of the equity shares have been dematerialized as at March 31, 2011. Balance 64.29% (13388 shareholders) are in physical form.

**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 21, 2011

**Vijay V. Chowgule**  
Chairman

# CHOWGULE STEAMSHIPS LIMITED

## 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, 2011.

Item	Particulars	Comments
<b>A.</b>	<b>Conservation of Energy</b>	
(a)	Measures	The Company owns a modern vessel and the same is well maintained operationally. 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 (a) 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>B.</b>	<b>Technology Absorption</b>	
(e)	Efforts made in Technology absorption to a Shipping Company	Not applicable
i)	Research and Development	Nil
ii)	Technology absorption, adoption and innovation	Nil
<b>C.</b>	<b>Foreign Exchange Earnings &amp; Outgo</b>	
(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.)	₹ 2,859.18 Lacs
ii)	Earned	₹ 2,504.63 Lacs

## 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 March 31, 2011, 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 21, 2011



## AUDITORS' REPORT

### TO THE MEMBERS OF CHOWGULE STEMSHIPS LIMITED

1. We have audited the attached Balance Sheet of **CHOWGULE STEMSHIPS LIMITED** ("the Company") as at March 31, 2011, the Profit and Loss Account 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 Profit and Loss Account 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 Profit and Loss Account 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 March 31, 2011;
    - (b) in the case of the Profit and Loss Account, 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 from the Directors taken on record, none of the Directors are disqualified as on March 31, 2011 from being appointed as a Director under Section 274(1)(g) of the Companies Act, 1956.

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

**Z. F. Billimoria**  
*Partner*

*Membership No. 42791*

Place : Mumbai,

Date : April 21, 2011

## 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), (viii), (x), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of CARO are not applicable.
- (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) In our opinion, though the fixed assets disposed off during the year constitute a substantial part of the fixed assets of the Company, 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 stores, spare parts, fuel oil 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 have been informed about any major weaknesses in such internal control systems.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register, maintained under the said Section has been so entered.
  - (b) There are no such contracts or arrangements which are in excess of ₹ 5 Lacs to any party.
- (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 March 31, 2011 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 March 31, 2011, except that the Company has disputed Sales Tax claims aggregating ₹ 23,700 thousand 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 ₹ 4,740 thousand (including refunds withheld by the authorities) and executed a bond of ₹ 21,804 thousand 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 21, 2011

# CHOWGULE STEAMSHIPS LIMITED

## BALANCE SHEET AS AT MARCH 31, 2011

	Schedule No.	As at 31-Mar-2011 (₹ in '000)	As at 31-Mar-2010 (₹ in '000)
<b>I SOURCES OF FUNDS</b>			
<b>1 Shareholders' Funds</b>			
i. Capital	A	363,084	363,084
ii. Reserves & Surplus	B	1,416,051	1,475,503
		<u>1,779,135</u>	<u>1,838,587</u>
<b>2 Loan Funds</b>			
Secured Loans	C	428,863	775,262
<b>3 Deferred Tax Liability (Net)</b>		314,077	369,067
	<b>TOTAL</b>	<b><u>2,522,075</u></b>	<b><u>2,982,916</u></b>
<b>II APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>			
i. Gross Block	D	1,624,011	1,962,327
ii. Less: Depreciation		<u>503,643</u>	<u>584,256</u>
Net Block		1,120,368	1,378,071
iii. Add: Capital Work-in-Progress and Advances for Capital Goods		<u>1,322</u>	<u>1,139</u>
		1,121,690	1,379,210
<b>2 Investments</b>	E	1,065,926	773,770
<b>3 Current Assets, Loans &amp; Advances</b>			
i. Inventories	F	5,136	5,675
ii. Sundry Debtors	G	16,694	3,935
iii. Cash and Bank Balances	H	314,979	820,737
iv. Other Current Assets	I	79	600
v. Loans and Advances	J	64,402	119,493
		<u>401,290</u>	<u>950,440</u>
<b>4 Less: Current Liabilities &amp; Provisions</b>	K		
i. Current Liabilities		19,665	53,205
ii. Provisions		<u>47,166</u>	<u>67,299</u>
		<b>66,831</b>	<b>120,504</b>
<b>Net Current Assets</b>		334,459	829,936
	<b>TOTAL</b>	<b><u>2,522,075</u></b>	<b><u>2,982,916</u></b>
<b>Notes to the accounts</b>	O		

Schedules referred to above form an integral part of this Balance Sheet and should be read in conjunction therewith.

In terms of our report attached.

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

**Z. F. BILLIMORIA**  
Partner

Place : Mumbai,  
Date : April 21, 2011

**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

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule No.	For the year ended 31-Mar-2011 (₹ in '000)	For the year ended 31-Mar-2010 (₹ in '000)
<b>INCOME</b>			
Operating Earnings	L	311,065	320,829
Other Income	L	51,844	108,803
		<b>362,909</b>	429,632
<b>EXPENDITURE</b>			
Operating and Other Expenses	M	240,700	398,408
Interest and Other Financial Charges	N	10,135	25,264
Depreciation (net of draw down from Revaluation Reserve)	D	118,566	147,882
		369,401	571,554
<b>Profit / (Loss) before taxation and exceptional items</b>		<b>(6,492)</b>	(141,922)
Profit / (Loss) on Sale of Ships		(12,316)	615,635
Foreign Currency Translation difference on Borrowings		4,180	99,790
<b>Profit / (Loss) before Taxation</b>		<b>(14,628)</b>	573,503
Provision for Taxation - Current		(50,500)	(89,100)
Deferred Tax (Liability) Charged / Asset Reversed		54,990	(167,134)
Income Tax of Earlier Years		-	2,522
MAT Credit Entitlement		-	89,100
<b>Net Profit / (Loss) after Taxation</b>		<b>(10,138)</b>	408,891
<b>PROFIT &amp; LOSS APPROPRIATION ACCOUNT</b>			
Balance brought forward from previous year		623,636	298,909
<b>Profit available for Appropriation</b>		<b>613,498</b>	707,800
Transferred to General Reserve (Statutory)		-	20,445
Proposed Final Dividend		36,308	54,463
Tax on Proposed Final Dividend		5,820	9,256
<b>Balance transferred to Balance Sheet</b>		<b>571,370</b>	623,636
Earnings Per Share - Basic and Diluted (See Note No.13 in Schedule 'O')		(0.28)	11.26
[Face Value ₹ 10 per share]			
<b>Notes to the accounts</b>	O		

Schedules referred to above form an integral part of this Profit and Loss Account and should be read in conjunction therewith.

In terms of our report attached.

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

**Z. F. BILLIMORIA**  
Partner

Place : Mumbai,  
Date : April 21, 2011

**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 MARCH 31, 2011

	For the year ended 31-Mar-2011 (₹ in '000)	For the year ended 31-Mar-2010 (₹ in '000)
<b>A. Cash Flow from operating activity</b>		
Net Profit/(Loss) before Tax and Extraordinary Items	(14,628)	573,503
Adjusted for:		
Depreciation	118,566	147,882
Provision for Employee Benefits	1,249	825
Reversal of Provision for Doubtful Debts and Advances	-	(31,301)
Sundry Balance Written off / (Back)	(3,610)	11,322
Foreign Exchange Translation Differences	(1,249)	(97,606)
Interest and Dividend	(8,109)	(20,933)
Profit on Sale of Current Investments	(20,109)	(10,161)
Loss/(Profit) on Sale of Fixed Assets	12,316	(615,623)
Interest & Other Finance Charges Paid	10,134	25,264
Operating Profit before Working Capital Change	94,560	(16,828)
Adjusted for:		
(Increase)/Decrease in Trade & Other Receivables	(8,415)	20,933
(Increase)/Decrease in Inventories	539	4,703
Increase/(Decrease) in Trade Payables	(33,856)	(82,222)
Operating Profit / (Loss) before Tax Payments	52,828	(73,414)
Taxes Paid	1,746	(92,328)
<b>Net cash from / (used in) Operating Activities</b>	<b>54,574</b>	<b>(165,742)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(865)	(16,169)
Movement in Capital Work-in-Progress	(182)	40,826
Sale of Fixed Assets	120,500	942,074
Sale of Investments	1,103,334	776,127
Purchase of Current Investments	(1,374,991)	(677,572)
Interest Received	2,777	7,050
Dividend Received	5,852	17,372
(Increase) / Decrease of FD's Pledged with Banks	759,236	(682,986)
<b>Net cash from Investing Activities</b>	<b>615,661</b>	<b>406,722</b>
<b>C. Cash flow from Financing Activities</b>		
Net Increase / (Decrease) in Cash Credit Balance	(369)	(1,158)
Repayment of Borrowings	(344,760)	(154,350)
(Increase) / Reduction in Liability Consequent to Realisation of Exchange	4,180	2,760
Gain / (Loss) on Foreign Currency Borrowings		
Interest Paid	(10,148)	(25,315)
Dividend & Tax Thereon Paid	(62,753)	(62,832)
<b>Net Cash used in Financing Activities</b>	<b>(413,850)</b>	<b>(240,895)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>256,385</b>	<b>85</b>
Opening Cash and Cash Equivalents as at 1st April	56,741	61,840
<b>Closing Cash and Cash Equivalents as at 31st March</b>	<b>313,126</b>	<b>61,925</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>		
Cash on Hand and Balances with Banks	313,126	61,925
Effect of Exchange Rate Change - Favourable / (Adverse)	(2,908)	(5,184)
<b>Cash &amp; Cash Equivalents as Restated</b>	<b>310,218</b>	<b>56,741</b>
<b>Foot Note:</b>		
Cash & Cash Equivalents as above	310,218	56,741
Add: Restricted Bank Balances	4,711	3,746
Add: FDs Pledged with Banks	50	760,250
<b>Cash and Bank Balance as per Balance Sheet</b>	<b>314,979</b>	<b>820,737</b>

In terms of our report attached.

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

Chartered Accountants

**Z. F. BILLIMORIA**

Partner

Place : Mumbai,

Date : April 21, 2011

**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

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT MARCH 31, 2011**

	As at 31-Mar-2011 (₹ in '000)	As at 31-Mar-2010 (₹ in '000)
<b>Schedule 'A'</b>		
<b>CAPITAL:</b>		
<b>Authorised:</b>		
5,00,00,000 (2010 - 5,00,00,000) Equity Shares of ₹ 10/- each	500,000	500,000
25,00,00,000 (2010 - 25,00,00,000) Redeemable Preference Shares of ₹ 100/- each	250,000	250,000
	<u>750,000</u>	<u>750,000</u>
<b>Issued, Subscribed and called up:</b>		
3,63,08,425 (2010 - 3,63,08,425) Equity Shares of ₹ 10/- each	363,084	363,084
<b>Paid-up:</b>		
3,63,08,425 (2010 - 3,63,08,425) Equity Shares of ₹ 10/- each	363,084	363,084
<b>TOTAL</b>	<b><u>363,084</u></b>	<b><u>363,084</u></b>

Note: Of the above, 34,65,000 (2010 - 34,65,000) shares of ₹ 10/- each have been allotted as fully paid up by way of bonus shares by capitalisation of Development Rebate Reserve.

