


The Scindia Steam Navigation Co. Ltd.

91st ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

2009-2010

For the year ended 31st March 2010

Chairman

Annual General Meeting

On Wednesday, July 28, 2010 at 11.30 A.M. at M.C. Ghia Hall,
Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001.

THE SCINDIA STEAM NAVIGATION COMPANY LIMITED

BOARD OF DIRECTORS

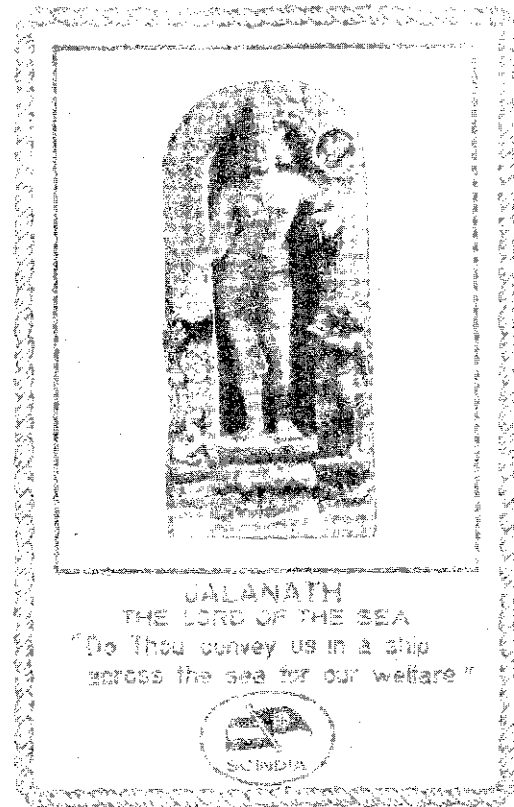
Shri D. A. Biwalkar - Chairman and
Managing Director

Shri Dinesh Kumar

Shri G. Srinivas

Shri J. S. Phaugat (from 18.08.2009)

Shri Makaradhwaj Sahu (upto 18.08.2009)



Auditors:

Messrs. K.S. Aiyar & Co.

Registered Office:

Scindia Colony, Building No. III,
Sir M.V. Road, Opp. Vishal Hall
Andheri (East), Mumbai-400 069.
Tel. : 022-2684 8120-8121
Fax : 022-2684 8587

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Notice

Notice is hereby given that the Ninety first Annual General Meeting of The Scindia Steam Navigation Company Limited, will be held at M.C.Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince of Wales Museum), Mumbai-400 001 on Wednesday, the 28th July 2010 at 11:30 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon
2. To appoint auditors to hold office from the conclusion of the meeting until the conclusion of the next Annual General Meeting of the Company, and to authorise the Board of Directors to fix their remuneration.

Special Business:

3. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 269,309 and other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time and subject to the limits specified in Section 198 and 309 read with Schedule XIII to the Companies Act, 1956, and subject to approval of the Government of India, approval of the Company be and is hereby accorded to the appointment of Shri D.A.Biwalkar as Chairman and Managing Director of the Company, for a period of one year from March 26, 2010, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice".

"RESOLVED FURTHER THAT the Board may, subject to the consent of Shri D.A.Biwalkar, accept alteration and/or modification, if any, as may be required or directed by the Government of India".

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, matters, deeds and things as may be necessary and desirable to implement the foregoing Resolution".

4. 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 Section 163 and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and rules and regulations there under, or any statutory modification or any amendment or substitution or re-enactment thereof, approval of the Company be and is hereby accorded towards shifting the Registers and Index of Members of the Company under Sections 150 and 151 of the Act and copies of returns prepared under Section 159 of the Act, together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act, or any one or more of them and other related books, from the Registered Office of the Company to the office premises of M/s. Sharex Dynamic (India) Private Limited, Company's Registrar & Transfer Agent (Registration No. INR 000002102) having their Registered Office at 17/B Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001 and/ or at their branch office at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072, and/or at such other office(s) of the Registrar and Transfer Agents, within the city of Mumbai".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to the above resolution".

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT the company be wound up by the Court under the provisions of Section 433(a), 433(e), 433(f) read with Section 439(1)(a), and other applicable provisions, if any, of the Companies Act, 1956, and that, in this regard, the company do take necessary steps and initiate measures as advised by the Counsels/Solicitors/ Practicing Company Secretary".

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to delegate the powers in the above matter to any Committee or individual Director authorising it/him to take necessary steps including filing petitions, documents and declarations as may be necessary in the matter".

By Order of the Board of Directors,
For **THE SCINDIA STEAM NAVIGATION CO. LTD.**

D.A.Biwalkar
Chairman and Managing Director

Date: May 28, 2010

Registered Office:

Scindia Colony, Building No. 3,
Sir M.V.Road, Andheri (East),
Mumbai 400 069.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE. INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
2. An explanatory Statement as required under Section 173 of the Companies Act, 1956, in respect of Item Nos. 3, 4 and 5 is annexed.

3. The Register of Members and Share Transfer Register will remain closed from July 06, 2010 (Tuesday) to July 09, 2010 (Friday), (both days inclusive).
4. The Company's equity shares are listed at Bombay Stock Exchange Ltd. Mumbai, (Regional Stock Exchange) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The Company has paid annual listing fee to the Stock Exchange for the financial year 2010-11.
5. Shareholders are requested to notify any change of address. In case the mailing address mentioned on this Annual Report is without the PINCODE, shareholders are requested to kindly inform their PINCODE.

Annexure to the Notice:

(EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956).

Item No. 3

One year tenure of Shri D.A.Biwalkar as Chairman and Managing Director of the company as approved by the Shareholders at the 90th Annual General Meeting held on August 18, 2009 expired on March 25, 2010.

The Board of Directors of the company at its Meeting held on January 29, 2010 has re-appointed him as Chairman and Managing Director for a period of one year from March 26, 2010 on the same terms and conditions as approved by the Members at the 90th AGM held on August 18, 2009. The re-appointment is subject to requisite approval of the Company in a General Meeting and the Government of India. The material terms and conditions for the appointment and remuneration payable to him are given below:

1. Shri D.A.Biwalkar, Chairman and Managing Director, shall perform such duties and exercise such powers as may be assigned to or vested in him, from time to time, subject to the superintendence, control and direction of the Board of Directors.
2. Period: One year from March 26, 2010.
3. Remuneration:
 - (i) Salary : Rs. 22,500 per month.
 - (ii) Perquisites :
 - (a) House Rent Allowance : 30 % of the salary.
 - (b) Medical Reimbursement (Domiciliary) : For self and family on production of actual bills, subject to a ceiling of one month's salary per year.
 - (c) Hospitalisation : For self and family as per the rules of the company.
 - (d) Conveyance : Car or reimbursement of expenses on company's business.
 - (e) Telephone : For use on company's business. Personal long distance calls to be paid by him.
 - (f) Leave Travel Concession : For self and family as per the rules of the company.
 - (g) Leave : 30 days leave on full pay and allowance for 11 months service.
4. The terms and conditions of the said appointment may be altered and/or varied from time to time as may be directed by Gol and agreed to between the Board and Shri D. A. Biwalkar within the limits laid down as above.
5. If, at any time, Shri D. A. Biwalkar ceases to be a Director of the Company for any reason whatsoever, he will also cease to be the Chairman and Managing Director.
6. Shri D. A. Biwalkar is concerned or interested in the Resolution to the extent of the remuneration receivable by him. No other Director is concerned or interested in the above Resolution.
7. The aforesaid, together with the Resolution under Serial No. 3 to the accompanying Notice be and is treated as abstract under Section 302 of the Companies Act, 1956. Relevant Resolution passed by the Board of Directors of the Company at the Meeting held on January 29, 2010 for his appointment as CMD is available for inspection at the Registered Office of the Company between 11.00A.M. and 1.00 P.M. on any working day up to the date of the Annual General Meeting.

Item No. 4

Provision under Section 163 of the Companies Act, 1956 requires that statutory registers and documents such as Register of Members, Index of Members, Register of Debenture holders, copies of all Annual Returns prepared under Section 159 and Section 160 of the Companies Act, 1956, together with the copies of certificates and documents required to be annexed thereto under Section 160 and 161 of the Companies Act, 1956, are required to be kept at the Registered Office of the Company. It also provides that the aforesaid registers and returns may be kept at any other place other than the Registered Office of the Company, if such other place has been approved by the shareholders by Special Resolution at their meeting.

The Board of Directors of the company at the meeting held on September 30, 2009, considered appointment of M/s. Sharex Dynamic (India) Pvt. Ltd., as Registrar and Transfer Agent ('RTA') to carry out from their office premises entire share related work which was hitherto done in-house. After due discussion with RTA, the arrangement of carrying out the work was made effective from October 21, 2009.

The Scindia Steam Navigation Co. Ltd.

The Bombay Stock Exchange Ltd., where the company's shares are listed was advised and as required, advertisements regarding appointment of RTA and their address were released in newspapers.

The Directors recommend passing of the Resolution at Item No. 4 of the Notice as Special Resolution.

None of the Directors of the company is in any way, concerned or interested in this resolution.

Item No. 5

The company has received a communication from M/s. ICICI Bank Ltd., - the Designated Person on behalf of Government of India under SDFC (Abolition) Act, 1986 inter alia directing the company to consider initiating winding up process under the provisions of the Companies Act, 1956.

Accordingly, the Board of Directors of the company at the meeting held on March 30, 2010 passed a resolution in this regard.

As the Members are aware, from 1982-83 onwards the company's financial position started deteriorating and it could not service the ship-acquisition loans availed from the erstwhile SDFC. With a view to protecting interest of all stakeholders, Government of India (Gol) invoked the provisions of SDFC (Abolition) Act, 1986 in August 1987 and reconstituted the Board of Directors by appointing all the Directors. Since then the company is under supervision of the Directors appointed by Gol.

With the financial assistance of Rs. 30 crores extended by Gol, the company could resume shipping operations from October 1988.

