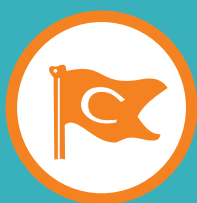


53RD ANNUAL REPORT 2015-16



Chowgule Steamships Limited

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

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

Corporate Identity Number (CIN)-L63090GA1963PLC000002

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CHOWGULE STEAMSHIPS LIMITED

NOTICE

NOTICE is hereby given that the Fifty Third Annual General Meeting of the Members of CHOWGULE STEAMSHIPS LIMITED will be held on Friday, July 29, 2016 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 Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay V. Chowgule, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mangesh Sawant, 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 Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

"RESOLVED that, pursuant to the provisions of Sections 139 and 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 of S.B. Billimoria & Co., Chartered Accountants (Registration No. 101496W) as Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting 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 an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant Rules made there under (including any amendment, modification or re-enactment thereof), members of the Company do hereby ratify and accord their approval to the contract entered into by the Company with Chowgule And Company Private Limited, being a Related Party pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, for acquisition of River-Sea vessel viz. Chowgule- 7 on the terms and conditions 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, vary and renew the terms and conditions in connection with the said transaction as they may deem fit in the interest of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things 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 06, 2016

Suhas Joshi
Company Secretary

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be valid, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 2) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- 3) A brief profile of Directors seeking re-appointment at the Annual General Meeting is given in the Corporate Governance section of the Annual Report.
- 4) Register of Directors, Key Managerial Personnel and their shareholding and Register of Contracts or arrangements in which Directors are interested will be available for inspection at the Annual General Meeting.

- 5) The Register of Members and Share Transfer Books of the Company will remain closed from July 22, 2016 to July 29, 2016, both days inclusive.
- 6) 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.
- 7) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 8) Unclaimed Dividends up to the year 1994-95 have been transferred to the General Revenue Account of the Central Government. Those shareholders, who have so far not claimed or collected their dividend up to the above financial year, may claim their dividend from the Registrar of Companies, Goa, Daman & Diu.
- 9) Unclaimed Dividends for the years 1995-96, 1996-97, 2004-05, 2005-06, 2006-07 and 2007-08 have been duly transferred to the Investor Education and Protection Fund. Unclaimed dividend for the year 2008-09 is due for transfer to Investors Education & Protection Fund, Members, who have so far not claimed their Dividend for 2008-09 or any of the subsequent years, are requested to immediately write to the Company's Share Transfer Agents.
- 10) The shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and the listing fees in respect thereof for the year 2016-17 have been paid to BSE.
- 11) All enquiries and correspondence regarding transfer of shares, dematerialization, etc., should be made with the Share Transfer Agents of the Company, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078.
- 12) Members are requested to note that pursuant to Regulation 39 of the SEBI (Listing Obligations & Disclosure Requirements) 2015, the Company has transferred the unclaimed shares into share suspense account maintained for the purpose. At the beginning of the year, total 8737 shares were lying credited to the said share suspense account belonging to 161 shareholders. During the year, none of the shareholders approached the Company for transfer of shares from suspense account. Hence there was no change in the number of shares held in share suspense account during the year.
- 13) The Notice of the Fifty Third 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 Third Annual general Meeting and the Annual Report 2016 will be available on the Company's website, www.chowgulesteamships.co.in. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : joshi.csl@chowgule.co.in
- 14) Voting through electronic means:
 - (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
 - (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
 - (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. July 22, 2016, may cast their vote electronically.
 - (d) The e-voting period commences at 10:00 a.m. on Tuesday, July 26, 2016 and ends at 5:00 p.m. on Thursday, July 28, 2016. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (f) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on the date of dispatch of notice.
 - (g) The Board of Directors at its meeting held on May 6, 2016 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 July 26, 2016 at 10.00 a.m. and ends on July 28, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 22, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.

CHOWGULE STEAMSHIPS LIMITED

- (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 and voted on an earlier voting of any other company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for **Chowgule Steamships Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- 15) Members are requested to carefully read the instructions and in case of any queries, you may refer to the QnA on e-Voting for Members and User Manual for Shareholders to cast their votes available in the Help section of www.evotingindia.com.
- 16) Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
- 17) The 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.
- 18) 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 will be placed on the Company's website www.chowgulesteamships.co.in and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company on July 29, 2016 and communicated to BSE Limited.
- 19) The route map showing directions to reach the venue of the 53rd Annual General Meeting is given along with the Annual Report.
- 20) 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 upto the date of the Annual General Meeting.