<b>Schedule 'B'</b>		
<b>RESERVES &amp; SURPLUS:</b>		
<b>Capital Reserve:</b>		
Balance	1,196	1,196
<b>Revaluation Reserve:</b>		
Opening Balance	143,720	151,284
Less: Adjusted against corresponding depreciation charge (See Note No. 10 in Schedule 'O')	<u>(7,186)</u>	<u>(7,564)</u>
	136,534	143,720
<b>Capital Redemption Reserve:</b>		
Balance	3,000	3,000
<b>Share Premium:</b>		
Balance	292,201	292,201
<b>General Reserve (Statutory):</b>		
Opening Balance	144,550	124,105
Add: Transferred from Profit & Loss Account	<u>—</u>	<u>20,445</u>
	144,550	144,550
<b>General Reserve (Other):</b>		
Balance	267,200	267,200
<b>Profit and Loss Account:</b>		
Balance as per Profit and Loss Account attached to the Balance Sheet	571,370	623,636
<b>TOTAL</b>	<b><u>1,416,051</u></b>	<b><u>1,475,503</u></b>

# CHOWGULE STEAMSHIPS LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	As at 31-Mar-2011 (₹ in '000)	As at 31-Mar-2010 (₹ in '000)
<b>Schedule 'C'</b>		
<b>SECURED LOANS:</b> (See Note No. 4 in Schedule 'O')		
<b>From Bank:</b>		
<i>Cash Credit:</i>		
<b>From State Bank of India:</b>		
Secured against hypothecation of book debts and stocks / stores aboard the vessels and first equitable mortgage on the Company's office premises	33	402
<i>Term Loan:</i>		
<b>From DVB Bank, Singapore:</b>		
Secured by mortgage of vessel forming part of fleet	428,830	774,860
<b>TOTAL</b>	<b>428,863</b>	<b>775,262</b>



## SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

### Schedule 'D'

(₹ in '000)

FIXED ASSETS	COST				DEPRECIATION				WRITTEN DOWN VALUE		
	Opening as at 1-Apr-2010	Additions during the year	Deductions during the year	Closing as at 31-Mar-2011	Upto 31-Mar-2010	For the year on original cost	Adjusted against corresponding draw down from revaluation reserve	Deductions during the year	Upto 31-Mar-2011	As at 31-Mar-2011	As at 31-Mar-2010
<b>Land</b>	19,854	-	-	19,854	-	-	-	-	-	19,854	19,854
<b>Fleet</b>	1,691,778	-	338,741	1,353,037	490,697	116,051	-	205,925	400,823	952,214	1,201,081
<b>Building</b>											
(See Note No.9 in Schedule 'O')											
Office Premises \$	208,686	-	-	208,686	71,356	25	6,841	-	78,922	130,464	137,330
Staff Quarters \$\$	11,043	-	-	11,043	3,966	9	345	-	4,320	6,793	7,077
<b>Furniture and Fixtures</b>	11,353	15	-	11,368	7,071	778	-	-	7,849	3,519	4,282
<b>Office Equipments</b>	16,128	71	440	15,759	8,778	1,306	-	440	9,644	6,115	7,350
<b>Motor Cars</b>	3,485	779	-	4,264	2,388	397	-	-	2,785	1,479	1,097
<b>TOTAL</b>	<b>1,969,327</b>	<b>865</b>	<b>339,181</b>	<b>1,694,011</b>	<b>584,256</b>	<b>118,566</b>	<b>7,186</b>	<b>206,365</b>	<b>503,643</b>	<b>1,120,368</b>	<b>1,378,071</b>
Previous Year	3,123,228	16,169	1,177,070	1,962,327	1,279,430	147,882	7,564	850,620	584,256		

\$ Includes cost of 5 shares (2010 – 5 shares) of ₹ 50/- each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited

\$\$ Includes cost of 5 shares (2010 – 5 shares) of ₹ 50/- each fully paid in Dadar Paschim Apartments Co-operative Housing Society limited and cost of 5 shares (2010 – 5 shares) of ₹ 50/- each fully paid in Olympus Co-operative Housing Society Limited.

# CHOWGULE STEAMSHIPS LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	Face Value	Nos.	As at 31-Mar-2011 (₹ in '000)	Nos.	As at 31-Mar-2010 (₹ in '000)
<b>Schedule 'E'</b>					
<b>INVESTMENTS:</b> (Refer Note No. 1.ii in Schedule 'O')					
<b>LONG TERM:</b>					
<b>Investment in Subsidiary:</b>					
<b>Unquoted Equity Shares:</b>					
Chowgule Steamships Overseas Limited	USD 1	9,200,000	419,179	9,200,000	419,179
<b>Trade Investments:</b>					
<b>Quoted Equity Shares:</b>					
Garware Offshore Services Limited	INR 10	50	1	50	1
Essar Shipping Ports and Logistics Limited	INR 10	700	3	700	3
Great Offshore Limited #	INR 10	30	– \$	30	– \$
The Great Eastern Shipping Company Limited	INR 10	121	2	121	2
Varun Shipping Company Limited	INR 10	150	2	150	2
Shreyas Shipping and Logistics Limited	INR 10	100	1	100	1
The Shipping Corporation of India Limited	INR 10	75	1	75	1
<b>Non-Trade Investments:</b>					
<b>Unquoted Equity Shares:</b>					
Chowgule Ports & Infrastructure Private Limited	INR 10	5,000	50	5,000	50
CMA Constructions & Properties Private Limited	INR 10	5,000	50	5,000	50
<b>Quoted Equity Shares:</b>					
Mahindra Lifespace Developers Limited #	INR 10	16	– \$	16	– \$
ICICI Bank Limited	INR 10	150	5	150	5
<b>CURRENT:</b>					
<b>Unquoted:</b>					
<b>Mutual Fund Units:</b>					
Birla Sun Life Savings Fund - Institutional weekly dividend reinvestment		–	–	5,007,715	50,077
B321MD Birla Sun Life Dynamic Bond Fund -Retail Plan - Monthly Dividend		–	–	10,921,331	113,199
M590G BNP Paribas Fixed Term Fund-Series 21A Growth	INR 10	8,200,000	82,000	–	–
DWS Money Plus Advantage Fund - Regular Plan - Growth	INR 10	1,668,238	20,000	1,668,238	20,000
DSP Blackrock FMP 12M Series 13 Growth	INR 10	6,861,108	68,611	–	–
Fidelity Short Term Income Fund - Growth	INR 10	5,995,503	60,000	–	–
8001 / HDFC Short Term Plan Growth	INR 10	3,234,763	60,000	–	–
BPAG ICICI Prudential - Blended Plan A - Growth		–	–	1,842,414	25,189
P1529 ICICI Prudential Flexible Income Plan-Regular Weekly Dividend	INR 100	484,989	48,649	–	–
P1631 ICICI Prudential FMP Series 53 - 1Y Plan A Cumulative	INR 10	7,000,000	70,000	–	–
ICICI Prudential MF P1642 FMP-Sr. 53-1Y Plan D Cumulative	INR 10	5,000,000	50,000	–	–
GFRW IDFC Money Manager Fund - Treasury Plan A - Weekly Dividend		–	–	14,963	150
G209 IDFC Arbitrage Fund Plan A Growth		–	–	4,177,075	50,000
IDFC FM 100 Days Series 3 Growth	INR 10	4,746,412	47,464	–	–
Reliance Regular Saving Fund - Debt Plan - Institutional - Growth Plan	INR 10	1,970,086	25,000	1,970,086	25,000
Reliance Fixed Horizon Fund XVI Series 6 Growth Plan	INR 10	5,005,373	50,054	–	–
Templeton India Short Term Income- Retail Plan - Weekly Dividend - Reinvestment	INR 1,000	37,093	39,854	42,692	45,861
Templeton India Income Opportunites Fund - Growth	INR 10	2,429,260	25,000	2,429,260	25,000
<b>TOTAL</b>			<b>1,065,926</b>		<b>773,770</b>
Aggregate amount of quoted investments			15		15
Aggregate amount of unquoted investments			1,065,911		773,755
Aggregate market value of quoted investments			300		279
Aggregate Net Asset Value of units in Mutual Funds			660,655		367,645
# Received on splitting of shares of The Great Eastern Shipping Company Limited					
\$ Value less than ₹ 500					

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT MARCH 31, 2011**

	As at 31-Mar-2011 (₹ in '000)	As at 31-Mar-2010 (₹ in '000)
<b>Schedule 'F'</b>		
<b>INVENTORIES:</b>		
(Refer Note No. 1.iii in Schedule 'O')		
Stores and Spare Parts	421	698
Fuel Oil and Lube Oil on Vessels	4,715	4,977
<b>TOTAL</b>	<b>5,136</b>	<b>5,675</b>
<b>Schedule 'G'</b>		
<b>SUNDRY DEBTORS (UNSECURED):</b>		
Considered good		
Over six months	717	1,474
Others	15,977	2,461
	16,694	3,935
Considered doubtful		
Over six months	4,167	4,167
Less: Provision for Doubtful Debts	4,167	4,167
	-	-
<b>TOTAL</b>	<b>16,694</b>	<b>3,935</b>
<b>Schedule 'H'</b>		
<b>CASH AND BANK BALANCES:</b>		
<b>Balances with Scheduled Banks in-</b>		
Current Account #	298,196	47,752
Call Account	233	235
Fixed Deposit Account ##	16,550	12,550
	314,979	60,537
<b>Balances with Non Scheduled Banks in-</b>		
Fixed Deposit Account \$	-	760,200
<b>TOTAL</b>	<b>314,979</b>	<b>820,737</b>
# Includes ₹ 4,711 thousand (2010 - ₹ 3,746 thousand) on dividend distribution account i.e. restricted		
## Includes ₹ 50 thousand (2010 - ₹ 50 thousand) as Margin Money against Bank Guarantee		
\$ Deposit with DVB Bank, Germany and maximum amount outstanding during the year ₹ Nil (2010 - ₹ 760,200 thousand) and the same is pledged against term loan		
<b>Schedule 'I'</b>		
<b>OTHER CURRENT ASSETS:</b>		
Accrued Interest on Fixed Deposits with Banks	79	600
<b>TOTAL</b>	<b>79</b>	<b>600</b>

# CHOWGULE STEAMSHIPS LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	As at 31-Mar-2011 (₹ in '000)	As at 31-Mar-2010 (₹ in '000)
<b>Schedule 'J'</b>		
<b>LOANS &amp; ADVANCES: (UNSECURED)</b>		
Considered Good		
Advance Income Tax (Net of Provision for Tax)	16,630	19,809
MAT Credit Entitlement	38,691	89,100
Fringe Benefit Tax (Net of Provision for Tax)	60	60
Prepaid Expenses	2,461	2,012
Other Advances Recoverable in Cash or in Kind or Value to be Received	6,560	8,512
<b>TOTAL</b>	<b>64,402</b>	<b>119,493</b>

## **Schedule 'K'** **CURRENT LIABILITIES & PROVISIONS:**

### **A. CURRENT LIABILITIES**

#### Sundry Creditors

Dues to Micro and Small Enterprises  
(Refer Note No. 15 in Schedule 'O')

Others

Investor Education and Protection Fund shall be Credited  
by the following amount:

Unclaimed Dividend

Other Liabilities

Interest Accrued but not due on Loans

14,369

4,711

569

16

19,665

45,691

3,746

3,739

29

53,205

### **B. PROVISIONS**

For Proposed Dividend

For Tax on Proposed Dividend

For Gratuity

For Compensated Absence

For Fringe Benefit Tax (Net of Advance Tax)