The company then had 13 ships. However, they were old and in view of the ageing vessels, it could not recover fully the operating cost, leave aside servicing outstanding ship-acquisition loans availed from Gol. It was incurring losses and as directed by Gol, it started selling of the ships as and when they came to Indian waters for survey repairs. The last ship was sold in March 1997. Thereafter, five real estate properties mortgaged to Gol were sold and net proceeds were remitted to Gol. Today, no tangible assets are left and the company still owes Rs. 299 crores to Gol.

In view of no tangible assets, it is not in a position to repay the outstanding loan amount to Gol nor is in a position to restart shipping operations.

In the circumstances, there is no other alternative but to initiate steps for winding up of the company by Court under the relevant provisions of Section 433 read with Section 439 or under any mode of winding up under the provisions of the Companies Act, 1956.

The Directors recommend passing of the Resolution at Item No. 5 of the Notice as Special Resolution.

None of the Directors is interested or concerned in the Resolution.

By Order of the Board of Directors,
For THE SCINDIA STEAM NAVIGATION CO. LTD.

D.A.Biwalkar
Chairman and Managing Director

Date: May 28, 2010

Registered Office:
Scindia Colony, Building No. 3,
Sir M. V. Road, Andheri (East),
Mumbai 400 069.

Directors' Report and Management Discussion & Analysis

To,

The Members of The Scindia Steam Navigation Company Ltd.

Dear Shareholders,

Your Directors present the Ninety first Annual Report on the company with Audited Statement of Accounts for the year ended March 31, 2010.

1. (a) The financial results for the year ended March 31, 2010 show loss of Rs. 2,019 lacs compared to loss of Rs. 1,945 lacs for the last year. Results are summarised below:

	2009-10	(Rs. Lacs) 2008-09
Freight & Charter Hire	0	0
Other Income	8	14
Sub total	8	14
Less: Administrative Expenses	24	27
Profit (+)/Loss (-) before Interest & Depreciation	(-) 16	(-) 13
Less: Interest	2003	1932
Depreciation (Rs. 791)	0	0
Profit/Loss before taxation	(-) 2019	(-) 1945
Tax provision	0	0
Profit/Loss for the year	(-) 2019	(-) 1945

- (b) The company since April 1997 could not undertake any shipping/shipping related activity. Operations during the year related primarily to compliance of various statutes and regulatory bodies on an on-going basis and resolving of pending issues. As mentioned above, the operations for the year resulted in loss of Rs. 2019 lacs compared to loss of Rs. 1945 lacs in the last year. The accumulated loss is Rs. 322 crores. The outstanding balance to Government of India is Rs. 299 crores. There is an increase of Rs. 71 lacs in interest expenses - Rs. 26 lacs increase on Government of India outstanding balances and Rs. 45 lacs increase on Bank of India/ASREC (India) outstanding balance. Interest on Government of India balances are provided based on loan covenants i.e. interest on principal loan balance and also interest on normal interest outstanding balances.
- (c) The company at present has only three contract officers for attending to day to day work.
2. There is no public deposit unclaimed or outstanding as on March 31, 2010.
3. The code of corporate governance was reviewed by the Audit Committee comprising three Directors. A report on corporate governance is annexed to this Report.
4. The company has no employee covered under Section 217 (2A) of the Companies Act, 1956.
5. The entire share related work has been outsourced to M/s. Sharex Dynamic (India) Pvt. Ltd., a SEBI registered Transfer Agent. The arrangement is operative from October 21, 2009. The item No. 4 of the Notice relates to this matter. The Board recommends passing of the resolution for your approval.
6. Since the sale of last ship in March 1997, the shipping activity was not operational. All the five real estate properties mortgaged to Gol were also sold. Still it was a huge liability of Rs. 299 crores to Gol. In view of no operating income it has been incurring losses and accumulated loss is Rs. 322 crores.

The company received a letter from ICICI Bank Ltd., - Designated

Person on behalf of Government of India under the provisions of SDFC (Abolition) Act, 1986 inter alia directing the company to initiate steps for winding up under the provisions of the Companies Act, 1956. The company does not have any tangible asset but huge liability and huge accumulated loss. The Board deliberated this matter at the Meeting held on March 30, 2010 and considered winding up of the company by the Court under the relevant provisions of the Companies Act, 1956. The item No. 5 of the Notice relates to this matter. The Board recommends passing of the resolution for your approval.

7. Having no manufacturing activity, there is nothing to report regarding Conservation of Energy and Technology Absorption. During the year, no foreign exchange was spent or received.

8. Directors' declaration:

As per the requirement under Section 217 (2AA) of the Companies Act, 1956, it is hereby stated:

- (a) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) that the accounting policies have been selected and applied consistently and made judgements and estimates that were 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 the year under review;
- (c) that proper and sufficient care has been taken for 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; and
- (d) that annual accounts have been prepared on a "going concern" basis.
9. Observations of Auditors:
- In respect of observations made by the Auditors in their Report, the same are self-explanatory and apart from what has been stated in the Report and in the Notes to the Accounts, do not require any further clarification.
10. The company has a 100 % subsidiary company - Scindia Workshop Limited (SWL). The land and buildings were acquired by the State Government in 1988 for expansion of Mazagon Dock Ltd. Hence, thereafter there has been no ship-repair activity.

As per order dated October 20, 2005 passed by the Single Judge, Bombay High Court, additional compensation of Rs. 211 lacs is receivable. Notice of motion for withdrawal of the said amount was filed and was allowed. However, it has not been received till the date of this Report. The effect of the said amount will be considered by SWL in its accounts on receipt and it will be offered for tax accordingly. Appeal filed before the Division Bench for enhancement of compensation is admitted and pending.

The company has received approval from the Ministry of Corporate Affairs, Government of India, New Delhi under Section 212 (8) of the Companies Act, 1956. Based on the approval letter, the information of financial results of the subsidiary is annexed. In line with the Accounting Standard 21 (AS21) issued by the Institute of Chartered Accountants of India, the consolidated financial results of the company, duly incorporating the financial results of the subsidiary are annexed. Any shareholder desiring a copy of the accounts of the subsidiary may write to the company.

11. (a) During the year under review, the Government of India in terms of the provisions of the S. D. F. C. (Abolition) Act, 1986 (the said Act) appointed Shri J. S. Phaugat as Director on the Board of the company in place of Shri Makaradhwaj Sahu. He was inducted on the Board on and from August 18, 2009. Brief information about Shri J. S. Phaugat is: He is Under Secretary to the Government of India in Ministry of Finance, Department of Financial Services, New Delhi. He does not hold any share in the company. He is a Member of the Audit Committee of the Board of Directors of the company. He does not hold Directorship of any other company.
- (b) Item No. 3 of the Notice pertains to re-appointment of Shri D. A. Biwalkar as Chairman & Managing Director for a period of one year from March 26, 2010 on the same terms and conditions as approved by the Members at the last AGM held on August 18, 2009. The Board recommends the item for your approval.
- (c) As per the provisions of the said Act, nothing in the Companies Act, 1956, or the Articles of Association of the company, in so far as it relates to holding any share qualification, age limit, restriction on number of Directors or Directorships, retirement by rotation or removal from office in respect of Director appointed under the said Act, is applicable to such Director. Since your Directors are appointed pursuant to the provisions of Section 10 of the said Act, the above provisions of the Companies Act, including retirement by rotation, are not applicable to them.
- (d) Further, under Section 14 of the said Act, the Shareholders of the company, on whose Board, Directors are appointed under Section 10 of the said Act, do not have the right to nominate or appoint any person to be a Director of the company and no Resolution passed at any meeting of the Shareholders can be given effect to unless approved by the Central Government.
12. Your Directors wish to thank the Members, Ministry of Finance, Ministry of Shipping, ICICI Bank Ltd., (Designated Person), company's bankers, M/s. ECGC Ltd., owners of Scindia Colony property, employees, etc., for their assistance, support and co-operation.
13. Messrs K. S. Aiyar & Co., the Auditors of the company, hold office until conclusion of the ensuing Annual General Meeting. They have given their consent to continue as Auditors. The Board recommends the resolution for adoption.

On behalf of the Board of Directors
For The Scindia Steam Navigation Co. Ltd.

D. A. Biwalkar
Chairman & Managing Director

Mumbai,
May 28, 2010

Corporate Governance Report

- (a) The company believes in transparency in all its dealings and lays emphasis on regulatory compliance. The company has complied with the mandatory requirements of Corporate Governance in all its material aspects.

(b) **Board of Directors:**

All the Directors on the company's Board are appointed by Government of India (GoI) under the provisions of the Shipping Development Fund Committee (Abolition) Act, 1986.

None of the Directors has any pecuniary relationship with the company. Shri D. A. Biwalkar, Chairman & Managing Director (CMD) draws managerial remuneration approved by GoI and he does not have any other pecuniary relationship with the company.

The company does not have, at present, shipping operations. The day-to-day work is being attended to by three contract officers.

The Board, as on March 31, 2010, consisted of four Directors. Shri D. A. Biwalkar (CMD) is an Executive Director and remaining three Directors are Non-Executive Independent Directors. The CMD may also be considered as an "Independent Director" as, apart from receiving Director's remuneration, he does not have any other pecuniary relationship with the company.

The composition of the Board and related information as on March 31, 2010 is as follows:

Name	Executive Director (ED) Non-Exec. Director (NED)	Board Meetings attended (7)	Attendance at the AGM on 18.08.2009	Directorship in other companies	No. of other Board Committees of which Chairman/ Member
Shri D. A. Biwalkar (CMD)	ED	7	Yes	1 (a)	2 (b)
Shri Dinesh Kumar	NED	0	No	0	0
Shri G. Srinivas	NED	6	No	0	2 (c)
Shri Makaradhwaj Sahu (upto Aug. 18, 2009)	NED	1	Not applicable	0	1 (d)
Shri J. S. Phaugat (from Aug. 18, 2009)	NED	2	Yes	0	1 (d)

ED: Executive Director NED: Non Executive Director

- (a) Scindia Workshop Ltd. Chairman
- (b) Member of Audit Committee and Share Sub Committee of the company.
- (c) Chairman of Audit Committee and Share Sub Committee of the company.
- (d) Member of Audit Committee of the company.

