

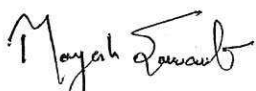
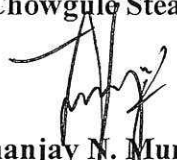
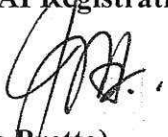
# 52ND ANNUAL REPORT 2014-15



## Chowgule Steamships Limited

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company	Chowgule Steamships Limited
2.	Annual Standalone financial statement for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- <ul style="list-style-type: none"> <li>• CEO / Managing Director</li>   <li>• CFO</li>   <li>• Audit Committee Chairman</li>   <li>• Auditors of the Company</li> </ul>	<p>For Chowgule Steamships Limited</p>  <p><b>Mangesh S. Sawant</b> Managing Director &amp; CFO</p> <p>For Chowgule Steamships Limited</p>  <p><b>Dhananjay N. Mungale</b> Audit Committee Chairman</p> <p>In terms of our report attached On the financial statements of the Company</p> <p>For S. B. Billimoria &amp; Co. Chartered Accountants (ICAI Registration No. 101496W)</p>  <p><b>(Joe Pretto)</b> <b>(Partner)</b> <b>(Membership No. 077491)</b> <b>MUMBAI, 7<sup>th</sup> May, 2015</b></p>

# CHOWGULE STEAMSHIPS LIMITED

## BOARD OF DIRECTORS

Vijay V. Chowgule	(DIN 00018903)	Chairman	- Promoter Non-Executive Director
Dhananjay N. Mungale	(DIN 00007563)		- Independent Non-Executive Director
Jaywant Y. Chowgule	(DIN 00019008)		- Promoter Non-Executive Director
Sanjiv N. Shah	(DIN 00007211)		- Independent Non-Executive Director
Nathan R. Chowgule	(DIN 00029130)		- Promoter Non-Executive Director
Prof. Rohini V. Chowgule	(DIN 00019057)		- Promoter Non-Executive Director
Ravindra Kulkarni	(DIN 00059367)		- Independent Non-Executive Director
Farokh Guzder	(DIN 00108856)		- Independent Non-Executive Director
Admiral Arun Prakash (Retd)	(DIN 06414499)		- Independent Non-Executive Director
Mangesh Sawant	(DIN 00007197)	Managing Director & CFO	- Non-Promoter Executive Director

Director Identification Number (DIN)

## COMPANY SECRETARY & COMPLIANCE OFFICER

Suhas Joshi

## SOLICITORS

Khaitan & Co.

## REGISTERED OFFICE

Chowgule House,  
Mormugao Harbour,  
Goa - 403 803.

## 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](mailto:rnt.helpdesk@linkintime.co.in)

Corporate Identity Number (CIN)-L63090GA1963PLC000002

## 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](mailto:joshi.csl@chowgule.co.in)  
Web : [www.chowgulesteamships.co.in](http://www.chowgulesteamships.co.in)

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# CHOWGULE STEAMSHIPS LIMITED

## NOTICE

NOTICE is hereby given that the Fifty Second Annual General Meeting (AGM) of the Members of CHOWGULE STEAMSHIPS LIMITED will be held on Friday, July 17, 2015 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 Financial Statements including the Audited Balance Sheet of the Company as at March 31, 2015 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Prof. Rohini Chowgule (DIN 00019057), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Jaywant Chowgule (DIN 00019008), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To confirm and ratify the appointment of auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and to pass the following resolution in this behalf.

**“RESOLVED** that, pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the shareholders at the Fifty First Annual General Meeting of the Members held on July 9, 2014, the appointment S.B. Billimoria & Co., Chartered Accountants (Registration No. 101496W) as Auditors of the Company to hold office from conclusion of this AGM till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined by the Audit Committee in consultation with the Auditors.