36,308

6,030

3,151

1,676

1

47,166

66,831

54,463

9,256

2,284

1,295

1

67,299

120,504

**TOTAL**

**SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	For the year ended 31-Mar-2011 (₹ in '000)	For the year ended 31-Mar-2010 (₹ in '000)
<b>Schedule 'L'</b>		
<b>INCOME:</b>		
<b>OPERATING EARNINGS:</b>		
Freight Earnings and Charter Hire Receipts etc. (Including Chartered Vessels)	311,065	320,829
<b>OTHER INCOME:</b>		
Interest on		
Bank Deposits [Tax Deducted at Source ₹ 62 thousand (2010 - ₹ 38 thousand)]	2,257	2,057
Debentures	-	1,477
Others	-	27
	2,257	3,561
Rent	-	45,154
Dividend Income		
From Long Term Investments	4	3
From Current Investments	5,848	17,369
Profit on Sale of Current Investment including unrealised Gain/(Loss) - Net	20,304	10,161
Provision no Longer Required	-	31,301
Miscellaneous Income (refer Note No. 8 in Schedule 'O')	23,431	1,254
	51,844	108,803
<b>TOTAL</b>	<b>362,909</b>	<b>429,632</b>

# CHOWGULE STEAMSHIPS LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended 31-Mar-2011 (₹ in '000)	For the year ended 31-Mar-2010 (₹ in '000)
<b>Schedule 'M'</b>		
<b>OPERATING AND OTHER EXPENSES:</b>		
(Including Chartered Vessels)		
Salaries, Wages etc.:		
Salaries, Wages, Bonus, Gratuity, etc.	9,624	8,075
Contribution to Employees' Provident Fund	622	487
Contribution to Superannuation Fund	666	397
Staff Welfare Expenses	344	380
Manning Cost	72,909	101,989
	84,165	111,328
Fuel, Oil and Water	11,263	12,542
Stores and Spare Parts Consumed	26,982	20,864
Port Disbursement, Stevedorage, Light dues etc.	583	2,697
Repairs and Survey Charges	29,738	17,555
[Including repairs to building ₹ 98 thousand (2010 - ₹ 690 thousand)]		
Dry Docking Charges	9,569	52,009
Insurance & Protection Club Dues	14,304	22,412
Commission, Brokerage and Agency Fees	17,488	17,598
Legal & Professional Expenses	3,225	2,723
Postage, Telephone etc.	802	2,147
Rent	318	479
Rates and Taxes	807	288
Auditors' Remuneration		
For Statutory Audit	350	300
For Tax Audit	80	80
For Other Services	220	120
For out of Pocket Expenses	21	-
Service Tax on above	67	51
	738	551
Directors' Fees	1,070	1,130
Claims Paid	151	-
Ship Management Fees Paid	13,724	20,190
Crew Expenses	10,335	13,935
Foreign Currency Translation Differences	-	72,038
Sundry Balances Written Off	-	11,322
Miscellaneous Expenses (refer Note No. 8 in Schedule 'O')	15,438	16,600
<b>TOTAL</b>	<b>240,700</b>	<b>398,408</b>
<b>Schedule 'N'</b>		
<b>INTEREST AND OTHER FINANCE CHARGES:</b>		
Interest on:		
Loans for Fixed Period	9,580	23,326
Others	527	678
	10,107	24,004
Other Financial Charges	28	1,260
<b>TOTAL</b>	<b>10,135</b>	<b>25,264</b>

## SCHEDULE 'O'

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

#### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared and presented under the historical cost convention, except as indicated in i 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:

##### i. 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 Profit and Loss Account.

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.

##### ii. Investments

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

##### iii. Inventories

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

##### iv. Unfinished Voyage

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

##### v. Revenue Recognition

Freight and demurrage earnings are recognised on a completed voyage basis. Time charter earnings are recognised in the year of accrual. 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.

##### vi. 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.

##### vii. Employee Benefits

###### a) Short Term

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

###### b) Long Term

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

# CHOWGULE STEAMSHIPS LIMITED

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 recognized in the Profit and Loss Account.

## 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.

## viii. **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.

## ix. **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.

## x. **Impairment of 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 Profit and Loss Account.

## xi. **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.

## xii. **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.

2. Staff Costs for the year ended 31st March, 2011, 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: –

	2010-11 (₹ In '000)	2009-10 (₹ In '000)
a) The Company has debited the following amounts to the Profit & Loss Account in respect of defined contribution schemes		
i) Provident Fund	662	487
ii) Superannuation Fund	666	397
b) The following disclosures have been made in respect of Gratuity which is a defined benefit plan:		
<b>The amounts recognised in the Balance Sheet are as follows:</b>		
i) Present value of funded obligations	4,318	3,261
ii) Fair value of plan assets	1,167	977
iii) Net Liability	3,151	2,284
<b>The amounts recognised in the Profit and Loss Account are as follows:</b>		
i) Current service cost	445	417
ii) Interest on obligation	261	163
iii) Expected return on plan assets	(90)	(92)
iv) Net actuarial losses recognised during the year	441	508
v) Adjustment on account of opening balance	(102)	(147)
vi) Expenses recognized in the Profit and Loss Account	955	849
<b>Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:</b>		
i) Opening defined benefit obligation	3,261	2,739
ii) Service cost	445	417
iii) Interest cost	261	163
iv) Actuarial losses	351	416
v) Benefits paid	–	(474)
vi) Closing defined benefit obligation	4,318	3,261
<b>Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:</b>		
i) Opening fair value of plan assets	977	1,169
ii) Adjustment to Opening Balance	102	147
iii) Expected return	90	92
iv) Actuarial losses	(90)	(92)
v) Contribution by employer	88	135
vi) Benefits paid	–	(474)
vii) Closing fair value of plan assets	1,167	977

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.

The principal actuarial assumptions at the Balance Sheet date are as follows:

	2010-11	2009-10
i) Discount rate at 31st March	8.00%	8.00%
ii) Expected return on plan assets at 31st March	8.00%	8.00%
iii) Rate of increase in compensation	5.00%	5.00%
iv) Withdrawal rate	0.50%	0.50%

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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 financial year 2011-12 is ₹ 400 thousand.

The particulars relating to the current annual period and previous four periods are as under:

(₹ In '000)

Sr.No.	Particular	2010-11	2009-10	2008-09	2007-08	2006-07
1.	Present value of the obligation	4,318	3,261	2,739	4,116	3,108
2.	Fair value of the plan assets	1,167	977	1,169	2,308	2,371
3.	Surplus or Deficit in the plan	(3,151)	(2,284)	(1,570)	(1,808)	(737)
4.	Experience Adjustments arising:					
a.	on plan liabilities	351	818	21	915	340
b.	on plan assets	(90)	(91)	139	201	16

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

	31.3.2011 (₹ In '000)	31.3.2010 (₹ In '000)
<b>3.</b> Estimated amount of contracts remaining to be executed on capital account not provided for [Against which advance paid aggregate ₹ 20 thousand (2010 – ₹ 20 thousand)]	173	173
<b>4.</b> Secured loans include amounts due within one year	135,420	136,740
<b>5.</b> Amount remitted during the year in Foreign Currency on account of dividends		
i) Number of Shareholders	9	9
ii) Number of Shares held	3,698,568	3,698,568
iii) Amount remitted (in ₹ '000)	5,548	5,548
iv) Year to which dividend relates	2009-10	2008-09
<b>6. Executive Directors' / Manager's Remuneration:</b>		
Salary	2,526	2,020
Company's contribution to Provident Fund	211	169
Company's contribution to Superannuation Fund	264	211
Value of perquisites	103	58
<b>TOTAL</b>	<b>3,104</b>	<b>2,458</b>

## Note:

- The above does not include contribution to Gratuity Fund and provision for Compensated Absences in respect of the Director as the amounts are actuarially determined for the Company as a whole.
- Figures for the previous year were paid to the Manager.

## 7. CONTINGENT LIABILITIES (NOT PROVIDED FOR):

In respect of a Sales Tax demand, the Company has contested claims amounting to ₹ 23,700 thousand (2010 – ₹ 23,700 thousand) 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 ₹ 4,740 thousand (including refunds withheld by the authorities) and executed a bond of ₹ 21,804 thousand 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.

Guarantees given by Bank and counter guaranteed by the Company is ₹ 50 thousand (2010 – ₹ 50 thousand) for due performance of the Company's obligations.

- Miscellaneous Income includes exchange gain (net) ₹ 11,725 thousand (2010 – ₹ Nil)
- Miscellaneous Expenses include exchange loss (Net) ₹ Nil (2010 – ₹ 72,038 thousand)

9. 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 '000)	Written Down Value as on 31.03.2002 (₹ in '000)	Revalued Amount (Substituted for original cost) as on 31.03.2002 (₹ in '000)	Difference in W.D.V. and revalued amount (₹ in '000)
Leasehold land – Office Premises	2,445	759	207,000	206,241
Freehold land – Staff Quarters	649	276	10,668	10,392
<b>TOTAL</b>	<b>3,094</b>	<b>1,035</b>	<b>217,668</b>	<b>216,633</b>

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.

10. Depreciation provided on the revalued portion of the buildings amounting to ₹ 7,186 thousand (2010 – ₹ 7,564 thousand) has been directly adjusted from the Revaluation Reserve.

## 11. 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.

## 12. RELATED PARTY TRANSACTIONS

As per Accounting Standards (AS) 18, the transactions with Company's related parties are disclosed below:

### Name of the related parties where control exists

- a) Chowgule Steamships Overseas Ltd. (CSOL) – Wholly owned subsidiary
- b) Sunshine LLC – Wholly owned subsidiary of CSOL
- c) Sea Bird LLC – Wholly owned subsidiary of CSOL
- d) Sea Lord LLC – Wholly owned subsidiary of CSOL
- e) Sea Green LLC – Wholly owned subsidiary of CSOL
- f) Sea King LLC – Wholly owned subsidiary of CSOL

Name of related party	Nature of transactions
<b>Key Management Personnel</b>	<b>Remuneration</b>
MANGESH SAWANT – Executive Director (Previous year: Manager)	₹ 3,104 thousand (2010 – ₹ 2,458 thousand)

### Amounts due to / from related party

Name of the related party	Amount payable / paid
<b>Associates</b>	
Chowgule & Company Private Limited (Significant Investor)	₹ Nil (2010 – ₹ 11,560 thousand)
Chowgule Industries Private Limited (Associate of significant investor)	₹ 779 thousand (2010 – ₹ Nil)

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

	2010-11	2009-10
Net Profit / (Loss) available to Equity Share Holders (₹ in thousand)	(10,138)	408,891
Number of Equity Shares	36,308,425	36,308,425
Face Value per Equity Share (₹)	10	10
Basic & Diluted Earnings Per Share (₹)	(0.28)	11.26

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## 14. THE NET DEFERRED TAX LIABILITY COMPRISES OF THE FOLLOWING COMPONENTS:

Components of deferred tax	For the year 31.03.2011 (₹ in '000)	For the year 31.03.2010 (₹ in'000)
Assets on account of timing differences		
a) Provision for doubtful debts	1,384	1,384
b) Related to employees' benefits	1,604	1,189
c) Business loss net of short term capital gains	–	15,025
d) Long term Capital loss carried forward	–	2,542
<b>Deferred Tax Asset (A)</b>	<b>2,988</b>	<b>20,140</b>
Liabilities on account of timing differences		
a) Depreciation & Exchange difference	(317,065)	(389,207)
<b>Deferred Tax Liability (B)</b>	<b>(317,065)</b>	<b>(389,207)</b>
<b>Net Deferred Tax Liability as at the year end (A) - (B)</b>	<b>(314,077)</b>	<b>(369,067)</b>

The Company has recognised in the Profit and Loss Account the net provision of deferred tax asset of ₹ 54,990 thousand (2010– net provision of deferred tax liability of ₹ 167,134 thousand).