None of the Directors on the Board holds the office of Director in more than 15 companies or Membership of Committees of the Board in more than 10 companies or Chairmanship of more than five Committees across all companies.

Board Meetings held during the year:

Seven Board Meetings were held during the year ended March 31, 2010 - on May 20, 2009, July 31, 2009, August 18, 2009, September 30, 2009, October 30, 2009, January 29, 2010 and March 30, 2010.

(c) **Committees of the Board:**

(1) **Audit Committee:**

The Committee consists of three Directors - Shri G. Srinivas, Shri J. S. Phaugat and Shri D. A. Biwalkar. Shri G. Srinivas, Non-Executive Independent Director, is the Chairman. Shri J. S. Phaugat, Non-Executive Independent Director is a Member. Shri J. S. Phaugat became a Member of the Committee on August 18, 2009 in place of Shri Makaradhwaj Sahu who ceased to be a Member on August 18, 2009.

The terms of reference of the Audit Committee include the matters specified in Clause 49 of the Listing Agreement with Bombay Stock Exchange Ltd., and also matters stated in Section 292A of the Companies Act, 1956, generally commensurate with the size and nature of the company's business. The Audit Committee reviews the financial statements before submission to the Board.

During the year, four meetings of the Audit Committee were held on - May 20, 2009, July 31, 2009, October 30, 2009 and January 29, 2010. The Chairman of the Audit Committee and Shri D. A. Biwalkar attended all four meetings. Shri Makaradhwaj Sahu attended one meeting on May 20, 2009 and did not attend the meeting held on July 31, 2009. Shri J. S. Phaugat did not attend the meetings held on October 30, 2009 and January 29, 2010. Shri G. Srinivas, the Chairman of the Audit Committee did not attend the annual general meeting held on August 18, 2009. Shri N. I. Sheth, Manager of the Company, acts as the Secretary to the Committee.

(2) Share Sub Committee;

The Committee consists of two Members - Shri G. Srinivas and Shri D. A. Biwalkar. Shri G. Srinivas, a Non-Executive Independent Director, is the Chairman of the Committee. During the year, 18 meetings of the Committee were held and were attended by both the Members.

The company's shares are listed on Bombay Stock Exchange Ltd., under Stock Code 1887. Its shares are traded in physical mode and are not dematerialized.

All the shares received for transfer are processed and dispatched to the respective shareholders within 30 days of receipt if relevant documents attached are correct and valid in all respects. As on March 31, 2010, no share transfer deed was pending. During the year, the company received communication from SEBI regarding grievances of certain investors/shareholders. The company clarified to SEBI as to all the grievances. Shri N. I. Sheth, Manager of the company, acts as Compliance Officer.

Status of communications received from shareholders for the year 2009-10 is given below:

Sr. No.	Nature of request contained in the letter	Letter received	Issue resolved	Action pending
1.	Change of address	56	56	0
2.	Bank mandate	0	0	0
3.	Nomination	4	4	0
4.	Non-receipt of Share Certificate(s)	1	1	0
5.	Transfers / Transmissions	700	700	0

(3) Remuneration Committee:

The remuneration payable to the Chairman & Managing Director (CMD) is approved by GoI. The other Directors are not entitled to any remuneration, and no sitting fee is payable to Directors for attending the Board Meetings or Committee Meetings. Hence, Committee for this purpose was not constituted. The remuneration for the year paid to CMD was Rs. 3.51 lacs. The company has not issued any Stock Options.

(d) Board Procedure:

The Members of the Board are being provided with the requisite information specified in the Listing Agreement before the Board Meetings.

(e) General Body Meetings:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Place/venue
2008-09	18.08.2009	11.30 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushroo Dubash Marg, Mumbai 400 001
2007-08	04.07.2008	11.30 A.M.	- As above -
2006-07	22.08.2007	11.30 A.M.	- As above -

There were no special resolutions required to be passed through Postal Ballot at the last AGM. None of the resolutions proposed for the ensuing AGM needs to be passed by Postal Ballot.

(f) Other Disclosures:

(i)	Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, Directors or management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the company at large.	The Board has received disclosures from the Directors relating to their holding of office of directorship in other companies. There were no transactions of material nature between the company and its Directors and the management and their relatives or promoters that may have a potential conflict with the interests of the company.
(ii)	Details of non-compliance by the company, penalties, strictures, imposed on the company by Bombay Stock Exchange Ltd., or the SEBI or any statutory authority on any matter related to capital markets during the last three years.	None

(g) Certification of Financial Statements by CMD and Manager:

The Board of Directors,
The Scindia Steam Navigation Co. Ltd.,
Mumbai.

Re: Financial Statements for the Financial Year 2009-10.

We, D. A. Biwalkar, Chairman and Managing Director, and N. I. Sheth, Manager of The Scindia Steam Navigation Co. Ltd., on the basis of review of the financial statements and the cash flow statement for the financial year ended March 31, 2010, and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements are in compliance with existing accounting standards, applicable laws and regulations;
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct;
4. We have indicated to the Auditors and the Audit Committee that there have been no significant changes in accounting policies during the year.

D. A. Biwalkar
Chairman & Managing Director

N. I. Sheth
Manager

- (h)** As per clause 49, as revised, the company, even though does not have, at present, shipping operations, and is operating with three contract officers, has formulated general code of conduct. The three officers have issued a letter to the company that they would comply with the code of conduct. The Chairman & Managing Director has issued a letter to this effect:

To,
The Scindia Steam Navigation Company Ltd.,
Mumbai.

I, D. A. Biwalkar, Chairman & Managing Director, hereby certify that the three officers of the company have affirmed that they will comply with the code of conduct.

(D. A. Biwalkar)
Chairman & Managing Director

(i) Means of communication:

1	Whether half-yearly report sent to each household of shareholders	No
2	Quarterly results are published in two newspapers and sent to Bombay Stock Exchange Ltd.	Yes
3	Any website displayed	No
4	Whether Management Discussion and Analysis Report is a part of the Annual Report	Yes
5	Presentation made to Institutional Investors or Analysts	No

(j) Appointment of Directors:

The Government of India appointed Shri J. S. Phaugat on the Board of Directors of the company in place of Shri Makaradhwaj Sahu and he was inducted on the Board on August 18, 2009. He is Under Secretary to Government of India, in Ministry of Finance, Department of Financial Services, Banking Division, New Delhi.

(k) General shareholder information:

1)	91st Annual General Meeting
	Date : 28th July, 2010 (Wednesday)
	Time : 11.30 a.m.
	Venue: M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20 Kaikhushroo Dubash Marg, Mumbai 400 001.

(2) Financial calendar:

Results for the quarter ending	June, 2010 by 14 August, 2010
	September, 2010 by 15 November, 2010
	December, 2010 by 15 February, 2011
for the year ending	March 31, 2011 by 15 May, 2011 or by end May, 2011

(3) Dividend declared Nil

(4) Book closure period: July 06, 2010 (Tuesday) to July 09, 2010 (Friday) (both days inclusive).

(5) Listing on Stock Exchange: Bombay Stock Exchange Ltd. Stock Code: BSE 1887

(6) Market price data:

The high and low prices of the company's shares during April 2009 to March 2010 were as under:

Month	High Rs.	Low Rs.	Monthly volume
April 2009	8.74	8.33	200
May 2009	9.62	9.62	50
June 2009	12.07	8.69	7,000
July 2009	11.47	11.47	300
August 2009	10.90	10.36	200
September 2009	10.80	10.80	100
October 2009	11.34	11.34	100
November 2009	No trading		
December 2009	10.80	10.80	100
January 2010	11.89	9.41	4,950
February 2010	11.81	10.66	250
March 2010	10.13	10.13	200

Performance in comparison to broad based indices BSE:

In view of low volume, few transactions and market rate quoted below the face value of Rs. 20 per share, comparison of share's market price vis a vis BSE sensex is not given.

(7) Shareholding pattern as on March 31, 2010:

Category	No. of shares	% to total
Individuals	75,59,476	79.80
Banks	73,330	0.78
Insurance companies	15,48,612	16.34
Mutual Funds	98,722	1.04
Domestic companies	1,92,791	2.04
Total	94,72,931	100.00

(8) Distribution of shareholding as on March 31, 2010:

Shareholding	Shareholders		Shareholding	
	Numbers	% of total	Numbers	% of total
Up to 500	49,744	95.64	38,68,416	40.84
501 to 1000	1,347	2.59	10,39,473	10.97
1001 to 5000	808	1.56	16,33,919	17.25
5001 to 10000	75	0.14	5,07,131	5.35
10001 to 100000	32	0.06	6,48,229	6.84
100001 and above	7	0.01	17,75,763	18.75
Total	52,013	100.00	94,72,931	100.00

(9) The company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.

(10) The company's shares are traded in physical mode. The company's shares are not dematerialized.

(11) The company has not established formal whistle blower policy; however, employees have been informed that in the event they observe any unethical or improper practice, they have access to the Audit Committee without necessarily informing their seniors.

(12) Plant location: The Company is a shipping company.

(13) Address for correspondence:

Investors and shareholders can correspond with:

(a) the company at the following address:

Scindia Colony, Building No. III, Sir M. V. Road, Opp. Vishal Hall, Andheri (East), Mumbai 400 069
Tel. No. (022) 2684 8120 / 2684 8121
Fax No. 2684 8587

(b) the Registrar & Transfer Agent of the company at their following addresses:

Sharex Dynamic (India) Pvt. Ltd.,
Regd. Office : 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai-400 001
Tel. No. (022) 2270 2485/2264 1376
Fax No. (022) 2264 1349
Branch Office : Unit No 1, Luthra Industrial premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072
Tel. No. (022) 2851 5606/2851 5644
Fax No. (022) 2851 2885
E-mail: baliga@sharexindia.com
Web: www.sharexindia.com

Auditors Certificate on Corporate Governance

The Members,
The Scindia Steam Navigation Co. Ltd.,
Mumbai 400 069.