### SPECIAL BUSINESS

5. 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 196, 197, and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the said Act, including any statutory modification and re-enactment thereof for the time being in force, and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded to the appointment of Mr. Mangesh Sawant (DIN 00007197), as the Managing Director & CFO of the Company for a period of three years w.e.f. April 1, 2015 on the terms and conditions and remuneration as set out in the explanatory statement annexed to the notice convening this AGM, with liberty to the Board of Directors (hereinafter referred to as “the Board”, which term shall deem to include any Committee of the Board constituted to exercise its powers including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment including designation and/or remuneration subject to the same being within the limits specified in the said Schedule V to the Companies Act, 2013 or any re-enactment thereof.

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

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

Place: Mumbai,  
Date : May 07, 2015

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) The Register of Members and Share Transfer Books of the Company will remain closed from July 10, 2015 to July 17, 2015, both days inclusive.
- 5) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 6) 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.
- 7) Unclaimed Dividends up to the year 1994-95 have been transferred to the General Revenue Account of the Central Government. Those shareholders, who have so far not claimed or collected their dividend up to the above financial year, may claim their dividend from the Registrar of Companies, Goa, Daman & Diu.
- 8) Unclaimed Dividends for the years 1995-96, 1996-97, 2004-05, 2005-06 and 2006-07 have been duly transferred to the Investor Education and Protection Fund. Members have no right or claim whatsoever against the said amount. Unclaimed dividend for the year 2007-08 is due

for transfer to Investors Education & Protection Fund in August, 2015. Members, who have so far not claimed their Dividend for 2007-08 or any of the subsequent years, are requested to immediately write to the Company's Share Transfer Agents.

- 9) The shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and the listing fees in respect thereof for the year 2015-16 have been paid to BSE.
- 10) All enquiries and correspondence regarding transfer of shares, dematerialization, etc., should be made with the Share Transfer Agents of the Company, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078.
- 11) Members are requested to note that pursuant to amended Clause 5A (II) of the Listing Agreement with the Stock Exchange, the Company is required to transfer all the unclaimed shares into one folio in the name of 'Unclaimed Suspense Account' and these shares are to be dematerialized and kept with depository participants. In compliance of said clause, the Company has transferred 8737 unclaimed shares into one folio in the name "Chowgule Steamships Limited - Unclaimed Shares Suspense Account" and the said shares are being dematerialized.
- 12) The Notice of the Fifty Second Annual General Meeting and instructions for e-voting, along with the Attendance Slip/Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode. Members may also note that the Notice of the Fifty Second Annual general Meeting and the Annual Report 2015 will be available on the Company's website, [www.chowgulesteamships.co.in](http://www.chowgulesteamships.co.in). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at 'joshi.csl@chowgule.co.in'.
- 13) **Voting through electronic means:**
  - (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
  - (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
  - (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. July 10, 2015, may cast their vote electronically.
  - (d) The e-voting period commences at 10.00 a.m. on Monday, July 13, 2015 and ends at 5:30 p.m. on Wednesday, July 15, 2015. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - (f) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on the cut-off date as mentioned above.
  - (g) The Board of Directors at its meeting held on May 7, 2015 has appointed Mr. Vinayak N. Deodhar, Practicing Company Secretary as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - (h) **The instructions for shareholders voting electronically are as under:**
    - (i) The voting period begins on Monday, July 13, 2015 and ends on Wednesday, July 15, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date July 10, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
    - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - (iii) Click on Shareholders.
    - (iv) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - (v) Next enter the Image Verification as displayed and Click on Login.
    - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

# CHOWGULE STEAMSHIPS LIMITED

For Members holding shares in Demat Form and Physical Form	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for **Chowgule Steamships Limited** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 14) Members are requested to carefully read the instructions and in case of any queries, you may refer to the QnA on e-Voting for Members and User Manual for Shareholders to cast their votes available in the Help section of [www.evotingindia.com](http://www.evotingindia.com).
- 15) Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
- 16) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 17) The Results shall be declared on or after the date of Annual General Meeting of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.chowgulesteamships.co.in](http://www.chowgulesteamships.co.in) and on the website of CDSL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company on July 17, 2015 and communicated to BSE Limited.
- 18) All documents referred to in the Notice will be available for inspection at the Company’s Registered Office during normal business hours on working days up to the date of the AGM.