Deferred Tax Asset had been recognized in the previous year on carry forward of Losses to the extent that the reversal of the deferred tax liability will give rise to sufficient future taxable income against which such deferred tax asset can be realized.

Deferred Tax Asset had also been recognized in the previous year on carry forward of long term capital losses on the assumption that the Company would make profits from current investments which are likely to be disposed off.

- 15.** 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 March 31, 2011. This has been accepted by the Auditors.
- 16.** The Ministry of Corporate Affairs, Government of India vide its notification dated 8th February, 2011 granted general exemption under sub-section (3) of section 211 of the Companies Act, 1956 to certain classes of Companies, including Shipping Companies from disclosing information under paragraphs 4–D(a), (b), (c) and (e) of Part II to Schedule VI of the Companies Act, 1956 in the Profit & Loss Account. The Board of Directors have passed a resolution to avail of the aforesaid exemption for the current financial year.

## 17. FOREIGN CURRENCY EXPOSURES:

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

Particulars	2010–11		2009–10	
	(₹ in '000)	USD Million	(₹ in '000)	USD Million
Loans	428,830	9.500	7,74,860	17.000
Sundry Debtors & Other assets	18,495	0.418	12,617	0.282
Sundry Creditors & Other Liabilities	7,452	0.168	17,898	0.401
Loans & Advances	2,088	0.047	3,454	0.077
Cash & Bank Balances	292,289	6.608	7,99,716	17.903

Note: USD = US Dollar

## 18. PARTICULARS OF PURCHASES AND SALES OF UNITS OF MUTUAL FUNDS:

Name of the Scheme	2010-11		2009-10	
	No. of Units	Cost (₹ in '000)	No. of Units	Cost (₹ in '000)
<b>(a) Acquired and sold during the year</b>				
B321MD Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	144,442.883	1,505	1,476,382.671	15,294
B83FD BSL Ultra Short Term Fund - Retail - Fortnightly Dividend - Reinvestment	–	–	26,001.07	266
DWS Ultra Short Term Fund - Institutional Weekly Div-Reinvest	–	–	2,810,308.946	28,344
HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Weekly Dividend	36,42,706.179	36,520	15,993.890	160
HDFC Short Term Plan - Dividend, Option : Reinvest	–	–	4,233,837.218	43,892
28Q ICICI Prudential Flexible Income Plan Premium - Daily Dividend	–	–	6,011.787	64
28 ICICI Prudential Flexible Income Plan Premium - Weekly Dividend	–	–	8,950,037.666	94,385
1526 ICICI Prudential Flexible Income Plan Premium - Weekly Dividend	1,035,820.921	109,257	207,739.746	21,912
23 INF ICICI Prudential Institutional Short Term Plan - DR - Fortnightly	–	–	6,254,877.450	75,858
GFRW IDFC Money Manager Fund - Treasury Plan - Weekly Dividend	–	–	5,548,154.432	55,909
G73 IDFC - SSIF - Short Term - Plan B - Fortnightly Dividend	–	–	658,703.185	6,664
Reliance Short Term Fund - Retail Plan - Dividend Plan	–	–	2,860,131.341	30,487
B332WD Birla Sun Life Saving Fund - Instl - Weekly Dividend - Reinvestment	5,001,316.209	50,053	–	–
DSP BlackRock Money Manager Fund - Regular Plan - Weekly Dividend	68,556.240	68,681	–	–
Fidelity FMP Series 3 - Plan C - Growth	14,100,000.000	141,000	–	–
1529 ICICI Prudential Flexible Income Plan Regular Weekly Dividend	548,386.701	55,026	–	–
1307 ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Dividend	4,565,835.000	45,658	–	–
1099 ICICI Prudential Interval Fund II Quarterly Interval Plan D - Retail Cumulative	3,256,909.572	43,000	–	–
IDFC - FMP - Quarterly Series 61 - Growth	4,637,115.502	46,371	–	–
IDFC Money Manager Fund - Treasury Plan A - Weekly Dividend	3,643,339.338	36,516	–	–
IDFC Money Manager Fund - Treasury Plan A - Weekly Dividend	7,842,331.504	78,632	–	–
Reliance Quarterly Interval Fund - Series III - Institutional Dividend Plan	7,400,833.925	74,056	–	–
Reliance Money Manager Fund - Institutional Option - Weekly Dividend Plan	49,922.869	50,053	–	–
<b>(b) Acquired during the year and retained as at the year end</b>				
B321MD Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	–	–	10,921,331.482	113,199
DWS Money Plus Advantage Fund - Regular Plan Growth	–	–	1,668,237.590	20,000
BPAG ICICI Prudential - Blended Plan A - Growth	–	–	1,842,413.909	25,189
IDFC Arbitrage Fund - Plan A - Growth	–	–	4,177,074.545	50,000
IDFC Money Manager Fund - Treasury Plan A - Weekly Dividend	–	–	14,962.743	150
Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan	–	–	1,970,086.211	25,000
Templeton India Income Opportunities Fund - Growth	–	–	2,429,259.950	25,000
Templeton India Short Term Income Retail Plan - Weekly Dividend Reinvestment	1,752.934	1,886	42,691.650	45,872
M590G BNP Paribas Fixed Term Fund Ser 21A Growth	8,200,000.000	82,000	–	–
DSP BlackRock FMP - 12M Series 13 - Growth	6,861,108.000	68,611	–	–
Fidelity Short Term Income Fund - Growth	5,995,503.372	60,000	–	–
8001 / HDFC Short Term Plan - Growth	3,234,762.919	60,000	–	–

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Name of the Scheme	2010-11		2009-10	
	No. of Units	Cost (₹ in '000)	No. of Units	Cost (₹ in '000)
1529 ICICI Prudential Flexible Income Plan Regular Weekly Dividend	484,988.707	48,649	-	-
1631 ICICI Prudential FMP Series 53 - 1 Year Plan A Cumulative	7,000,000.000	70,000	-	-
1642 ICICI Prudential FMP Series 53 - 1 Year Plan D Cumulative	5,000,000.000	50,000	-	-
IDFC Fixed Maturity 100 Days Series - 3 Growth	4,746,412.314	47,464	-	-
Reliance Fixed Horizon Fund - XVI Series 6 Growth Plan	5,005,373.182	50,054	-	-
<b>(c) Sold out of Acquisition of an earlier year</b>				
B901IG Birla Sun Life FTP Institutional Series AO - Growth	-	-	10,000,000.00	100,000
B83FD BSL Ultra Short Term Fund - Retail - Fortnightly Dividend - Reinvestment	-	-	1,293,924.325	13,152
DSP Merrill Lynch Capital Ltd. - Debenture	-	-	805,000.000	8,050
Fidelity FMP Series 1 Plan A Institutional - Growth	-	-	2,200,000.000	22,000
28Q ICICI Prudential Flexible Income Plan Premium - Daily Dividend	-	-	809,599.705	8,560
GFRW IDFC Money Manager Fund - Treasury Plan - Weekly Dividend	-	-	1,551,423.314	15,630
G73 IDFC - SSIF - Short Term - Plan B - Fortnightly Dividend	-	-	16,108,884.244	164,900
J P Morgan India Active Bond Fund - Retail - Growth Fund	-	-	3,691,246.979	37,000
S432 SBNPP Fixed Term Plan F Retail - Growth	-	-	2,350,000.000	23,500
B321MD Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	10,921,331.482	113,199	-	-
B918RG Birla Sun Life FTP - Series BF - Retail - Growth	5,007,714.993	50,077	-	-
BPAG ICICI Prudential - Blended Plan A - Growth	1,842,413.909	25,189	-	-
IDFC Arbitrage Fund - Plan A - Growth	4,177,074.545	50,000	-	-
IDFC Money Manager Fund - Treasury Plan A - Weekly Dividend	14,962.743	150	-	-
Templeton India Short Term Income Retail Plan - Weekly Dividend Reinvestment	7,351.300	7,899	-	-
<b>(d) Acquired during the previous year and retained as at the year end</b>				
B918RG Birla Sun Life FTP - Series BF - Retail - Growth	-	-	5,007,714.993	50,077
DWS Money Plus Advantage Fund - Regular Plan - Growth	1,668,237.590	20,000	-	-
Reliance Regular Saving Plan Debt Plan - Institutional Growth Plan	1,970,086.211	25,000	-	-
Templeton India Income Opportunities Fund - Growth	2,429,259.950	25,000	-	-
Templeton India Short Term Income Retail Plan - Weekly Dividend Reinvestment	35,340.350	37,973	-	-

19. Previous year's figures have been regrouped wherever necessary to conform to current year's presentation.

For and on behalf of the Board of Directors

**VIJAY V. CHOWGULE**  
Chairman

**D. N. MUNGALE**  
Director

Place : Mumbai,  
Date : April 21, 2011

**SUHAS JOSHI**  
Company Secretary

**MANGESH SAWANT**  
Executive Director & CFO

## 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 Lord LLC (See Foot Note 2)	Sea Green LLC (See Foot Note 2)	Sea King LLC (See Foot Note 2)
1	The relevant financial year of the subsidiary ended	31.3. 2011	31.3. 2011	31.3. 2011	31.3. 2011	31.3. 2011	31.3. 2011
2	No. of shares in the subsidiary Company held by Holding Company as on 31st March, 2011	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, 2011	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 31.03.2011  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 31.03.2011  ii) for the previous financial years of the Subsidiary Companies since they became the Holding Company's Subsidiaries	    US \$ 2,182,710 ₹ 96,541,263   US \$ (626,833) ₹ (28,000,630)    NIL  NIL	    US \$ 40,26,248 ₹ 178,080,949   US \$ 8,577,002 ₹ 383,134,679    NIL  NIL	    US \$ (113,139) ₹ (5,004,138)   NIL  NIL   NIL  NIL	    NIL  NIL   NIL  NIL   NIL  NIL	    NIL  NIL   NIL  NIL   NIL  NIL	    US \$ (10,500) ₹ (464,415)   US \$ 60,114 ₹ 2,685,292    NIL  NIL

Notes :

1. 100% subsidiary of Chowgule Steamships Ltd.
2. 100% subsidiary of Chowgule Steamships Overseas Ltd.