We have examined the compliance of conditions of Corporate Governance by The Scindia Steam Navigation Co. Ltd., for the financial period ended March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 the above mentioned Listing Agreement except that the Chairman of the Audit Committee did not attend the last Annual General Meeting as required by Clause 49(A)(ii)(iv) of the 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 K. S. Aiyar & Co.,
Chartered Accountants
Firm Registration No.100166W

Mumbai
Dated : 31st May, 2010.

Raghuvir M. Aiyar
Partner
M. No. 38128

Auditors' Report

To the Members of

THE SCINDIA STEAM NAVIGATION COMPANY LIMITED.

Report on the Accounts for the year ended on 31st March, 2010 in compliance with Section 227 (2) of the Companies Act, 1956

We have audited the attached Balance Sheet of The Scindia Steam Navigation Company Limited as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date 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.

We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of provisions 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.

Further to our comments in the annexure referred to above, we report that:

- We have obtained all the information and the explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report are in agreement with the Company's books of account.
- In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- We are informed that in terms of clarification issued by Ministry of Finance, Justice and Company Affairs, Department of Company Affairs, Government of India vide General circular No.8 dated 22nd March, 2002, the directors of the Company are not subject to any disqualification under section 274(1)(g) of the Companies Act, 1956, as their appointment is made by the Government of India;
- The shipping operations of the Company stand suspended. Further, 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 March 2010. 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. (Refer note no. 5 of notes forming part of accounts)

- The Company has granted a loan to Scindia Workshop Limited, the Subsidiary Company. Outstanding amount of such loan with accrued interest as at 31st March, 2010 is Rs.1936 Lakhs (Previous year Rs.1921 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 (Refer note no. 6 of notes forming part of accounts)

The Bombay High Court has passed an order in the above matter. As per the order, compensation of Rs.211 lakhs is receivable by the Subsidiary. However, we are informed that the Subsidiary, based on the legal advice, has preferred an appeal against the said Order for further enhancement of the Compensation.

During the year, the Subsidiary Company has moved a motion in the Bombay High Court for drawing of the said money and the same has been allowed by the Court. However, the Company has still not received the amount. Pending the receipt of money, the Company has not accrued this income in the books of account and will be recognized as income in the year of receipt of money on cash basis. Therefore the effect of order has not been considered by the Subsidiary during the year.

We further report that subject to f and g above, the effect of which could not be quantified, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon 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:

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
- In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
- In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For K. S. AIYAR & CO.
Chartered Accountants
Firm Regn. No.100186W

RAGHUVIR M. AIYAR
Partner
Membership No: 38128

Mumbai
Date : 31st May, 2010

Annexure to the Auditors' Report (Referred to in Paragraph 3 of our Report of Even Date)

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The fixed assets have been physically verified by the management at reasonable intervals and no discrepancies were noticed on such verification.
 - The Company has already disposed off substantial part of its fixed assets. (Also refer point f of our main report.)
- Since the Company does not hold any stock during the year, the requirement of clauses 4 (i) (a), (b), (c) of the Order are not applicable to the company.
- The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 except for a loan of Rs.1936 Lakhs to its Subsidiary namely Scindia Workshop Limited (SWL). In respect of loan granted to subsidiary company there is no stipulation as regards repayment. Interest charged up to the financial year 1995-96 is also not recovered. The recovery of the principal and interest due from the said subsidiary is dependent on the outcome of the reference filed for enhancement of compensation as detailed in note no 6 to the accounts.
- On the basis of checks carried out in course of our audit and according to the information given to us, we are of the opinion that there are adequate internal control systems commensurate with the size of the Company and the nature of its business although there are no purchase of fixed assets, sale of goods and services.
- As informed to us, there are no transactions of purchase of goods, materials and services and sale of goods, material and services with the parties stated in the register maintained as per section 301 of the Companies Act 1956
- During the year the Company has not accepted any deposits from the public, therefore the provisions of Section 58A, 58AA or other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 are not applicable to the Company.
- In our opinion, the Company's present internal audit system is generally commensurate with the size and nature of its business.
- The maintenance of cost records under section 209(1) (d) of the companies Act, 1956 is not applicable to the Company.
- According to the records of the Company, the company has been generally regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues with the appropriate authorities. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of statutory dues which remained outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us and the records of the

Company, there are no dues of sales tax, custom duty, income tax, wealth tax, service tax, excise duty/cess which have not been deposited on account of any dispute.

- The Company's accumulated losses, as on 31st March 2010 are more than fifty percent of its net worth. The Company has incurred cash losses in the financial year covered by this report and has also incurred cash losses in the immediately preceding financial year.
- As per the books of the Company and as per the information and explanations given to us, the Company has defaulted in payment of dues to a bank on Cash credit account and the total amount due including interest thereon up to 31.03.2010 is Rs.2384 Lakhs (P.Y.2058 Lakhs).
- The Company has not granted loans and advance on the basis of the security by way of pledge of shares, debentures and other securities.
- The Company is not a chit fund and nidhi/mutual benefit funds/ societies and therefore the requirements of clauses 4 (xiii) are not applicable to the company.
- The Company does not deal or trade in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- There are no term loans obtained by the Company during the year.
- According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used to finance long term investments.
- The Company has not made any preferential allotment of shares to parties or companies covered under section 301 of the Companies Act, 1956.
- During the year Company has not issued any debentures.
- The Company has not raised any money through a public issue during the year.
- Based upon the audit procedure and the information and explanation given to us, we report that there are no frauds on or by the Company noticed or reported during the year.

For K. S. AIYAR & CO.,
Chartered Accountants
Firm Regn. No.100186W

RAGHUVIR M. AIYAR
Partner
Membership No: 38128

Mumbai
Date: 31st May, 2010

Balance Sheet as at March 31, 2010

	Schedule	March 31, 2010 Rupees	March 31, 2009 Rupees
SOURCES OF FUNDS:			
Share Capital	I	189,458,620	189,458,620
Shareholders' Funds		189,458,620	189,458,620
Loan Funds:	II		
(a) Secured		-	-
(b) Unsecured		3,228,209,788	3,027,963,287
		3,228,209,788	3,027,963,287
TOTAL		3,417,668,408	3,217,421,907
APPLICATION OF FUNDS:			
Fixed Assets	III		
Gross Block		257,840	257,840
Less: Depreciation		253,020	252,229
		4,820	5,611
Investments	IV	-	-
Amount receivable on sale of a property		566,315	566,315
Loan to Subsidiary Company		193,793,744	192,076,974
Current Assets, Loans and Advances	V		
Cash and Bank Balances		11,252,939	14,586,852
Loans and Advances		4,915,804	4,882,407
		16,168,743	19,469,259
Less:			
Current Liabilities and Provisions	VI		
Current Liabilities		8,106,780	8,074,822
Provision for Taxation		580,000	580,000
		8,686,780	8,654,822
Net Current Assets		7,481,963	10,814,437
Profit and Loss Account		3,215,821,566	3,013,958,570
TOTAL		3,417,668,408	3,217,421,907
Notes forming part of Accounts	XI		

As per our Report annexed.

For K. S. AIYAR & CO.
Chartered AccountantsRAGHUVIR M. AIYAR
Partner
Membership No. 38128

Mumbai, May 31, 2010

N.I.SHETH
Manager

D. A. BIWALKAR Chairman & Managing Director

J. S. PHAUGAT Director

G. SRINIVAS Director

Mumbai, May 28, 2010

Profit and Loss Account for the year ended March 31, 2010

	Schedule	2009-10 Rupees	2008-09 Rupees
INCOME:			
Freight and Charter Hire		-	-
Income from Investment and Deposits, etc.	VII	822,583	1,383,044
Other Income	VIII	17,558	15,830
Total Income		<u>840,141</u>	<u>1,398,874</u>
EXPENDITURE:			
Ships operating expenses		-	-
Administrative expenses	IX	2,090,481	2,302,635
Interest on borrowings	X	200,260,865	193,234,461
Depreciation		791	927
Director's remuneration		351,000	351,000
Total Expenditure		<u>202,703,137</u>	<u>195,889,023</u>
Profit/Loss before Income tax		(-) 201,862,996	(-) 194,490,149
Provision for taxation		-	-
(MAT)		-	-
(FBT)		-	20,000
Profit/Loss		(-) 201,862,996	(-) 194,510,149
Balance brought forward from last year's account		3,013,958,570	2,819,448,421
Balance carried to Balance Sheet		<u>(-) 3,215,821,566</u>	<u>(-) 3,013,958,570</u>
Earning per share of Rs. 20 each			
Before extraordinary items		(-) 21.31	(-) 20.53
After extraordinary items		(-) 21.31	(-) 20.53
Notes forming part of Accounts	XI		

As per our Report annexed.