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

Place: Mumbai,  
Date : May 07, 2015

Suhas Joshi  
**Company Secretary**

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### SPECIAL BUSINESS

##### Item No.5

Mr. Mangesh S. Sawant was appointed as Whole-time Director (designated as Executive Director & CFO) of the Company for a period of 3 years w.e.f. April 22, 2013. Mr. Sawant has been with the Company since 1986 and has served the Company in various positions at senior management levels during his tenure. In view of this and considering vast experience and expertise of Mr. Sawant in the shipping industry, it is now proposed to appoint Mr. Sawant as the Managing Director & CFO of the Company for a period of three years w.e.f. April 1, 2015 on the following terms and conditions, as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors at its meeting held on May 7, 2015:

**A. Period** - The term of appointment is 3 (three) years w.e.f. April 1, 2015.

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

**B. Remuneration & Perquisites**

- i) Basic Salary – ₹ 4,00,000 per month in the scale of ₹ 4,00,000 – ₹ 40,000 – ₹ 5,20,000.
- ii) House Rent Allowance – 30% of Basic Salary per month.
- iii) Leave Travel reimbursement for self and family – ₹ 60,000/- per annum.
- iv) Reimbursement of medical expenses incurred for self and family – ₹ 40,000/- per annum.

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

- (i) Contributions to Provident Fund and Superannuation Fund as per the Rules of the Company.
- (ii) Gratuity not exceeding one month's salary for each completed year of service.
- (iii) Provision of car with driver for use on the Company's business and telephone at residence. The use of car for personal purpose and personal long distance calls shall be billed by the Company to the Managing Director & CFO.

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

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

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

**G. Modification of Terms**

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

The Company has incurred loss as per the audited balance sheet as at March 31, 2015. As such, the remuneration payable to Mr. Sawant as the Managing Director & CFO would be governed by Section II, Part II of Schedule V to the Companies Act, 2013. Based on the limits prescribed under Table (A) of Section II, Part II of Schedule V to the Companies Act, 2013, the Company can pay remuneration to Mr. Sawant up to ₹ 60 Lacs per annum. However, as per the proviso to the said provision, the said limit stands doubled in case if the resolution passed by the shareholders is a special resolution. In view of the above, it is proposed to obtain approval of the shareholders by way of special resolution as the proposed remuneration payable to Mr. Sawant exceeds ₹ 60 Lacs per annum.

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

No director, key managerial personnel or their relatives, except Mr. Mangesh Sawant, to whom the resolution relates, is interested or concerned in passing of the resolution. The Board recommends the resolution set forth in Item No. 5 for approval of the members. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Information as required under Schedule V to the Companies Act, 2013 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

# CHOWGULE STEAMSHIPS LIMITED

## 4) Financial performance based on given indicators:

(₹ in Crores)

Particulars	Year 2015	Year 2014	Year 2013
Total Revenue	11.47	18.59	21.33
Total Expenses	31.90	55.07	32.01
Profit/Loss after Tax	(20.43)	(36.48)	(10.68)
Dividend Rate	NIL	NIL	NIL

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

Foreign exchange earnings on FOB basis amounted to ₹ 7.42 Crores for the year ended March 31, 2015 as against foreign exchange outgo of ₹ 13.33 Crores for the financial year ended March 31, 2015.

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

The Company is listed on BSE and as on March 31, 2015, the foreign holdings in the Company were about 11.12%. There are no foreign collaborators.

## II. INFORMATION ABOUT THE APPOINTEE:

### 1) Background details:

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

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

In terms of the approval granted by the shareholders at the Fiftieth Annual General Meeting held on July 12, 2013, Mr. Sawant was drawing remuneration as under:

- Basic Salary – ₹ 2,50,000/- per month
- House Rent Allowance - 30% of Basic Salary
- Leave Travel Reimbursement for self and family subject to maximum up to ₹ 60,000/-
- Reimbursement of medical expenses incurred for self and family subject to maximum up to ₹ 40,000/- per annum.