For and on behalf of the Board of Directors

**VIJAY V. CHOWGULE**  
Chairman

**D. N. MUNGALE**  
Director

**MANGESH SAWANT**  
Executive Director & CFO

Place : Mumbai,  
Date : April 21, 2011

**SUHAS JOSHI**  
Company Secretary

# CHOWGULE STEAMSHIPS LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(In terms of amendment to Schedule VI part IV)

### I. Registration Details

Registration No.	<input type="text" value="24-00002"/>	State Code	<input type="text" value="24"/>
Balance Sheet	<input type="text" value="31"/> <input type="text" value="03"/> <input type="text" value="2011"/>		
	Date Month Year		

### II. Capital Raised during the year (Amount in ₹ Thousand)

Public Issue	<input type="text" value="NIL"/>	Rights Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="NIL"/>

### III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

	Total Liabilities	<input type="text" value="2522075"/>	Total Assets	<input type="text" value="2522075"/>
Sources of Funds	Paid-up Capital	<input type="text" value="363084"/>	Reserves & Surplus	<input type="text" value="1416051"/>
	Secured Loans	<input type="text" value="428863"/>	Unsecured Loans	<input type="text" value="NIL"/>
	Deferred Tax Liability	<input type="text" value="314077"/>		
Application of Funds	Net Fixed Assets	<input type="text" value="1121690"/>	Investments	<input type="text" value="1065926"/>
	Net Current Assets	<input type="text" value="334459"/>	Misc. Expenditure	<input type="text" value="NIL"/>
	Accumulated Losses	<input type="text" value="NIL"/>		

### IV. Performance of the Company (Amount in ₹ Thousand)

Turnover & Other income	<input type="text" value="367089"/>	Total Expenditure	<input type="text" value="381717"/>
Profit/(loss) before Tax	<input type="text" value="(14628)"/>	Profit/(loss) After Tax	<input type="text" value="(10138)"/>
Earning per share in ₹	<input type="text" value="(0.28)"/>	Dividend Rate %	<input type="text" value="10%"/>

### V. Generic Name of Principal Product/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	<input type="text" value="Not Applicable"/>
Product Description	<input type="text" value="Ship Owners and Charterers"/>

For and on behalf of the Board of Directors

**VIJAY V. CHOWGULE**  
Chairman

**D. N. MUNGALE**  
Director

Place : Mumbai,  
Date : April 21, 2011

**SUHAS JOSHI**  
Company Secretary

**MANGESH SAWANT**  
Executive Director & CFO



## AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS 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 March 31, 2011, and also the Consolidated Profit and Loss Account 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 ₹ 6,232,751 thousand as at March 31, 2011 and total revenues of ₹ 398,790 thousand and net cash outflow amounting ₹ 658,245 thousand 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 March 31, 2011;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the profit 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 21, 2011

# CHOWGULE STEAMSHIPS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	Schedule No.	As at 31-Mar-2011 (₹ in '000)	As at 31-Mar-2010 (₹ in '000)
<b>I SOURCES OF FUNDS</b>			
<b>1 Shareholders' Funds</b>			
i. Capital	A	363,084	363,084
ii. Reserves & Surplus	B	4,971,573	4,800,621
		5,334,657	5,163,705
<b>2 Loan Funds:</b>			
Secured Loans	C	2,622,266	1,914,762
<b>3 Deferred Tax Liability (Net)</b>		314,077	369,067
	<b>TOTAL</b>	<b>8,271,000</b>	<b>7,447,534</b>
<b>II APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>			
i. Gross Block	D	3,785,370	2,556,435
ii. Less: Depreciation		827,331	859,561
Net Block		2,958,039	1,696,874
iii. Add: Capital Work-in-Progress and Advances for Capital Goods		1,609,246	1,566,412
		4,567,285	3,263,286
<b>2 Investments</b>	E	1,490,923	758,115
<b>3 Current Assets, Loans &amp; Advances</b>			
i. Inventories	F	10,554	8,958
ii. Sundry Debtors	G	16,694	3,935
iii. Cash and Bank Balances	H	2,242,750	3,429,189
iv. Other Current Assets	I	10,657	4,163
v. Loans and Advances	J	68,583	134,991
		<b>2,349,238</b>	<b>3,581,236</b>
<b>4 Less: Current Liabilities &amp; Provisions</b>	K		
i. Current Liabilities		89,280	87,804
ii. Provisions		47,166	67,299
		<b>136,446</b>	<b>155,103</b>
<b>Net Current Assets</b>		2,212,792	3,426,133
	<b>TOTAL</b>	<b>8,271,000</b>	<b>7,447,534</b>
<b>Notes to the accounts</b>	O		

Schedules referred to above form an integral part of this Balance Sheet and should be read in conjunction therewith.  
In terms of our report attached.

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

**Z. F. BILLIMORIA**  
Partner

Place : Mumbai,  
Date : April 21, 2011

**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

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule No.	For the year ended 31-Mar-2011 (₹ in '000)	For the year ended 31-Mar-2010 (₹ in '000)
<b>INCOME</b>			
Operating Earnings	L	709,855	910,927
Other Income	L	191,334	148,977
		<b>901,189</b>	1,059,904
<b>EXPENDITURE</b>			
Operating and Other Expenses	M	403,065	576,861
Interest and Other Financial Charges	N	34,295	68,323
Depreciation (net of draw down from revaluation reserve)	D	169,914	198,896
Provision for Doubtful Debts		13,335	–
		620,609	844,080
<b>Profit before taxation and exceptional items</b>		<b>280,580</b>	215,824
Profit on Sale of Ships		(12,316)	615,635
Foreign Currency Translation Difference on Borrowings		4,180	99,790
		<b>272,444</b>	931,249
Provision for Taxation - Current		(50,500)	(89,100)
Deferred Tax (liability) Charged / Asset Reversed		54,990	(167,134)
Income Tax of Earlier Years		–	2,522
MAT Credit Entitlement		–	89,100
		<b>276,934</b>	766,637
<b>Net Profit after Taxation</b>		<b>276,934</b>	766,637
<b>PROFIT &amp; LOSS APPROPRIATION ACCOUNT</b>			
Balance brought forward from previous year		3,769,255	3,086,782
		<b>4,046,189</b>	3,853,419
<b>Profit available for Appropriation</b>		<b>4,046,189</b>	3,853,419
Transferred to General Reserve (Statutory)		–	20,445
Proposed Final Dividend		36,308	54,463
Tax on Proposed Final Dividend		5,820	9,256
		<b>4,004,061</b>	3,769,255
<b>Balance transferred to Balance Sheet</b>		<b>4,004,061</b>	3,769,255
Earnings Per Share - Basic and Diluted (See Note No.12 in Schedule 'O')		7.63	21.11
[Face Value ₹ 10 per share]			
<b>Notes to the accounts</b>	O		

Schedules referred to above form an integral part of this Profit and Loss Account and should be read in conjunction therewith.  
In terms of our report attached.

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

**Z. F. BILLIMORIA**  
Partner

Place : Mumbai,  
Date : April 21, 2011

**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

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended 31st March, 2011 (₹ in '000)	For the year ended 31st March, 2010 (₹ in '000)
<b>A. Cash flow from operating activity</b>		
Net Profit before Tax and Extraordinary Items	272,444	931,249
Adjusted for:		
Depreciation	169,914	198,896
Provision for Employee Benefits	1,249	825
(Reversal) / Provision for Doubtful Debts	13,335	(31,301)
Sundry Balance Written off / (Back)	(3,685)	11,322
Foreign Exchange Translation Differences	(2,493)	(97,606)
Foreign Exchange Difference Arising on Consolidation	(56,668)	(277,913)
Bank Interest and Dividend	(42,424)	(44,394)
Loss / (Profit) on Sale of Current Investments	(20,109)	(9,495)
Loss / (Profit) on Sale of Fixed Assets	12,316	(615,623)
Interest & Other Finance Charges Paid (including Miscellaneous Expenditure Written off)	34,294	68,323
Operating Profit before Working Capital Change	378,173	134,283
Adjusted for:		
(Increase)/Decrease in Trade & Other Receivables	2,902	77,730
(Increase)/Decrease in Inventories	(1,595)	3,355
Increase/(Decrease) in Trade Payables	2,538	(98,324)
Operating Profit before Tax Payments	382,018	117,044
Net Tax Payment / (Recoveries)	1,746	(92,328)
<b>Net cash from Operating Activities</b>	<b>383,764</b>	<b>24,716</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,582,785)	(16,169)
Movement in Capital Work-in-Progress	(42,836)	(424,061)
Sale of Fixed Assets	120,500	942,074
Sale of Investments	1,272,837	974,731
Purchase of Investments	(1,985,533)	(966,349)
Interest Received	27,189	30,250
Dividend Received	8,741	17,372
(Increase) / Decrease of FD's Pledged with Banks	1,721,180	(1,799,737)
<b>Net Cash from Investing Activities</b>	<b>(460,707)</b>	<b>(1,241,889)</b>
<b>C. Cash Flow from Financing Activities</b>		
Net Increase / (Decrease) in Cash Credit Balance	(369)	(1,158)
Repayment of Borrowings	(355,760)	(154,350)
Borrowings from DVB, Bank Singapore	1,064,903	1,139,500
Reduction in Liability Consequent to Realisation of Exchange Gain on Foreign Currency Borrowings	4,180	2,760
Interest Paid	(35,609)	(64,800)
Dividend & Tax Thereon Paid	(62,753)	(62,832)
<b>Net Cash used in Financing Activities</b>	<b>614,592</b>	<b>859,120</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>537,649</b>	<b>(358,053)</b>
Opening Cash and Cash Equivalents as at 1st April	1,548,443	1,911,680
<b>Closing Cash and Cash Equivalents as at 31st March</b>	<b>2,086,092</b>	<b>1,553,627</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>		
Cash on Hand and Balances with Banks	2,086,092	1,553,627
Effect of Exchange Rate Change - Favourable / (Adverse)	(2,908)	(5,184)
<b>Cash &amp; Cash Equivalents as Restated</b>	<b>2,083,184</b>	<b>1,548,443</b>
<b>Foot Note:</b>		
Cash & Cash Equivalents as above	2,083,184	1,548,443
Add: Restricted Bank Balances	4,711	3,746
Add: FDs Pledged with Banks	154,855	1,877,000
<b>Cash and Bank Balance as per Balance Sheet</b>	<b>2,242,750</b>	<b>3,429,189</b>

In terms of our report attached.

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

Chartered Accountants

**Z. F. BILLIMORIA**

Partner

Place : Mumbai,

Date : April 21, 2011

**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

## SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	As at 31-Mar-2011 (₹ in '000)	As at 31-Mar-2010 (₹ in '000)
<b>Schedule 'A'</b>		
<b>CAPITAL:</b>		
<b>Authorised:</b>		
5,00,00,000 (2010 - 5,00,00,000) Equity Shares of ₹ 10/- each	500,000	500,000
25,00,00,000 (2010 - 25,00,00,000) Redeemable Preference Shares of ₹ 100/- each	250,000	250,000
	<u>750,000</u>	<u>750,000</u>
<b>Issued, Subscribed and called up:</b>		
3,63,08,425 (2010 - 3,63,08,425) Equity Shares of ₹ 10/- each	363,084	363,084
<b>Paid-up:</b>		
3,63,08,425 (2010 - 3,63,08,425) Equity Shares of ₹ 10/- each	363,084	363,084
<b>TOTAL</b>	<b><u>363,084</u></b>	<b><u>363,084</u></b>

Note: Of the above, 34,65,000 (2010 - 34,65,000) shares of ₹ 10/- each have been allotted as fully paid-up by way of bonus shares by capitalisation of Development Rebate Reserve.