For K. S. AIYAR & CO.
Chartered Accountants

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Mumbai, May 31, 2010

N.I. SHETH
Manager

D. A. BIWALKAR Chairman & Managing Director

J. S. PHAUGAT Director

G. SRINIVAS Director

Mumbai, May 28, 2010

Schedules forming part of the Balance Sheet

	31.03.2010 Rupees	31.03.2009 Rupees
Schedule I : SHARE CAPITAL		
AUTHORISED:		
1,25,00,000 Ordinary Shares of Rs. 20 each	25,00,00,000	25,00,00,000
ISSUED, SUBSCRIBED and PAID UP :		
94,72,931 Ordinary Shares of Rs. 20 each	189,458,620	189,458,620
NOTES :		
(a) Of the above 3,15,712 shares of the original face value of Rs. 15 each are allotted as fully paid-up pursuant to a contract without payment being received in cash.		
(b) The original face value of 46,99,903 shares was Rs. 15 each which was subsequently raised to Rs. 20 by a bonus issue of Rs. 5 per share by capitalisation of Rs. 1,37,63,625 from Capital Reserve and of Rs. 97,35,890 from Share Premium Account.		
(c) Of the above 47,72,978 shares are allotted as fully paid-up by way of Bonus Shares by capitalisation of Rs. 1,98,37,585 from Share Premium Account, Rs. 6,13,46,842 from General Reserve and Rs. 1,42,75,133 from Capital Reserve.		
Schedule II : LOAN FUNDS		
Unsecured Loan:		
(a) From Government of India :		
(1) Loans from erstwhile Shipping Development Fund Committee (Consequent upon abolition of Shipping Development Fund Committee now vested in Government of India)	338,807,286	338,807,286
(2) Loans from Government of India	97,161,740	97,161,740
(3) Interest accrued and due on :		
Shipping Development Fund Committee Loans for purchase of ships	1,548,538,678	1,440,789,870
Government of India Loans under Guarantee obligations	600,950,553	570,506,145
Rehabilitation loan	404,310,307	374,913,243
	2,989,768,564	2,822,178,284
(b) Cash Credit from a Bank	22,575,665	22,590,029
Interest thereon	215,865,559	183,194,974
	238,441,224	205,785,003
Total	3,228,209,788	3,027,963,287

Schedule III : FIXED ASSETS

										(In Rupees)
	Gross Block at cost as at 31.03.2009	Additions during the year	Deductions during the year	Gross Block at cost as at 31.03.2009	Total depreciation up to	Depreciation for the year	Depreciation withdrawn on deduction	Total depreciation up to 31.03.2010	Net Block as at 31.03.2010	Net Block as at 31.3.2009
Furniture, Fixtures and Office Equipments	257,840	0	0	257,840	252,229	791	0	253,020	4,820	5,611
Total	257,840	0	0	257,840	252,229	791	0	253,020	4,820	5,611
Previous year total	257,840	0	0	257,840	251,302	927	0	252,229	5,611	

Schedule IV: LONG TERM INVESTMENT (at cost):

	Cost Rupees	31.03.2010 Rupees	31.03.2009 Rupees
Trade Investments:			
In Shares of Subsidiary Company (Fully paid) Ordinary Shares Scindia Workshop Limited			
24,000 Shares of Rs. 100 each	2,400,000		2,400,000
	2,400,000		2,400,000
Less: Diminution in value of investments	2,400,000		2,400,000
		0	0

Schedules forming part of the Balance Sheet

	31.03.2010 Rupees	31.03.2009 Rupees
Schedule V: CURRENT ASSETS, LOANS & ADVANCES		
A Current Assets		
Cash and Bank balances		
Cash on hand	2,869	2,016
Bank balances with Scheduled Banks		
On Current Accounts	39,809	92,150
On Deposit Accounts	11,210,261	14,492,686
	<u>11,250,070</u>	<u>14,584,836</u>
	<u>11,252,939</u>	<u>14,586,852</u>
(Bank Deposits of Rs. 230,000 earmarked for specific purpose are lodged with Port/Custom Authorities, previous year Rs. 230,000)		
B Loans and Advances:		
Unsecured and considered good, unless otherwise stated		
Advances recoverable in cash or in kind or for value to be received	158,964	200,610
Advance payment of Tax	3,166,200	3,166,200
Tax deducted at source	1,589,940	1,514,897
Other Deposits	700	700
	<u>4,915,804</u>	<u>4,882,407</u>
Total	<u>16,168,743</u>	<u>19,469,259</u>

Schedule VI: CURRENT LIABILITIES AND PROVISIONS

A Current Liabilities		
Interest accrued, but not due	7,977,206	7,977,206
Outstanding expenses	129,574	97,616
	<u>8,106,780</u>	<u>8,074,822</u>
B Provision for Taxation	<u>580,000</u>	<u>580,000</u>
Total	<u>8,686,780</u>	<u>8,654,822</u>

Schedules forming part of the Profit and Loss Account

	2009-2010 Rupees	2008-09 Rupees
Schedule VII: INCOME FROM INVESTMENT (Gross):		
Interest on:		
Deposits with Banks	822,583	1,365,336
Others	0	17,708
	<u>822,583</u>	<u>1,383,044</u>
(Tax deducted from interest Rs. 75,043/-, previous year Rs. 258,793/-)		
Schedule VIII: Other Income:		
Miscellaneous Receipts	17,558	15,830
Excess provision, written back	0	0
	<u>17,558</u>	<u>15,830</u>

Schedules forming part of the Profit and Loss Account

	2009-2010 Rupees	2008-09 Rupees
Schedule:IX: ADMINISTRATIVE EXPENSES		
Salaries & Staff related expenses	806,717	812,626
Advertisement charges	44,688	26,790
Electricity charges	10,320	15,270
Conveyance	158,374	198,467
General Insurance	919	927
Office expenses	285,014	289,179
Printing, postage, stationery	363,457	528,603
Professional fees/Legal charge	49,348	43,824
Rent	66,180	75,154
Share department	241,296	257,618
Travelling expense	35,049	24,304
Remuneration to Auditors	29,119	29,873
	<u>2,090,481</u>	<u>2,302,635</u>

Schedule X: INTEREST ON BORROWINGS

Interest on fixed term loans		
From erstwhile Shipping Development Fund Committee	107,748,808	105,578,963
From Government of India on:		
Rehabilitation Loan	29,397,064	29,397,064
Other Loan	30,444,408	30,024,328
On other accounts:		
Interest on Cash Credit from bank	32,670,585	28,234,106
	<u>200,260,865</u>	<u>193,234,461</u>

As per our Report annexed.

For K. S. AIYAR & CO.
Chartered Accountants

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Mumbai, May 31, 2010

N.I.SHETH
Manager

D. A. BIWALKAR Chairman & Managing Director

J. S. PHAUGAT Director

G. SRINIVAS Director

Mumbai, May 28, 2010

Schedule XI:

Notes forming part of the Accounts

A: SIGNIFICANT ACCOUNTING POLICIES:

- (i) All income and expenditure are accounted on accrual basis.
- (ii) Fixed Assets:
Fixed Assets are stated at cost less depreciation.
- (iii) Depreciation on Assets:
(a) Depreciation is charged on the 'Reducing Value Method' at rates stipulated in Schedule XIV to the Companies Act, 1956.
(b) For addition/deletion of assets, depreciation is charged on pro-rata basis.
- (iv) Investments are stated at cost. Cognizance is taken of permanent diminution in value of long term investment and provision is made for such diminution.

B: NOTES ON ACCOUNTS:

1. Contingent Liabilities:
(a) As a member of Indian Register of Shipping, a Company Limited by Guarantee, Rs. 1,000 (Previous Year Rs. 1,000).
(b) Claims against the Company, not acknowledged as debts -
(i) in respect of sale deficit claim made by Mumbai Port Trust of Rs. 7.81 lacs,
(ii) in respect of short landing/damage to cargo claimed by Food Corporation of India amounting to Rs. 6.08 lacs.
2. The Shipping Development Fund Committee (SDFC) has been abolished in terms of the Shipping Development Committee (Abolition) Act, 1986. During the pendency of the loan of Rs. 3388 lacs (previous year Rs. 3388 lacs) from erstwhile SDFC/Government of India (GoI), they have the option and power to convert the whole or any part of the loan as may be outstanding at any time, into Equity Shares at par or at the rates as may be determined at their sole discretion.
3. (a) A sum of Rs.3388 lacs (previous year Rs. 3388 lacs) is due to GoI as on 31.03.2010 in respect of loan instalments which fell due to erstwhile SDFC/GoI from May 1982 to date. Interest outstanding as at 31.03.2010 is Rs. 15485 lacs (previous year Rs. 14408 lacs).
(b) The outstanding balance as at 31.03.2010 under guarantee obligations is Rs. 972 lacs (previous year Rs. 972 lacs). Interest amounting to Rs. 6010 lacs (previous year Rs. 5705 lacs) for the period up to March 2010 on the above borrowings though charged in the accounts has not been paid.
(c) In respect of working capital loan principal amount outstanding is nil (previous year nil). No interest has been paid during the year (previous year nil). Balance interest amounting to Rs. 4043 lacs (previous year Rs. 3749 lacs) for the period up to March 2010 though charged in the accounts, has not been paid.
4. (i) The immovable properties mortgaged to Government of India having been sold, the loans of Rs. 29898 lacs (previous year Rs. 28222 lacs) outstanding to the Government of India have been shown as unsecured loans.
(ii) The outstanding balance against cash credit facility from a Bank amounting to Rs. 2384 lacs (Rs. 2058 lacs as at March 31, 2009) has been shown as unsecured as the facility does not have any security against the said balance.

Against the above cash credit facility, Bank of India was having a second equitable charge on the Company's property Scindia Colony at Andheri. The Government of India, the first charge-holder as mortgagee sold the said property after obtaining necessary consent of Bank of India and the charge created earlier was vacated. Form No. 17 dated 19.02.2007 duly signed by the Bank and the Company was filed with the Registrar of Companies. However, the Company has received a certificate of registration modifying the charge based on an Assignment agreement dated 31.12.2008 executed between the Bank and ASREC (India) Ltd. In fact, the Company has not entered into any such mortgage/assignment agreement with ASREC (India) Ltd. Therefore, the Company is contesting the said modification with ASREC (India) Ltd., Bank of India and the Registrar of Companies.

5. Despite continued losses, erosion of equity and suspension of the main activities, i.e. shipping activities of the Company, the Accounts are continued to be prepared on a 'going concern basis' in the absence of adequate necessary data for 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, for compilation of accounts on an alternative basis.
6. The Company has an investment in the form of Equity Share Capital of Rs. 24 lacs in its subsidiary company, Scindia Workshop Ltd. Provision has been made in the Accounts for the probable permanent diminution in the said investment of Rs. 24 lacs.