By order of the Board of Directors
For Chowgule Steamships Limited

Suhas Joshi
Company Secretary

Place: Mumbai,
Date : May 06, 2016

CHOWGULE STEAMSHIPS LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

SPECIAL BUSINESS

Item No.5

Acquisition of Vessel

In view of the continued depressed international freight market and also in line with its policy of fleet rationalisation, the Company disposed off its vessel Maratha Providence (1995 built) in October 2015. As a consequence, the Company did not have any vessel in its own name though it has four Handysize vessels under its wholly owned subsidiary viz. Chowgule Steamships Overseas Limited. The international freight market has remained subdued on account of sluggish demand and oversupply of vessels. In order to explore opportunities in coastal trade in India, the Company acquired a River-Sea Vessel viz. Chowgule – 7 from Chowgule And Company Private Limited (CCPL), a Related Party, on the following broad terms and conditions:

1.	Purchase Price	-	INR 20,00,00,000/-
2.	Payment Terms	-	Deposit of 10% on signing of MOA and deferred credit of 3 years for the balance amount
3.	Delivery	-	Delivery on or before 31-03-2016

The purchase price is derived on the basis of valuation certificate received from an Independent Valuer and hence the price is deemed as an Arm's Length price. The said Vessel was delivered on March 29, 2016.

In terms of the provisions of Section 188 (1) of the Companies Act, 2013 read with the relevant Rules made there under any transaction entered into by a company having paid-up capital of ₹ 10 Crores or more with related party requires prior approval of shareholders. However, the third proviso to section 188(1) of the Companies Act, 2013, states that section 188 (1) shall not apply to any transaction entered into by a company in its ordinary course of business and on an Arm's Length basis.

Accordingly, though the above transaction with Chowgule And Company Private Limited is a transaction with a related party, since the acquisition of the vessel is in the ordinary course of business for both the parties and on an Arm's Length basis, as per the valuations arrived at by independent Valuer, the same does not attract the provisions of Section 188 of the Companies Act 2013.

However, in terms of Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, all material related party transactions require prior approval of Audit Committee and approval from shareholders. As per the said SEBI Regulations, a transaction with a Related Party shall be considered material if the value of transaction exceeds 10% of the Annual Consolidated Turnover of the listed entity. Since, acquisition of the vessel is a material transaction; within the aforesaid meaning, approval of shareholders is being sought by way of an Ordinary Resolution. Prior approval of the Audit Committee and the Board of Directors has already been obtained. The particulars of the contract entered into by the Company, are provided in brief, herein below.

Sr. No	Nature of Transactions	Name of the Director/KMP Who is a related and nature of relationship	Name of the Related Party	Amounts (in Crore)
1	Acquisition of vessel viz. Chowgule -7:	Mr. Vijay V. Chowgule being director/member of CCPL	Chowgule And Company Private Ltd.	₹ 20 Crores
2	Purchase Price - ₹ 20 Crores	Mr. Jaywant Chowgule being director of CCPL		
3	Payment Terms - 10% on signing of MOA and deferred credit of 3 years for the balance amount.	Mr. Nathan Chowgule being director of CCPL		
4	Delivery - on or before 31-03-2016 (Which was since delivered on March 29, 2016).	Prof. Rohini Chowgule being relative of Mr. Vijay Chowgule who is an interested director.		

None of the Directors except Mr. Vijay V. Chowgule, Mr. Jaywant Y. Chowgule, Mr. Nathan Chowgule and Prof. Rohini Chowgule are concerned or interested in passing of the above resolution.

The Board commends the resolution for approval of the members.

By order of the Board of Directors
For Chowgule Steamships Limited

Place: Mumbai,
Date : May 06, 2016

Suhas Joshi
Company Secretary

DIRECTORS' REPORT 2015-2016

To

The Shareholders,

Your Directors present the Fifty Third Annual Report and the Audited Accounts for the year ended March 31, 2016.