<b>Schedule 'B'</b>		
<b>RESERVES &amp; SURPLUS:</b>		
<b>Capital Reserve:</b>		
Balance	1,196	1,196
<b>Revaluation Reserve:</b>		
Opening Balance	143,720	151,284
Less: Adjusted against corresponding depreciation charge	<u>(7,186)</u>	<u>(7,564)</u>
(See Note No. 9 in schedule 'O')	136,534	143,720
<b>Capital Redemption Reserve:</b>		
Balance	3,000	3,000
<b>Share Premium:</b>		
Balance	292,201	292,201
<b>General Reserve (Statutory):</b>		
Opening Balance	144,550	124,105
Add: Transferred from Profit & Loss Account	<u>—</u>	<u>20,445</u>
	144,550	144,550
<b>General Reserve (Other):</b>		
Balance	267,200	267,200
<b>Profit and Loss Account:</b>		
Balance as per Profit and Loss Account attached to the Balance Sheet	4,004,061	3,769,255
<b>Foreign Currency Translation Reserve:</b>		
Opening Balance	179,499	674,403
Deductions during the year	<u>(56,668)</u>	<u>(494,904)</u>
	122,831	179,499
<b>TOTAL</b>	<b><u>4,971,573</u></b>	<b><u>4,800,621</u></b>

# CHOWGULE STEAMSHIPS LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	As at 31-Mar-2011 (₹ in '000)	As at 31-Mar-2010 (₹ in '000)
<b>Schedule 'C'</b>		
<b>SECURED LOANS:</b> (See Note No. 5 in Schedule 'O')		
<b>From Bank:</b>		
<i>Cash Credit:</i>		
<b>From State Bank of India:</b>		
Secured against hypothecation of book debts and stocks/ stores aboard the vessels and first equitable mortgage on the Company's office premises	33	402
<i>Term Loan:</i>		
<b>From Credit Suisse AG, Singapore:</b>	968,253	-
Secured by mortgage of vessel forming part of fleet		
<b>From Deutsche Bank, Singapore:</b>	96,650	-
Secured by pledge of deposit with the bank		
<b>From DVB Bank, Singapore:</b>		
a) Secured by mortgage of ship (forming part of fleet) and pledge of deposit with the bank	428,830	774,860
b) Secured by pledge of deposit with the bank	1,128,500	1,139,500
	<u>1,557,330</u>	<u>1,914,360</u>
<b>TOTAL</b>	<b><u>2,622,266</u></b>	<b><u>1,914,762</u></b>

## SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

### Schedule 'D'

FIXED ASSETS	COST				DEPRECIATION				WRITTEN DOWN VALUE		
	Opening as at 1-Apr-2010	Additions during the year	Deductions during the year	Closing as at 31-Mar-2011	Upto 31-Mar-2010	For the year on original cost	Adjusted against corresponding draw down from revaluation reserve	Deductions during the year	Upto 31-Mar-2011	As at 31-Mar-2011	As at 31-Mar-2010
<b>Land</b>	19,854	-	-	19,854	-	-	-	-	-	19,854	19,854
<b>Fleet #</b>	2,285,686	1,573,103	344,593	3,514,396	766,002	1,67,399	-	208,890	724,511	2,789,885	1,519,884
<b>Building</b> (See note No.8 in Schedule 'O')											
Office Premises \$	208,686	-	-	208,686	71,356	25	6,841	-	78,922	130,464	137,330
Staff Quarters \$\$	11,043	-	-	11,043	3,966	9	345	-	4,300	6,723	7,077
<b>Furniture and Fixtures</b>	11,353	15	-	11,368	7,071	778	-	-	7,849	3,519	4,982
<b>Office Equipments</b>	16,128	71	440	15,759	8,778	1,306	-	440	9,644	6,115	7,350
<b>Motor Cars</b>	3,485	779	-	4,264	2,388	397	-	-	2,785	1,479	1,097
<b>TOTAL</b>	<b>2,556,435</b>	<b>1,573,968</b>	<b>345,033</b>	<b>3,785,370</b>	<b>859,561</b>	<b>169,914</b>	<b>7,186</b>	<b>209,330</b>	<b>827,331</b>	<b>2,958,039</b>	<b>1,696,874</b>
Previous Year	3,795,274	16,169	1,255,008	2,556,435	1,536,696	198,896	7,564	883,595	859,561		

# Deductions for the year includes ₹ 5,859 thousand (2010 - ₹ 77,938 thousand) on account of restatement of opening gross block relating to non-integral foreign operations consequent to change in the exchange rate

Depreciation deduction for the year includes ₹ 2,966 thousand (2010 - ₹ 32,976 thousand) on account of restatement of the opening accumulated depreciation relating to non-integrated foreign operations consequent to change in the exchange rate.

\$ Includes cost of 5 shares (2010 - 5 shares) of ₹ 50/- each fully paid in Bakhtawar Commercial Premises Co-operative Society Limited

\$\$ Includes cost of 5 shares (2010 - 5 shares) of ₹ 50/- each fully paid in Daadar Paschim Apartments Co-operative Housing Society Limited and cost of 5 shares (2010 - 5 shares) of ₹ 50/- each fully paid in Olympus Co-operative Housing Society Limited

# CHOWGULE STEAMSHIPS LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	Face Value	Nos	As at 31-Mar-2011 (₹ in '000)	Nos	As at 31-Mar-2010 (₹ in '000)
<b>Schedule 'E'</b>					
<b>INVESTMENTS:</b> (Refer Note No. 2.ii in Schedule 'O')					
<b>LONG TERM:</b>					
<b>Trade Investments:</b>					
<b>Quoted Equity Shares:</b>					
Garware Offshore Services Limited	INR 10	50	1	50	1
Essar Shipping Limited	INR 10	700	3	700	3
Great Offshore Limited. #	INR 10	30	– \$	30	– \$
The Great Eastern Shipping Company Limited	INR 10	121	2	121	2
Varun Shipping Company Limited	INR 10	150	2	150	2
Shreyas Shipping Limited	INR 10	100	1	100	1
The Shipping Corporation of India Limited	INR 10	75	1	75	1
<b>Non-Trade Investments:</b>					
<b>Unquoted:</b>					
<b>Equity Shares:</b>					
Chowgule Ports & Infrastructure Private Limited	INR 10	5,000	50	5,000	50
CMA Constructions & Properties Private Limited	INR 10	5,000	50	5,000	50
<b>Bonds:</b>					
Export Import Bank of India 4.375 PCT 020215 Notes Senior - ISIN No. XS0482911129	USD 100	10,000	44,075	–	–
ICICI Bank Limited 5.75 PCT 120112 REGS - ISIN No. USY38575DC03	USD 100	50,000	229,806	10,000	46,622
ICICI Bank Limited 6.625 PCT 031012 Tranche A REGS - ISIN No. USM5314BAC56	USD 100	35,000	165,564	–	–
ICICI Bank Limited 5.875 PCT 201011 EMTN - ISIN No. XS0272292391	USD 100	10,000	46,043	10,000	46,501
State Bank of India - floating rate note (Non US) - ISIN No. XS0279034283	USD 100	30,000	129,126	30,000	130,410
State Bank of India - floating rate note (Non US) - ISIN No. XS0279034283	USD 100	–	–	20,000	85,096
State Bank of India, London 4.50 PCT 231014 EMTN - ISIN No. XS0458057352	USD 100	20,000	45,070	–	–
<b>Others:</b>					
Contribution to Northern Shipping Fund - NFC			184,492	–	94,895
<b>Quoted:</b>					
<b>Equity Shares:</b>					
Mahindra Lifespace Developers Limited #	INR 10	16	– \$	16	– \$
ICICI Bank Limited	INR 10	150	5	150	5
<b>CURRENT:</b>					
<b>Unquoted:</b>					
<b>Mutual Fund Units:</b>					
Birla Sun Life Savings Fund - Institutional weekly dividend reinvestment		–	–	5,007,715	50,077
B321MD Birla Sun Life Dynamic Bond Fund -Retail Plan - Monthly Dividend		–	–	10,921,331	113,199
M590G BNP Paribas Fixed Term Fund-Series 21A Growth	INR 10	8,200,000	82,000	–	–
DWS Money Plus Advantage Fund - Regular Plan - Growth	INR 10	1,668,238	20,000	1,668,238	20,000
DSP BlackRock FMP 12M Series 13 Growth	INR 10	6,861,108	68,611	–	–
Fidelity Short Term Income Fund - Growth	INR 10	5,995,503	60,000	–	–
8001 /HDFC Short Term Plan Growth	INR 10	3,234,763	60,000	–	–
BPAG ICICI Prudential - Blended Plan A - Growth		–	–	1,842,414	25,189
P1529 ICICI Prudential Flexible Income Plan-Regular Weekly Dividend	INR 100	484,989	48,649	–	–
P1631 ICICI Prudential FMP Series 53 - 1Y Plan A Cumulative	INR 10	7,000,000	70,000	–	–
ICICI Prudential MF P1642 FMP-Sr. 53 - 1Y Plan D Cumulative	INR 10	5,000,000	50,000	–	–
GFRW IDFC Money Manager Fund - Treasury Plan A - Weekly Dividend		–	–	14,963	150
G209 IDFC Arbitrage Fund Plan A Growth		–	–	4,177,075	50,000
IDFC FM 100 Days Series 3 Growth	INR 10	4,746,412	47,464	–	–
Reliance Regular Saving Fund - Debt Plan - Institutional - Growth Plan	INR 10	1,970,086	25,000	1,970,086	25,000
Reliance Fixed Horizon Fund XVI Series 6 Growth Plan	INR 10	5,005,373	50,054	–	–
Templeton India Short Term Income- Retail Plan - Weekly Dividend - Reinvestment	INR 1,000	42,692	39,854	42,692	45,861
Templeton India Income Opportunites Fund - Growth	INR 10	2,429,260	25,000	2,429,260	25,000
<b>TOTAL</b>			<b>1,490,923</b>		<b>758,115</b>
Aggregate amount of quoted investments			15		15
Aggregate amount of unquoted investments			1,490,908		758,100
Aggregate market value of quoted investments			300		279
Aggregate Net Asset Value of units in Mutual Funds			660,655		367,645
# Received on splitting of shares of The Great Eastern Shipping Company Limited					
\$ Value less than ₹ 500					



## SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	As at 31-Mar-2011 (₹ in '000)	As at 31-Mar-2010 (₹ in '000)
<b>Schedule 'F'</b>		
<b>INVENTORIES:</b>		
(Refer Note No. 2.iii in Schedule 'O')		
Stores and Spare Parts	421	698
Fuel oil and Lube Oil on Vessels	10,133	8,260
<b>TOTAL</b>	<b>10,554</b>	<b>8,958</b>

<b>Schedule 'G'</b>		
<b>SUNDRY DEBTORS (UNSECURED):</b>		
Considered good		
Over six months	717	1,474
Others	15,977	2,461
	16,694	3,935
Considered doubtful		
Over six months	4,167	4,167
Less: Provision for Doubtful Debts	4,167	4,167
	-	-
<b>TOTAL</b>	<b>16,694</b>	<b>3,935</b>

<b>Schedule 'H'</b>		
<b>CASH AND BANK BALANCES:</b>		
Cash on Hand	133	134
<b>Balances with Banks in-</b>		
Current Account #	415,854	386,834
Call Account	233	235
Fixed Deposit Account ##	1,826,530	3,041,986
	2,242,617	3,429,055
<b>TOTAL</b>	<b>2,242,750</b>	<b>3,429,189</b>

# Includes ₹ 4,711 thousand (2010 - ₹.3,746 thousand) on dividend distribution account i.e. restricted

## Includes ₹ 154,855 thousand (2010 - ₹ 50 thousand) as Margin Money against Bank Guarantee

<b>Schedule 'I'</b>		
<b>OTHER CURRENT ASSETS:</b>		
Accrued Interest on Fixed Deposits with Banks	10,657	4,163
<b>TOTAL</b>	<b>10,657</b>	<b>4,163</b>