The Company has also sanctioned a loan of Rs. 2200 lacs (amount outstanding as at March 31, 2010 Rs. 1938 lacs, as at March 31, 2009 Rs. 1921 lacs).

The recoverability of the investment and the loan, in our opinion, is dependent on the 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.

In the reference filed, the Hon'ble High Court has passed an order for additional compensation of Rs. 211 lacs. The subsidiary, as per legal advice, has filed an appeal before the Division Bench of the Bombay High Court for enhancement of compensation. The appeal has been admitted.

in regard to Rs. 211 lacs lying in the Court, after due consultation with the legal Counsel, a notice of motion for withdrawal was filed in the Bombay High Court.

While our motion was allowed by the Division Bench, the amount of Rs. 211 lacs was not received up to March 31, 2010. Therefore, the effect of the order has not been considered in the accounts of the Subsidiary. Interest on the outstanding loan has not been charged for the year.

7. No provision for taxation has been made in view of no assessable income (previous year Rs. nil).

8. Managerial remuneration paid to Chairman & Managing Director:

	2009-10	2008-09
	Rs.	Rs.
Salary	3,51,000	3,51,000

9. Remuneration to Auditors:

	2009-10	2008-09
	Rs.	Rs.
Audit fees	27,575	27,575
Reimbursement of out of pocket expenses	1,544	2,298
	29,119	29,873

10. Information pursuant to Para 4D of Part II of Schedule VI to the Companies Act, 1956:

	2009-10	2008-09
Foreign exchange used	nil	nil
Foreign exchange received	nil	nil
Net exchange gain/loss	nil	nil

11. The office of Company Secretary has been vacant since October 1993. In the circumstances, authentication by Company Secretary does not appear in the Accounts

12. As per the information available with the Company, it does not have any outstanding dues to Undertakings registered under Micro, Small and Medium Enterprises Development Act, 2006.

13. As the Company's shipping activities have been suspended, the Company does not have any reportable Segment. Therefore, Accounting Standard 17 Segment Reporting issued by the Institute of Chartered Accountants of India is not applicable.

14. Earnings per share of Rs. 20 each:
Before extra-ordinary item:
Net profit/loss..... Rs. (-) 20,18,62,996 (-) 19,45,10,149
Earning per share Rs. (-) 21.31 (-) 20.53
After extra-ordinary item:
Net profit/loss Rs. (-) 20,18,62,996 (-) 19,45,10,149
Earning per share Rs. (-) 21.31 (-) 20.53
Number of shares 94,72,931 94,72,931

15. The interest expense for the year of Rs. 2003 lacs (previous year Rs. 1932 lacs) includes Rs. 1676 lacs (previous year Rs. 1650 lacs) on GoI outstanding balance, and Rs. 327 lacs (previous year Rs. 282 lacs) on outstanding balance in C. C. account with Bank of India. The interest expense on GoI outstanding balance is continued to be charged as per loan covenants i.e. as interest on outstanding principal amount and as additional interest on outstanding interest amounts.

16. The Company has unabsorbed business loss of Rs. 78 crores and unabsorbed depreciation of Rs. 85 crores as per Income Tax assessment. However, in view of suspension of shipping activity and uncertainty of future operations, no deferred tax asset has been recognized in the books of account as prescribed under Accounting Standard 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India.

17. Related Party Disclosures:

(a) List of Related Parties and Relationships	
Party	Relationship
(i) Scindia Workshop Ltd.	100 % subsidiary
(ii) Shri D. A. Biwalkar	Chairman & Managing Director
(b) Related Party Transactions	
(i) During the year paid as advance (previous year paid Rs. 23,483),	Rs. 17,16,770
(ii) Debit balance outstanding as on 31.03.2010	
Outstanding Receivable (as at 31.03.2009 Rs. 19,20,76,974),	Rs. 19,37,93,744
(iii) Remuneration paid to Chairman & Managing Director (previous year Rs. 3,51,000).	Rs. 3,51,000

18. Figures for the previous year have been regrouped or re-arranged wherever necessary and practicable.

N.I. SHETH Manager	D.A. BIWALKAR J. S. PHAUGAT G. SRINIVAS	Chairman & Managing Director Director Director
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Mumbai, May 28, 2010

The Scindia Steam Navigation Co. Ltd.

In terms of the approval received from the Ministry of Corporate Affairs, Government of India, under section 212 (8) of the Companies Act, 1956, the required information of the subsidiary is given below:

Details of Subsidiary Company

Name:	Scindia Workshop Limited
Year ended:	31 March, 2010
Capital	24,00,000
Reserves	-
Total Assets (Fixed Assets + Current Assets)	3,14,774
Accumulated Loss	19,64,17,206
Total Liabilities (Debts + Current Liabilities)	19,43,31,980
Investments	-
Turnover	-
Other Income	34,43,223
Profit/Loss before tax	(+)33,74,917
Provision for tax	525,000
Profit/Loss after tax	(+)2,849,917
Proposed Dividend	nil

Statement pursuant to Section 212 of the Companies Act, 1956

Name of the subsidiary Scindia Workshop Limited
Financial year of the Subsidiary ended on 31 March, 2010

No. of Shares in the Subsidiary held by The Scindia Steam Navigation Co. Ltd. at the above date 24,000

Total Face Value of above shares Rs. 24,00,000

Total net aggregate of profit/loss of the Subsidiary so far as concerns the members of The Scindia Steam Navigation Co. Ltd.

(i) Dealt in the accounts of The Scindia Steam Navigation Co. Ltd. being dividends received for previous financial year since it became a subsidiary Rs. 2,40,000

(ii) Not dealt with in the Accounts of The Scindia Steam Navigation Co. Ltd. amounted to:

(a) For the subsidiary's current financial year Profit Rs. 2,849,917

(B) For previous financial year of the subsidiary since it became subsidiary of The Scindia Steam Navigation Co. Ltd. Loss Rs. 19,92,67,123

N.L. SHETH
Manager

Mumbai, May 28, 2010

D.A.BIWALKAR Chairman & Managing Director
J. S. PHAUGAT Director
G. SRINIVAS Director

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 521 (U35110MH1919PTC000521)
Balance Sheet Date 31.03.2010

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

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

Total Liabilities	34,17,668	Total Assets	34,17,668
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SOURCES OF FUNDS

Paid-up Capital	1,69,459
Reserves & Surplus	NIL
Secured Loans	NIL
Unsecured Loans	32,15,119

APPLICATION OF FUNDS

Net Fixed Assets	5
Sale of Property	566
Loan to Subsidiary Company	1,93,794
Net Current Assets	7,482
Accumulated Loss	32,15,821

IV. Performance of Company (Amount in Rs. Thousand)

Turnover	840	Total Expenditure	2,02,703
Profit/Loss before Tax	- 2,01,863	Profit/Loss after Tax	(-) 2,01,863
Earning per share of Rs. 20 each (in Rs.)			
Before extraordinary item	(-) 21.31		
After extraordinary item	(-) 21.31		
Dividend Rate (%)	NIL		

V. Generic Names of three Principal Products/Services of Company

Item Code No.	-
Product Description	Shipping

Cash Flow Statement For The Year Ended March 31, 2010

	Rs.	2009-10 Rs.	Rs.	2008-09 Rs.
(A) Cash flow from operating activities				
Net profit/loss before tax & extra ordinary items		-201,862,996		-194,510,149
Adjustments for				
Depreciation	791		927	
Interest income	-822,583		-1,383,044	
Interest charged	200,260,865		193,234,461	
Surplus on sale of assets	0		0	
		199,439,073		191,852,344
Operating profit/loss before working capital changes		-2,423,923		-2,657,805
Adjustments for				
Trade & other receivables	41,646		-37,415	
Trade payable	31,958		1,421	
		73,604		-35,994
Cash generated from operations		-2,350,319		-2,693,799
Interest paid		0		-8,834,000
Direct taxes paid/refund received (net)		-75,043		-74,757
Net cash from operations		-2,425,362		-11,602,556
(B) Cash flow from investing items				
Sale proceeds of fixed assets	0		0	
Interest income	822,583		1,383,044	
Net cash used in investing activities		822,583		1,383,044
		-1,602,779		-10,219,512
(C) Cash flow from financing activities				
Decrease in bank borrowing	-14,364		-45,437	
Increase/decrease in loan to subsidiary	-1,716,770		-23,483	
Net cash used in financing activities		-1,731,134		-68,920
Net increase/decrease in cash & cash equivalents		-3,333,913		-10,288,432
Cash & cash equivalents				
Opening balance		14,586,852		24,875,284
Closing balance		11,252,939		14,586,852

Figures for the previous year have been regrouped or rearranged wherever necessary.

For The Scindia Steam Navigation Co. Ltd.

D.A. Biwalkar
Chairman & Managing Director

Mumbai, May 28, 2010

Auditors' Report on Consolidated Financial Statements

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF THE SCINDIA STEAM NAVIGATION COMPANY LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SCINDIA STEAM NAVIGATION COMPANY LIMITED AND ITS SUBSIDIARY.

We have examined the attached Consolidated Balance Sheet of The Scindia Steam Navigation Company Limited and its subsidiary as at 31st March 2010 the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

1. These financial statements are the responsibility of The Scindia Steam Navigation Company Limited's management. Our responsibility is to express an opinion based on our audit. We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We report that the consolidated financial statements have been prepared by the Company 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 audited financial statements of The Scindia Steam Navigation Company Limited and its subsidiary are included in the consolidated financial statements.
3. The shipping operations of the Company stand suspended. Further, 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 March 2010. Despite this, the consolidated 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 these accounts relating to the recoverability of recorded asset amounts and in respect of recorded liabilities and contingent liabilities that might devolve on the Company and we are unable to opine on the same. (Refer note no. 4 of the notes forming part of the consolidated financial statements)
4. The Subsidiary Company The Scindia Workshop Limited (SWL) had made reference under section 18 of the Land Acquisition Act, 1894 against the award given by special Land acquisition officer (MHADA) for the land & buildings

acquired by the Government of Maharashtra. The Bombay High Court has passed an order in the above matter. As per the order, compensation of Rs.211 lakhs is receivable by SWL. However, SWL, based on the legal advice, has preferred an appeal against the said order for further enhancement of the Compensation.

