

K. S. AIYAR & CO

CHARTERED ACCOUNTANTS

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To,
The Board of Directors;
The Scindia Steam Navigation Company Limited;
Andheri, Mumbai.

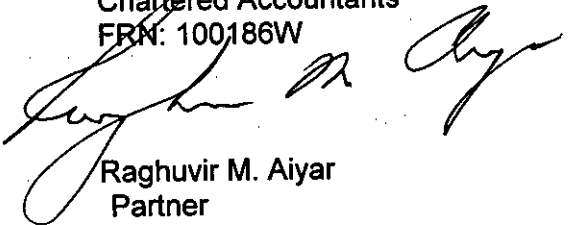
RE: **LIMITED REVIEW OF THE CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st December, 2011.**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of The Scindia Steam Navigation Company Limited for the quarter ended on 31st December, 2011 and the consolidated year to date results for the period from 01-04-2011 to 31-12-2011 attached herewith except for the disclosures regarding public shareholding and Promoter and Promoter Group shareholding which have been traced from disclosures made by the management and have not been audited by us. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Indian Generally Accepted Accounting Principles. Our responsibility is to express a conclusion on this interim financial information based on our review. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors.
2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
3. *The shipping operations of the Company stand suspended. The Company has continuously incurred losses and thereby the net worth of the Company has been totally eroded and a substantial loss is carried forward as at 31st December, 2011. The Company has filed a petition with the high court of Bombay on February 28, 2011 to wind up the company by order of the court under the relevant provisions of the Companies Act, 1956. In view of these facts, the Company will no longer be a 'Going Concern'. Despite this, the accounts of the Company have been prepared on a 'Going Concern Basis' in the absence of adequate data and information for its compilation on an alternative basis. Consequently, no adjustments are made in the accounts relating to the recoverability of recorded asset amounts and in respect of recorded liabilities and contingent liabilities that might devolve on the Company.*



4. *The Company has granted a loan to Scindia Workshop Limited, the Subsidiary Company. Outstanding amount of such loan with accrued interest as at 31st December, 2011 is Rs.1708 Lakhs. The recoverability of this amount is, in our opinion, dependent on outcome of the reference made under Section 18 of the Land Acquisition Act, 1894 against the award given by the Special Land Acquisition Officer (MHADA) for the land and buildings acquired by the Government of Maharashtra.*
5. We report that the consolidated unaudited financial results have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate unaudited financial results of the wholly owned subsidiary of the Company (i.e. Scindia Workshop Ltd.) which have not been reviewed but are included in the said consolidated results. The unaudited financial results of the Subsidiary reflect Company's share in Loss of Rs.0.43 Lakhs for the quarter and Rs.0.54 Lakhs for the nine months period ended on 31-12-2011 and in the total accumulated losses of Rs.1731.99 Lakhs for the period ended on 31-12-2011
6. Based on our review conducted as above *except for the matters stated in 3, 4 and 5 above* nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For K.S.Aiyar & Co.
Chartered Accountants
FRN: 100186W



Raghuvir M. Aiyar
Partner
M.No.38128

Place: Mumbai
Date: 29/02/2012