# CHOWGULE STEAMSHIPS LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	As at 31-Mar-2011 (₹ in '000)	As at 31-Mar-2010 (₹ in '000)
<b>Schedule 'J'</b>		
<b>LOANS &amp; ADVANCES: (UNSECURED)</b>		
Considered good		
Advance Income Tax (Net of Provision for Tax)	16,630	19,809
MAT Credit Entitlement	38,691	89,100
Fringe Benefit Tax (Net of Provision for Tax)	60	60
Prepaid Expenses	5,130	3,694
Other Advances Recoverable in Cash or in Kind or Value to be Received	8,072	22,328
	68,583	134,991
Considered Doubtful		
Other Advances Recoverable in Cash or in Kind or Value to be Received	13,269	-
Less: Provision for Doubtful Advances	13,269	-
	-	-
<b>TOTAL</b>	<b>68,583</b>	<b>134,991</b>

<b>Schedule 'K'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS:</b>		
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors		
Dues to Micro and Small Enterprises (Refer Note no. 14 in Schedule 'O')	-	-
Others	66,670	66,319
Charter Hire (received in advance)	15,042	10,397
Investor Education and Protection Fund shall be credited by the following amount:		
Unclaimed Dividend	4,711	3,746
Other Liabilities	569	3,739
Interest Accrued but not Due on Loans	2,288	3,603
	89,280	87,804
<b>B. PROVISIONS</b>		
For Proposed Dividend	36,308	54,463
For Tax on Proposed Dividend	6,030	9,256
For Gratuity	3,151	2,284
For Compensated Absence	1,676	1,295
For Fringe Benefit Tax (Net of Advance Tax)	1	1
	47,166	67,299
<b>TOTAL</b>	<b>136,446</b>	<b>155,103</b>

**SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	For the year ended 31-Mar-2011 (₹ in '000)	For the year ended 31-Mar-2010 (R in '000)
<b>Schedule 'L'</b>		
<b>INCOME:</b>		
<b>OPERATING EARNINGS:</b>		
Freight Earnings and Charter Hire Receipts etc. (Including chartered vessels)	709,855	910,927
<b>OTHER INCOME:</b>		
Interest on		
Bank Deposits [Tax deducted at source ₹ 62 thousand (2010 - ₹ 38 thousand)]	33,683	25,518
Debentures	-	1,477
Others	-	27
	33,683	27,022
Rent	-	45,154
Dividend Income		
From Long Term Investments	2,893	3
From Current Investments	5,848	17,369
Profit on Sale of Current Investment including unrealised Gain / (Loss) - Net	19,868	9,495
Provision no Longer Required	-	31,301
Miscellaneous Income (refer Note No. 7 in Schedule 'O')	129,042	18,633
	191,334	148,977
<b>TOTAL</b>	<b>901,189</b>	<b>1,059,904</b>

# CHOWGULE STEAMSHIPS LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended 31-Mar-2011 (₹ in '000)	For the year ended 31-Mar-2010 (₹ in '000)
<b>Schedule 'M'</b>		
<b>OPERATING AND OTHER EXPENSES:</b>		
(Including chartered vessels)		
Salaries, Wages etc.:		
Salaries, Wages, Bonus, Gratuity, etc.	9,624	8,075
Contribution to Employees' Provident Fund	622	487
Contribution to Superannuation Fund	666	397
Staff Welfare Expenses	344	380
Manning Cost	109,634	142,261
	120,890	151,600
Fuel, Oil and Water	26,923	25,679
Stores and Spare Parts Consumed	43,108	29,700
Port Disbursement, Stevedorage, Light Dues etc.	8,281	2,746
Repairs and Survey Charges	39,188	21,306
[Including repairs to building ₹ 98 thousand (2010-₹ 690 thousand)]		
Dry Docking Charges	9,569	90,066
Insurance & Protection Club Dues	25,916	38,324
Commission, Brokerage and Agency Fees	42,606	55,417
Legal & Professional Expenses	20,435	10,056
Postage, Telephone etc.	1,085	1,913
Rent	318	479
Rates and Taxes	807	759
Auditors' Remuneration		
For Statutory Audit	1,121	1,338
For Tax Audit	80	80
For Other Services	220	120
For Out of Pocket Expenses	21	-
Service Tax on above	67	51
	1,509	1,589
Directors' Fees	1,070	1,130
Claims Paid	1,887	-
Ship Management Fees Paid	20,725	26,188
Crew Expenses	22,331	17,557
Foreign Currency Translation Differences	-	72,545
Sundry Balances Written Off	-	11,322
Miscellaneous Expenses (refer Note No. 7 in Schedule 'O')	16,417	18,485
<b>TOTAL</b>	<b>403,065</b>	<b>576,861</b>
<b>Schedule 'N'</b>		
<b>INTEREST AND OTHER FINANCE CHARGES:</b>		
Interest on:		
Loans for Fixed Period	32,143	48,648
Others	527	327
	32,670	48,975
Other Financial Charges	1,625	19,348
<b>TOTAL</b>	<b>34,295</b>	<b>68,323</b>

**SCHEDULE 'O'****NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011****1. CONSOLIDATION OF ACCOUNTS****Basis of preparation**

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 items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. 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, 2011.
- 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.

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	
		2010-11	2009-10
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%	–
Blue Ocean LLC	The Marshall Islands	–	100%
Fairweather LLC	The Marshall Islands	–	100%

The 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.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared and presented under the historical cost convention, except as indicated in i 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:

**i. 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 Profit and Loss Account.

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.

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In the case of subsidiary companies, the depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Global Triumph	Over 11.41 years straight line
Maratha Pride	Over 19.95 years straight line

## ii. Investments

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

## iii. Inventories

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

## iv. Unfinished Voyage

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

## v. Revenue Recognition

Freight and demurrage earnings are recognised on a completed voyage basis. Time charter earnings are recognised in the year of accrual. 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.

## vi. Bareboat Charges

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

## vii. 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.

## viii. Employee Benefits

### a) Short Term

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

### b) Long Term

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 recognized in the Profit and Loss Account.

### 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.

## **ix. 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.

## **x. 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.

## **xi. Impairment of 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 Profit and Loss Account.

## **xii. 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.

## **xiii. 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.

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3. Staff Costs for the year ended 31st March, 2011 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: -

	2010-11 (₹ In '000)	2009-10 (₹ In '000)
a) The Company has debited the following amounts to the Profit & Loss Account in respect of defined contribution schemes		
i) Provident Fund	662	487
ii) Superannuation Fund	666	397
b) The following disclosures have been made in respect of Gratuity which is a defined benefit plan:		
<b>The amounts recognised in the Balance Sheet are as follows:</b>		
i) Present value of funded obligations	4,318	3,261
ii) Fair value of plan assets	1,167	977
iii) Net Liability	3,151	2,284
<b>The amounts recognised in the Profit and Loss Account are as follows:</b>		
i) Current service cost	445	417
ii) Interest on obligation	261	163
iii) Expected return on plan assets	(90)	(92)
iv) Net actuarial losses recognised during the year	441	508
v) Adjustment on account of opening balance	(102)	(147)
vi) Expenses recognized in the Profit and Loss Account	955	849
<b>Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:</b>		
i) Opening defined benefit obligation	3,261	2,739
ii) Service cost	445	417
iii) Interest cost	261	163
iv) Actuarial losses	351	416
v) Benefits paid	-	(474)
vi) Closing defined benefit obligation	4,318	3,261
<b>Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:</b>		
i) Opening fair value of plan assets	977	1,169
ii) Adjustment to Opening Balance	102	147
iii) Expected return	90	92
iv) Actuarial losses	(90)	(92)
v) Contribution by employer	88	135
vi) Benefits paid	-	(474)
vii) Closing fair value of plan assets	1,167	977

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 Group.

The principal actuarial assumptions at the Balance Sheet date are as follows:

	2010-11	2009-10
i) Discount rate at 31st March	8.00%	8.00%
ii) Expected return on plan assets at 31st March	8.00%	8.00%
iii) Rate of increase in compensation	5.00%	5.00%
iv) Withdrawal rate	0.50%	0.50%



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 Group during the financial year 2011-12 is ₹ 400 thousand.

The particulars relating to the current annual period and previous four periods are as under:

(₹ in '000)

Sr. No.	Particular	2010-11	2009-10	2008-09	2007-08	2006-07
1.	Present value of the obligation	4,318	3,261	2,739	4,116	3,108
2.	Fair value of the plan assets	1,167	977	1,169	2,308	2,371
3.	Surplus or Deficit in the plan	(3,151)	(2,284)	(1,570)	(1,808)	(737)
4.	Experience Adjustments arising:					
a.	on plan liabilities	351	818	21	915	340
b.	on plan assets	(90)	(91)	139	201	16

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

	<b>31.3.2011</b> (₹ In '000)	31.3.2010 (₹ In '000)
<b>4.</b> Estimated amount of contracts remaining to be executed on capital account not provided for [Against which advance paid aggregating to ₹ 1,950,173 thousand (2010 – ₹ 1,786,707 thousand)]	9,463,867	11,562,555
<b>5.</b> Secured loans include amounts due within one year	200,028	212,707

## 6. CONTINGENT LIABILITIES (NOT PROVIDED FOR):

In respect of a Sales Tax demand, the Company has contested claims amounting to ₹ 23,700 thousand (2010 – ₹ 23,700 thousand) 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 Group has already deposited ₹ 4,740 thousand (including refunds withheld by the authorities) and executed a bond of ₹ 21,804 thousand 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.

Guarantees given by Bank and counter guaranteed by the Company is ₹ 50 thousand (2010 – ₹ 50 thousand) for due performance of the Company's obligation.

- 7.** i) Miscellaneous Income includes exchange gain (net) ₹ 11,725 thousand (2010 – ₹ Nil)  
ii) Miscellaneous Expenses include exchange loss (net) ₹ Nil (2010 – ₹ 72,038 thousand)
- 8.** 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 '000)	Written Down Value as on 31.03.2002 (₹ in '000)	Revalued Amount (Substituted for original cost) as on 31.03.2002 (₹ in '000)	Difference in W.D.V. and revalued amount (₹ in '000)
Leasehold land - Office Premises	2,445	759	207,000	206,241
Freehold land - Staff Quarters	649	276	10,668	10,392
<b>TOTAL</b>	<b>3,094</b>	<b>1,035</b>	<b>217,668</b>	<b>216,633</b>

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.

- 9.** Depreciation provided on the revalued portion of the buildings amounting to ₹ 7,186 thousand (2010 – ₹ 7,564 thousand) has been directly adjusted from the Revaluation Reserve.