During the year, SWL has moved a motion in the Bombay High Court for drawing of the said money and the same has been allowed by the Court. However, the SWL has still not received the amount. Pending the receipt of money, SWL has not accrued this income in the books of account and will be recognized as income in the year of receipt of money on cash basis. This is not in conformity of the Accrual basis of accounting and AS-9, Revenue Recognition (Refer note no.12 of the notes forming part of the consolidated financial statements)

5. Subject to (3 and 4) above, and without considering item (3) above, the effect of which could not be determined and had the effect of item (4) above been considered, Consolidated Loss for the year of Rs.1990.13 Lacs would have become Rs.1814.23 Lacs (net of tax) and Consolidated Accumulated Loss at the year end of Rs.34122.39 Lacs would have become Rs.33946.49 Lacs. We further report that in our opinion and according to the explanations given to us, the said consolidated accounts read together with the significant accounting policies and notes thereon in the Schedule XII to the accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of The Scindia Steam Navigation Company Limited and its subsidiary as at 31st March, 2010; and
 - (ii) in the case of Consolidated Profit and Loss Account, of the Consolidated Loss of The Scindia Steam Navigation Company Limited and its subsidiary for the year ended on that date; and
 - (iii) in the case of Consolidated Cash Flow Statement, of the consolidated cash flow of The Scindia Steam Navigation Company Limited and its subsidiary for the year then ended.

For K. S. AIYAR & CO.,
Chartered Accountants
Firm Registration No.100186W

RAGHUVIR M. AIYAR
Partner
Membership No: 38128

Mumbai
Date : 31st May, 2010

Consolidated Balance Sheet as at March 31, 2010

	Schedule	March 31, 2010 Rupees	March 31, 2009 Rupees
SOURCES OF FUNDS:			
Share Capital	I	189,458,620	189,458,620
Reserves and Surplus	II	2,400,000	2,400,000
Shareholders' Funds		191,858,620	191,858,620
Loan Funds:			
Unsecured	III	3,228,209,788	3,027,963,287
		3,228,209,788	3,027,963,287
TOTAL		3,420,068,408	3,219,821,907
APPLICATION OF FUNDS:			
Fixed Assets	IV		
Gross Block		257,840	257,840
Less: Depreciation		253,020	252,229
		4,820	5,611
Investments	V	-	-
Amount receivable on sale of a property		566,315	566,315
Current Assets, Loans and Advances	VI		
Cash and Bank Balances		11,267,713	14,618,128
Loans and Advances		5,215,804	4,882,407
		16,483,517	19,500,535
Less:			
Current Liabilities and Provisions	VII		
Current Liabilities		8,120,016	12,896,247
Provision for Taxation		1,105,000	580,000
		9,225,016	13,476,247
Net Current Assets		7,258,501	6,024,288
Profit and Loss Account		3,412,238,772	3,213,225,693
TOTAL		3,420,068,408	3,219,821,907
Notes forming part of Consolidated Accounts	XII		

As per our Report annexed.

For K. S. AIYAR & CO.
Chartered AccountantsRAGHUVIR M. AIYAR
Partner
Membership No. 38128

Mumbai, May 31, 2010

N.I.SHETH
Manager

D. A. BIWALKAR Chairman & Managing Director

J. S. PHAUGAT Director

G. SRINIVAS Director

Mumbai, May 28, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

	Schedule	2009-10 Rupees	2008-09 Rupees
INCOME:			
Freight and Charter Hire		-	-
Income from Investment and Deposits, etc.	VIII	822,583	1,383,044
Other Income	IX	3,460,781	15,830
Total Income		<u>4,283,364</u>	<u>1,398,874</u>
EXPENDITURE:			
Ships operating expenses		-	-
Administrative expenses	X	2,158,787	2,326,310
Interest on borrowings	XI	200,260,865	193,234,461
Depreciation		791	927
Director's remuneration		351,000	351,000
Total Expenditure		<u>202,771,443</u>	<u>195,912,698</u>
Profit/Loss before Income tax		(-) 198,488,079	(-) 194,513,824
Provision for taxation (FBT)		525,000	-
Profit/Loss after Tax		(-) 199,013,079	(-) 194,533,824
Balance brought forward from last year's account		3,213,225,693	3,018,691,869
Balance carried to Balance Sheet		<u>(-) 3,412,238,772</u>	<u>(-) 3,213,225,693</u>
Earning per share of Rs. 20 each			
Before extraordinary items		(-) 21.01	(-) 20.54
After extraordinary items		(-) 21.01	(-) 20.54
Notes forming part of Consolidated Accounts	XII		

As per our Report annexed.

For K. S. AIYAR & CO.
Chartered Accountants

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Mumbai, May 31, 2010

N.L.SHETH
Manager

D. B. DALAL Chairman & Managing Director
J. S. PHALGAT Director
G. S. N. DAS Director

Mumbai, May 28, 2010

Schedules forming part of the Consolidated Accounts

	31.03.2010 Rupees	31.03.2009 Rupees
Schedule I : SHARE CAPITAL:		
AUTHORISED:		
1,25,00,000 Ordinary Shares of Rs. 20 each	25,00,00,000	25,00,00,000
ISSUED, SUBSCRIBED and PAID UP :		
94,72,931 Ordinary Shares of Rs. 20 each	189,458,620	189,458,620

NOTES :

- (a) Of the above 3,15,712 shares of the original face value of Rs. 15 each are allotted as fully paid-up pursuant to a contract without payment being received in cash.
- (b) The original face value of 46,99,903 shares was Rs. 15 each which was subsequently raised to Rs. 20 by a bonus issue of Rs. 5 per share by capitalisation of Rs. 1,37,63,625 from Capital Reserve and of Rs. 97,35,890 from Share Premium Account.
- (c) Of the above 47,72,978 shares are allotted as fully paid-up by way of Bonus Shares by capitalisation of Rs. 1,98,37,585 from Share Premium Account, Rs. 6,13,46,842 from General Reserve and Rs. 1,42,75,133 from Capital Reserve.

Schedule II : RESERVES and SURPLUS:

Diminution in value of investment	2,400,000	2,400,000
	2,400,000	2,400,000

Schedule III : UNSECURED LOANS :

(a) Loans from erstwhile Shipping Development Fund Committee (Consequent upon abolition of Shipping Development Fund Committee now vested in Government of India)	338,807,286	338,807,286
(b) Loans from Government of India under Guarantee obligations, etc.	97,161,740	97,161,740
(c) Interest accrued and due on :		
Shipping Development Fund Committee Loans for purchase of ships	1,548,538,678	1,440,789,870
Government of India Loans under Guarantee obligations	600,950,553	570,506,145
Rehabilitation loan	404,310,307	374,913,243
	2,989,768,564	2,822,178,284
(b) Cash Credit from a Bank	22,575,665	22,590,029
Interest thereon	215,865,559	183,194,974
	238,441,224	205,785,003
Total	3,228,209,788	3,027,963,287

Schedule IV : FIXED ASSETS

(In Rupees)

	Gross Block at cost as at 31.03.2009	Additions during the year	Deductions during the year	Gross Block at cost as at 31.03.2010	Total depreciation up to 31.03.2009	Depreciation for the year	Depreciation withdrawn on deduction	Total depreciation up to 31.03.2010	Net Block as at 31.03.2010	Net Block as at 31.3.2009
Furniture, Fixtures and Office Equipments	257,840	0	0	257,840	252,229	791	0	253,020	4,820	5,611
Total	257,840	0	0	257,840	252,229	791	0	253,020	4,820	5,611
Previous year total	257,840	0	0	257,840	251,302	927	0	252,229	5,611	

Schedule V: LONG TERM INVESTMENT (at cost):

	Cost Rupees	31.03.2010 Rupees	31.03.2009 Rupees
Trade Investments:			
In Shares of Subsidiary Company (Fully paid) Ordinary Shares Scindia Workshop Limited			
24,000 Shares of Rs. 100 each	2,400,000		2,400,000
	2,400,000		2,400,000
Less: Diminution in value of investments	2,400,000		2,400,000
		0	0

Schedules forming part of the Consolidated Accounts

	31.03.2010 Rupees	31.03.2009 Rupees
Schedule VI: CURRENT ASSETS, LOANS & ADVANCES		
A Current Assets:		
Cash and Bank balances		
Cash on hand	2,369	2,016
Bank balances with Scheduled Banks		
On Current Accounts	54,583	123,426
On Deposit Accounts	11,210,261	14,492,686
	<u>11,264,844</u>	<u>14,616,112</u>
	<u>11,267,213</u>	<u>14,618,128</u>
(Bank Deposits of Rs. 230,000 earmarked for specific purpose are lodged with Port/Custom Authorities, previous year Rs. 230,000)		
B Loans and Advances:		
Unsecured and considered good, unless otherwise stated		
Advances recoverable in cash or in kind or for value to be received	153,964	200,610
Advance payment of Tax	1,466,200	3,166,200
Tax deducted at source	1,539,940	1,514,897
Deposits with Port Trust/Customs, etc	700	700
	<u>3,150,804</u>	<u>4,882,407</u>
	<u>3,153,517</u>	<u>19,500,535</u>

Schedule VII: CURRENT LIABILITIES AND PROVISIONS

A Current Liabilities		
Sundry Creditors	0	4,593,517
Advances and Deposits	0	214,672
Interest accrued, but not due on loans	7,977,206	7,977,206
Outstanding expenses	142,810	110,852
	<u>8,120,016</u>	<u>12,896,247</u>
B Provision for Taxation		
Total	<u>8,120,016</u>	<u>580,000</u>
	<u>8,225,016</u>	<u>13,476,247</u>