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

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

### 3) Job Profile of Managing Director & CFO and Suitability

The responsibilities of Managerial Personnel have increased substantially with the growth of the Company. Mr. Sawant has an outstanding career with the Company with rich and varied experience in all aspects of shipping industry. Mr. Sawant is designated as Managing Director and CFO and handles operations of the Company and also looks after day to day affairs. Mr. Sawant is vested with powers of management subject to the direction, supervision and control 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 appointment of Mr. Sawant as the Managing Director & CFO.

### 4) Remuneration proposed: As stipulated in the resolution and explanatory statement

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

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

The annual remuneration packages of managing directors in other companies range between Rs. 60 Lacs to Rs. 100 Lacs. Therefore considering the general industry trend and specific company profile, the proposed remuneration is in line with the prevalent industry levels and trends.



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

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

**III. OTHER INFORMATION**

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

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

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

**IV. DISCLOSURES**

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

A copy of the contract for appointment of Mr. Mangesh Sawant entered into by the Company with Mr. Sawant is available at the registered office of the Company for inspection by any member of the Company during business hours.

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

Suhas Joshi  
**Company Secretary**

Place: Mumbai,  
Date : May 07, 2015

# CHOWGULE STEAMSHIPS LIMITED

## BOARD'S REPORT 2014-2015

To  
The Shareholders,

Your Directors present the Fifty Second Annual Report and the Audited Accounts for the year ended March 31, 2015.

### 1. FINANCIAL RESULTS & APPROPRIATIONS:

(₹ in Lakhs)

	2014-15	2013-14
Loss before Financial Charges, Depreciation, Exceptional Item & Tax	(1,559.71)	(1.90)
Financial Charges	(52.29)	(95.06)
Depreciation	(811.40)	(679.61)
Loss before Exceptional Item & Tax	(2,423.40)	(776.57)
Profit on Sale of Land	552.76	–
Impairment	(530.85)	–
Profit/(Loss) on Foreign Currency Translation difference	(48.83)	439.02
Loss before Deferred Tax Provision	(2,450.32)	(337.55)
Reversal of Provision for Deferred Tax (Net)	406.34	301.07
Loss after Tax	(2,043.98)	(36.48)
Brought forward from previous year	2,949.68	2,986.16
Adjustment as per new Companies Act, 2013	(16.96)	–
Balance Transferred to Balance Sheet	888.74	2,949.68

In view of the loss, the Board of Directors has not recommended any dividend for the year under review. Further, no amount is transferred to Reserves & Surplus.

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

During the year under review the freight earnings and charter hire receipts amounted to ₹ 731.54 Lakhs as against ₹ 1,554.88 Lakhs during the previous year showing decrease of ₹ 823.34 Lakhs. The BDI which started the year at 1316 in April 2014 scaled down to 602 by March 2015. The dry bulk freight markets have remained depressed for most of the year.

#### INDUSTRY REVIEW & FUTURE OUTLOOK

During 2014-2015 average earning in all bulk carrier sectors remained weak as a result of continued oversupply and sluggish demand.

In 2014, Dry bulk trade continued to grow at 5% Y-o-Y and the fleet growth slowed to 4.4% after 6% growth in 2013 and 11% growth in 2012. The bulker order book stands at 21% of the existing fleet, of which 8% are scheduled to be delivered in 2015, whereas seaborne dry bulk trade is projected to rise by 4%.

The Company primarily operates in the Handysize sector where demand is largely driven by minor bulk trade. In 2014, seaborne minor bulk trade increased by 2% Y-o-Y as compared to 4% in the previous year. In 2015, new building handysize vessels scheduled for delivery represent 8% of the existing fleet, whereas total minor bulk trade is expected to grow only 3%.

Thus, we continue to face a structural over capacity in the market. A recovery in the market is highly dependent on improvement in seaborne trade, contracting and scrapping activity.

#### INTERNAL FINANCIAL CONTROL SYSTEM

The Company has effective systems and procedures of internal financial control for ensuring orderly and efficient conduct of its business, safeguarding its assets, prevention & detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. These systems are periodically reviewed by the Audit Committee of the Board of Directors. The Audit Committee and the Board have ensured that the said system is adequate considering the nature of business and size of transactions.

#### GOVERNMENT POLICIES

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

#### INDUSTRIAL RELATIONS

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