# CHOWGULE STEAMSHIPS LIMITED

## 10. 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.

## 11. RELATED PARTY TRANSACTIONS

As per Accounting Standards (AS) 18, the transactions with Company's related parties are disclosed below:

Name of related party	Nature of transactions
<b>Key Management Personnel</b>	<b>Remuneration</b>
MANGESH SAWANT - Executive Director (Previous year: Manager)	₹ 3,104 thousand (2010 - ₹ 2,458 thousand)

### Amounts due to / from related party

Name of the related party	Amount payable/paid
<b>Associates</b>	
Chowgule & Company Private Limited (Significant Investor)	₹ NIL (2010 - ₹ 11,560 thousand)
Chowgule Industries Private Limited (Associate of significant investor)	₹ 779 thousand (2010 - ₹ Nil)

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

	2010-11	2009-10
Net Profit available to Equity Share Holders (₹ in thousand)	276,934	766,637
Number of Equity Shares	36,308,425	36,308,425
Face Value per Equity Share (₹)	10	10
Basic & Diluted Earnings Per Share (₹)	7.63	21.11

13. The net deferred tax liability comprises of the following components:

Components of Deferred Tax	For the year 31-Mar-2011 (₹ in '000)	For the year 31-Mar-2010 (₹ in '000)
i) Assets on account of timing differences		
a) Provision for doubtful debts	1,384	1,384
b) Related to employees' benefits	1,604	1,189
c) Business loss net of short term capital gains	-	15,025
d) Long term Capital loss carried forward	-	2,542
<b>Deferred Tax Asset (A)</b>	<b>2,988</b>	<b>20,140</b>
ii) Liabilities on account of timing differences		
a) Depreciation & exchange difference	(317,065)	(389,207)
<b>Deferred Tax Liability (B)</b>	<b>(317,065)</b>	<b>(389,207)</b>
<b>Net Deferred Tax Liability as at the year end (A) - (B)</b>	<b>(314,077)</b>	<b>(369,067)</b>

The Group has recognised in the Profit and Loss Account the net provision of deferred tax asset of ₹ 54,990 thousand (2010- net provision of deferred tax liability of ₹ 167,134 thousand).

Deferred Tax Asset had been recognized in the previous year on carry forward of Losses to the extent that the reversal of the deferred tax liability will give rise to sufficient future taxable income against which such deferred tax asset can be realized.

Deferred Tax Asset had also been recognized in the previous year on carry forward of long term capital losses on the assumption that the Company would make profits from current investments which are likely to be disposed off.

- 14.** 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 March 31, 2011. This has been accepted by the Auditors.

## 15. FOREIGN CURRENCY EXPOSURES

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

Particulars	2010-11		2009-10	
	₹ Thousands	USD Million	R Thousands	USD Million
Loans	428,830	9.500	774,860	17.000
Sundry Debtors & other assets	18495	0.418	12,617	0.282
Sundry Creditors & Other Liabilities	7,452	0.168	17,898	0.401
Loans & Advances	2,088	0.047	3,454	0.077
Cash & Bank Balances	292,289	6.608	799,716	17.903

Note: USD = US Dollar

## 16. PARTICULARS OF PURCHASES AND SALES OF UNITS OF MUTUAL FUNDS:

Name of the Scheme	2010-11		2009-10	
	No. of Units	Cost (₹ in '000)	No. of Units	Cost (₹ in '000)
<b>(a) Acquired and sold during the year</b>				
B321MD Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	144,442.883	1,505	1,476,382.671	15,294
B83FD BSL Ultra Short Term Fund - Retail - Fortnightly Dividend - Reinvestment	-	-	26,001.07	266
DWS Ultra Short Term Fund - Institutional Weekly Div-Reinvest	-	-	2,810,308.946	28,344
HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Weekly Dividend	36,42,706.179	36,520	15,993.890	160
HDFC Short Term Plan - Dividend, Option : Reinvest	-	-	4,233,837.218	43,822
28Q ICICI Prudential Flexible Income Plan Premium - Daily Dividend	-	-	6,011.787	64
28 ICICI Prudential Flexible Income Plan Premium - Weekly Dividend	-	-	8,950,037.666	94,385
1526 ICICI Prudential Flexible Income Plan Premium - Weekly Dividend	1,035,820.921	109,257	207,739.746	21,912
23 INF ICICI Prudential Institutional Short Term Plan - DR - Fortnightly	-	-	6,254,877.450	75,858
GFRW IDFC Money Manager Fund - Treasury Plan - Weekly Dividend	-	-	5,548,154.432	55,909
G73 IDFC - SSIF - Short Term - Plan B - Fortnightly Dividend	-	-	658,703.185	6,664
Reliance Short Term Fund - Retail Plan - Dividend Plan	-	-	2,860,131.341	30,487
B332WD Birla Sun Life Saving Fund - Instl - Weekly Dividend - Reinvestment	5,001,316.209	50,053	-	-
DSP BlackRock Money Manager Fund - Regular Plan - Weekly Dividend	68,556.240	68,681	-	-
Fidelity FMP Series 3 - Plan C - Growth	14,100,000.000	141,000	-	-
1529 ICICI Prudential Flexible Income Plan Regular Weekly Dividend	548,386.701	55,026	-	-
1307 ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Dividend	4,565,835.000	45,658	-	-
1099 ICICI Prudential Interval Fund II Quarterly Interval Plan D - Retail Cumulative	3,256,909.572	43,000	-	-
IDFC - FMP - Quarterly Series 61 - Growth	4,637,115.502	46,371	-	-
IDFC Money Manager Fund - Treasury Plan A - Weekly Dividend	3,643,339.338	36,516	-	-

# CHOWGULE STEAMSHIPS LIMITED

Name of the Scheme	2010-11		2009-10	
	No. of Units	Cost (₹ in '000)	No. of Units	Cost (₹ in '000)
IDFC Money Manager Fund - Treasury Plan A - Weekly Dividend	7,842,331.504	78,632	-	-
Reliance Quarterly Interval Fund - Series III - Institutional Dividend Plan	7,400,833.925	74,056	-	-
Reliance Money Manager Fund - Institutional Option - Weekly Dividend Plan	49,922.869	50,053	-	-
<b>(b) Acquired during the year and retained as at the year end</b>				
B321MD Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	-	-	10,921,331.482	113,199
DWS Money Plus Advantage Fund - Regular Plan Growth	-	-	1,668,237.590	20,000
BPAG ICICI Prudential - Blended Plan A - Growth	-	-	1,842,413.909	25,189
IDFC Arbitrage Fund - Plan A - Growth	-	-	4,177,074.545	50,000
IDFC Money Manager Fund - Treasury Plan A - Weekly Dividend	-	-	14,962.743	150
Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan	-	-	1,970,086.211	25,000
Templeton India Income Opportunities Fund - Growth	-	-	2,429,259.950	25,000
Templeton India Short Term Income Retail Plan - Weekly Dividend Reinvestment	1,752.934	1,886	42,691.650	45,872
M590G BNP Paribas Fixed Term Fund Ser 21A Growth	8,200,000.000	82,000	-	-
DSP BlackRock FMP - 12M Series 13 - Growth	6,861,108.000	68,611	-	-
Fidelity Short Term Income Fund - Growth	5,995,503.372	60,000	-	-
8001 / HDFC Short Term Plan - Growth	3,234,762.919	60,000	-	-
1529 ICICI Prudential Flexible Income Plan Regular Weekly Dividend	484,988.707	48,649	-	-
1631 ICICI Prudential FMP Series 53 - 1 Year Plan A Cumulative	7,000,000.000	70,000	-	-
1642 ICICI Prudential FMP Series 53 - 1 Year Plan D Cumulative	5,000,000.000	50,000	-	-
IDFC Fixed Maturity 100 Days Series - 3 Growth	4,746,412.314	47,464	-	-
Reliance Fixed Horizon Fund - XVI Series 6 Growth Plan	5,005,373.182	50,054	-	-
<b>(c) Sold out of Acquisition of an earlier year</b>				
B901G Birla Sun Life FTP Institutional Series AO - Growth	-	-	10,000,000.00	100,000
B83FD BSL Ultra Short Term Fund - Retail - Fortnightly Dividend - Reinvestment	-	-	1,293,924.325	13,152
DSP Merrill Lynch Capital Ltd. - Debenture	-	-	805,000.000	8,050
Fidelity FMP Series 1 Plan A Institutional - Growth	-	-	2,200,000.000	22,000
28Q ICICI Prudential Flexible Income Plan Premium - Daily Dividend	-	-	809,599.705	8,560
GFRW IDFC Money Manager Fund - Treasury Plan - Weekly Dividend	-	-	1,551,423.314	15,630
G73 IDFC - SSIF - Short Term - Plan B - Fortnightly Dividend	-	-	16,108,884.244	164,900
J P Morgan India Active Bond Fund - Retail - Growth Fund	-	-	3,691,246.979	37,000
S432 SBNPP Fixed Term Plan F Retail - Growth	-	-	2,350,000.000	23,500
B321MD Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	10,921,331.482	113,199	-	-
B918RG Birla Sun Life FTP - Series BF - Retail - Growth	5,007,714.993	50,077	-	-
BPAG ICICI Prudential - Blended Plan A - Growth	1,842,413.909	25,189	-	-
IDFC Arbitrage Fund - Plan A - Growth	4,177,074.545	50,000	-	-
IDFC Money Manager Fund - Treasury Plan A - Weekly Dividend	14,962.743	150	-	-
Templeton India Short Term Income Retail Plan - Weekly Dividend Reinvestment	7,351.300	7,899	-	-

# Annual Report 2010-2011

Name of the Scheme	2010-11		2009-10	
	No. of Units	Cost (₹ in '000)	No. of Units	Cost (₹ in '000)
<b>(d) Acquired during the previous year and retained as at the year end</b>				
B918RG Birla Sun Life FTP - Series BF - Retail - Growth	–	–	5,007,714.993	50,077
DWS Money Plus Advantage Fund - Regular Plan - Growth	1,668,237.590	20,000	–	–
Reliance Regular Saving Plan Debt Plan - Institutional Growth Plan	1,970,086.211	25,000	–	–
Templeton India Income Opportunities Fund - Growth	2,429,259.950	25,000	–	–
Templeton India Short Term Income Retail Plan - Weekly Dividend Reinvestment	35,340.350	37,973	–	–

**17.** Previous year's figures have been regrouped wherever necessary to conform to current year's presentation.

For and on behalf of the Board of Directors

**VIJAY V. CHOWGULE**

Chairman

**D. N. MUNGALE**

Director

**MANGESH SAWANT**

Executive Director & CFO

Place : Mumbai,  
Date : April 21, 2011

**SUHAS JOSHI**  
Company Secretary

# CHOWGULE STEAMSHIPS LIMITED

## ANNEXURE TO THE NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011 DETAILS OF SUBSIDIARY COMPANIES AS ON MARCH 31, 2011

Sr. No.	Name of the Subsidiary Company	Chowgule Steamships Overseas Limited						(₹ in '000)	
		SUNSHINE LLC	SEA BIRD LLC	SEA LORD LLC	SEA GREEN LLC	SEA KING LLC	INR	INR	
1	Capital	44	44	44	44	44	44	44	
2	Reserves	2,190,778	(5,004)	-	-	-	-	(464)	
3	Total Assets	2,210,381	1,628,239	125,972	166,267	601,838	601,838	601,838	
4	Total Liabilities	2,210,381	1,628,239	125,972	166,267	601,838	601,838	601,838	
5	Details of Investments	-	-	-	-	-	-	-	
6	Total Income	391,700	9,014	-	-	-	-	-	
7	Profit before taxation	178,967	(5,029)	-	-	-	-	(467)	
8	Provision for taxation	-	-	-	-	-	-	-	
9	Profit after taxation	178,967	(5,029)	-	-	-	-	(467)	

Exchange rate as on 31.03.2011  
USD 1 = INR 44.23

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 21, 2011

**CHOWGULE STEAMSHIPS LIMITED**

Name : .....

e-mail id : .....

Address : .....

.....

DP ID. : .....

Client ID. : .....

Folio No. : .....

(in case of physical holding)

No. of equity shares held : .....

(the period for which held)

Signature of Member

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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 Seventh Annual General Meeting of Chowgule Steamships Limited to be held on July 8, 2011, at 11.00 AM (I.S.T.) and at any adjournment thereof.

Signed this..... day of.....2011

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.

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**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