1. FINANCIAL RESULTS & APPROPRIATIONS:

(₹ in lakhs)

	2015-16	2014-15
Loss before Financial Charges, Depreciation, Exceptional Item & Tax	(420.62)	(1,559.71)
Financial Charges	(33.93)	(52.29)
Depreciation	(456.90)	(811.40)
Loss before Exceptional Item & Tax	(911.45)	(2,423.40)
Loss on sale of vessel	(41.65)	NIL
Profit on Sale of Land	NIL	552.76
Impairment	NIL	(530.85)
Loss on Foreign Currency Translation difference	NIL	(48.83)
Loss before Deferred Tax Provision	(953.10)	(2,450.32)
Reversal of Provision for Deferred Tax (Net)	170.89	406.34
Loss after Tax	(782.21)	(2,043.98)
Brought forward from previous year	888.74	2,949.68
Adjustment as per the Companies Act 2013	NIL	(16.96)
Surplus in Statement of Profit and Loss	106.53	888.74

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 ₹ 467.05 lakhs as against ₹ 731.54 lakhs in the previous year showing a decrease of ₹ 264.49 lakhs. The Baltic Dry Bulk Index which started the year at 596 in April 2015 scaled down to 429 by March 2016. The dry bulk freight markets have remained depressed for most of the year.

In view of the continued depressed freight market conditions and also in accordance with its policy of rationalization of fleet, the Company disposed off its 1995 built vessel Maratha Providence in October 2015. The Company acquired a new built river-sea vessel to explore opportunities in Indian coastal trade.

INDUSTRY REVIEW & FUTURE OUTLOOK

The year 2015 saw a significant shift in bulk carrier demand with sea borne dry bulk trade estimated to have declined by 5% y-o-y to 4.7 bn tones, following average growth of around 7% p.a. in the preceding five year period. The build-up of surplus capacity as well as limited growth in sea borne trade, continued to place pressure on fundamentals in 2015. The bulk carrier fleet expanded by 2.4% in 2015, which was the slowest pace of growth since 1999. Weak market conditions led to surge in demolition. Deliveries continued at a relatively steady pace but the ordering was very subdued in 2015. However, the problem has now shifted to the demand side, with the dramatic slowdown in Chinese dry bulk imports in 2015 contributing to 0.1% decline in sea borne dry bulk trade in 2015, causing a further build up of oversupply. The average bulker earnings dropped below operating cost of the vessel. The extremely difficult operating environment is leading to aggressive demolition. This is projected to help bulk carrier fleet growth to just 1.5% in 2016 and 0.7% in 2017, while new building interest is expected to be subdued. Despite this notable supply-side adjustment, the outlook for sea borne dry bulk trade growth remains difficult. Looking forward to 2016-17, world sea borne trade is projected to grow at a relatively muted pace. Global GDP expansion is expected to pick up slightly in the short term, to reach 3.4% in 2016 and sea borne trade volume is expected to grow by 2.2%. Considering existing imbalance between demand and supply, the market is likely to remain under pressure in 2016-17.

INTERNAL FINANCIAL CONTROL SYSTEM

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

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

CHOWGULE STEAMSHIPS LIMITED

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 bode 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 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 ₹ 1,198.14 lakhs (US\$ 1.90 million). The total outstanding loan at year end is ₹ NIL.

4. DEFERRED TAX LIABILITY

In terms of the Accounting Standard AS-22 of the Companies (Accounting Standards) Rules 2006, there is a reversal of Deferred Tax liabilities amounting to ₹ 170.89 lakhs for the Financial Year 2015-2016, which is reflected in the Statement of Profit & Loss. The net Deferred Tax Liability of ₹ 464.99 lakhs as at March 31, 2016 is reflected in the Balance Sheet.

5. SUBSIDIARIES

The Company has five overseas subsidiaries including one wholly owned subsidiary and four step-down subsidiaries. During the year Sea Green LLC ceased to be a subsidiary of the Company. The Board of Directors of the Company reviewed the affairs of subsidiaries of the Company. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of the subsidiaries in the prescribed format AOC-1 is appended as Annexure 2. The Company will make available these documents / details upon request by any member of the Company. However, pursuant to Accounting Standard AS-21 of the Companies (Accounting Standards) Rules 2006, Consolidated Financial Statements presented by the Company include the financial information of its subsidiaries. The Company does not have any other joint venture/associate company in which it has significant influence. The financial highlights of its wholly owned subsidiary viz. Chowgule Steamships Overseas Limited are as under:

	(US \$ in million)	
	2015-16	2014-15
Income	7.210	12.518
Gross Profit / (Loss) before depreciation and exceptional items	(1.327)	2.926
Depreciation	(5.182)	(5.834)
Impairment	(12.630)	(10.807)
Write-off for cancellation of new build order	(9.344)	—
Net Loss	(28.483)	(13.715)