Schedule VIII: INCOME FROM INVESTMENT Gross

	2009-10	2008-09
Interest on:		
Deposits with Banks	822,583	1,365,336
Others	0	17,708
	<u>822,583</u>	<u>1,383,044</u>

(Tax deducted from interest Rs. 75,043/-, previous year Rs. 158,793/-)

Schedule IX: OTHER INCOME:

Miscellaneous Receipts	17,558	15,830
Excess provision, written back	3,228,551	0
Credit balances, written back	214,672	0
	<u>3,460,781</u>	<u>15,830</u>

Schedule X: ADMINISTRATIVE EXPENSES:

Salaries & Staff related expenses	806,717	812,626
Advertisement charges	44,688	26,790
Electricity charges	10,320	15,270
Conveyance	158,374	198,467
General Insurance	919	927
Office expenses	300,966	296,246
Printing, postage, stationery	363,457	528,603
Professional fees/Legal fee	88,466	47,195
Rent	66,180	75,154
Share department	241,296	257,618
Travelling expense	35,049	24,304
Remuneration to Auditors	42,355	43,110
	<u>2,558,787</u>	<u>2,326,310</u>

Schedule XI: INTEREST ON BORROWINGS:	2009-10 Rupees	2008-09 Rupees
Interest on fixed term loans		
From erstwhile Shipping Development Fund Committee	107,748,808	105,578,963
From Government of India on:		
Rehabilitation Loan	29,397,064	29,397,064
Other Loan	30,444,408	30,024,328
On other Accounts:		
Interest on Cash Credit from bank	<u>32,670,585</u>	<u>28,234,106</u>
	<u>200,260,865</u>	<u>193,234,461</u>

As per our Report annexed.

For K. S. AIYAR & CO.
Chartered Accountants

D. A. BIWALKAR Chairman &
Managing Director
J. S. PHAUGAT Director

RAGHUVIR M. AIYAR
Partner
Membership No. 38128
N. I. SHETH
Manager

G. SRINIVAS Director

Mumbai, May 31, 2010

Mumbai, May 28, 2010

Schedule XII:

Notes forming part of the Consolidated Accounts

The subsidiary company considered in the consolidated financial statements is Scindia Workshop Ltd., a wholly owned Indian subsidiary company.

The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS:

SIGNIFICANT ACCOUNTING POLICIES:

A: Principles of Consolidation:

The consolidated financial statements relate to the Scindia Steam Navigation Limited (the Company) and its wholly owned subsidiary company Scindia Workshop Limited. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

Fixed Assets are stated at cost less depreciation.

B: Other significant accounting policies:

These are set out under "Significant Accounting Policies" of the financial statements of the Company and Scindia Workshop Ltd.

NOTES ON THE ACCOUNTS:

1. Contingent Liabilities:

- As a member of Indian Register of Shipping, a company limited by guarantee, Rs. 1,000 (previous year Rs. 1,000).
- Claims against the Company, not acknowledged as debts -
 - in respect of sale deficit claim made by Mumbai Port Trust of Rs. 7.81 lacs,
 - in respect of short landing/damage to cargo claimed by Food Corporation of India amounting to Rs. 6.08 lacs.

2. The Shipping Development Fund Committee (SDFC) has been abolished in terms of the Shipping Development Fund Committee (Abolition) Act, 1986. During the period, the sum of Rs. 3355 lacs (previous year Rs. 3388 lacs) from erstwhile SDFC Government of India Government may have the option and power to convert the whole or part of the balance, representing the share of Equity Shares at par value of Rs. 100/- each, to be held by the Government of India.

3. The Government of India having been secured the sum of Rs. 28222 lacs (previous year Rs. 28222 lacs) outstanding to the Government of India have been shown as unsecured loans.

- The outstanding balance against cash credit facility from a Bank amounting to Rs. 2384 lacs (Rs. 2355 lacs as at March 31, 2009) has been shown as unsecured as the facility does not have any security against the said balance.

Against the above cash credit facility, Bank of India was having a second equitable charge on the Company's property - Scindia Colony at Andheri. The Government of

India, the first charge-holder as mortgagee sold the said property after obtaining necessary consent of Bank of India and the charge created earlier was vacated. Form No. 17 dated 19.02.2007 duly signed by the Bank and the Company was filed with the Registrar of Companies. However, the Company has received a certificate of registration modifying the charge based on an Assignment agreement dated 31.12.2008 executed between the Bank and ASREC (India) Ltd. In fact, the Company has not entered into any such mortgage/assignment agreement with ASREC (India) Ltd. Therefore, the Company is contesting the said modification with ASREC (India) Ltd., Bank of India and the Registrar of Companies.

4. Despite continued losses, erosion of equity and suspension of the main activities of the Company and that of the subsidiary company, the Accounts are continued to be prepared on a 'going concern basis' in the absence of adequate necessary data for 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 and its subsidiary company for compilation of accounts on an alternative basis.

5. In respect of the company's subsidiary, in view of write back of excess provision resulting into profit, minimum alternate tax liability (MAT) of Rs. 525,000 has been provided (previous year Rs. nil).

6. Managerial remuneration paid to Chairman & Managing Director of the Company:

	2009-10	2008-09
	Rs.	Rs.
Salary	3,51,000	3,51,000

7. Remuneration to Auditors:

	2009-10	2008-09
	Rs.	Rs.
Audit fees	40,811	40,812
Reimbursement of out of pocket expenses...	1,544	2,298
	42,355	43,110

8. The office of Company Secretary has been vacant since October 1993. In the circumstances, authentication by Company Secretary does not appear in the Accounts.

9. As there are no operational activities carried by the Company and its subsidiary, Accounting Standard 17- "Segment Reporting" issued by the Institute of Chartered Accountants of India, does not apply.

10. There is unabsorbed business loss of Rs. 78 crores (previous year Rs. 82 crores) and unabsorbed depreciation of Rs. 85 crores (previous year Rs. 85 crores) as per Income-Tax assessment. However, in view of suspension of main activity and uncertainty of future operations, no deferred tax asset has been recognized in the books of account as prescribed under Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

11. Related Party Disclosures:

(a) List of Related Parties and Relationships:

Party	Relationship
Shri D. A. Biwalkar	Chairman & Managing Director of the Company

(b) Related Party Transactions:
Remuneration paid to Chairman & Managing Director Rs. 3,51,000 (previous year Rs. 3,51,000)

12. The State Government acquired the land and buildings of the subsidiary in 1988-89 under Land Acquisition Act, 1894. Thereafter, the physical possession of the acquired assets was taken by the Authorities. Against the awards passed by the Authorities, the subsidiary had filed reference for enhancement of compensation. The Bombay High Court has passed an order for additional compensation of Rs. 211 lacs. The subsidiary, as per legal advice, has filed an appeal before the Division Bench of the Bombay High Court for enhancement of compensation. The appeal has been admitted.

In regard to Rs. 211 lacs lying in the Bombay High Court, after due consultation with the legal counsel, a notice of motion for withdrawal was filed in the Court. While our motion was allowed by the Division Bench, the amount of Rs. 211 lacs was not received up to March 31, 2010. Therefore, the effect of the order has not been considered in the accounts of the subsidiary. It will be considered in its books on receipt and will be offered for tax accordingly.

13. In respect of subsidiary company, during the year, remaining five employees have collected their dues as per the settlement package.

14. Information pursuant to Para 4D of Part II of Schedule VI to the Companies Act, 1956:

	2009-10	2008-09
Foreign exchange used.....	Nil	Nil
Foreign exchange received.....	Nil	Nil
Net exchange gain/loss.....	Nil	Nil

15. Earnings per share of Rs. 20 each:

	2009-10	2008-09
	Rs.	Rs.
Before extra-ordinary item:		
Net profit/loss	(-) 19,90,13,079	(-) 19,45,33,824
Earning per share	(-)21.01	(-)20.54
After extra-ordinary item:		
Net profit/loss	(-)19,90,13,079	(-)19,45,33,824
Earning per share	(-)21.01	(-)20.54
Number of shares	94,72,931	94,72,931

16. Figures pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the parent company's financial statements.

As per our Report annexed.

D. A. BIWALKAR Chairman & Managing Director
J. S. PHAUGAT Director
G. SRINIVAS Director

N.I. SHETH
Manager

Mumbai, May 28, 2010

Consolidated Cash Flow Statement of The Scindia Steam Navigation Co. Ltd., and its Subsidiary Company Scindia Workshop Ltd., for The Year Ended March 31, 2010

	Rs.	2009-10 Rs.	Rs.	2008-09 Rs.
(A) Cash flow from operating activities				
Net profit/loss before tax & extra ordinary items		-199,013,079		-194,533,824
Adjustments for				
Depreciation	791		927	
Interest income	-822,583		-1,383,044	
Interest charged	200,260,865		193,234,461	
Surplus on sale of assets	0		0	
		199,439,073		191,852,344
Operating profit/loss before working capital changes		425,994		-2,681,480
Adjustments for				
Trade & other receivables	41,646		-37,415	
Trade payable	-4,251,231		8,826	
		-4,209,585		-46,241
Cash generated from operations		-3,783,591		-2,727,721
Interest paid		0		-8,834,000
Direct taxes paid/refund received (net)		-375,043		-45,966
Net cash from operations		-4,158,634		-11,607,687
(B) Cash flow from investing items				
Sale proceeds of fixed assets	0		0	
Interest income	822,583		1,383,044	
Net cash used in investing activities		822,583		1,383,044
		-3,336,051		-10,224,643
(C) Cash flow from financing activities				
Decrease in bank borrowing	-14,364		-45,437	
Net cash used in financing activities		-14,364		-45,437
Net increase/decrease in cash & cash equivalents		-3,350,415		-10,270,080
Cash & cash equivalents				
Opening balance		14,618,128		24,888,208
Closing balance		11,267,713		14,618,128

Figures for the previous year have been regrouped or rearranged where appropriate.

For The Scindia Steam Navigation Co. Ltd.

Mumbai, May 28, 2010

D.A.Biwalkar
Chairman & Managing Director