भारतीय नौवहन निगम लिमिटेड

(भारत सरकार का उद्यम)
पंजीकृत कार्यालय: शिपिंग हाउस, 245 मादाम कामा रोड, मुंबई - 400 021.
फोन: 91-22-2202 6666, 2277 2000 फैक्स: 91-22-2202 6905 वेबसाइट: www.shipindia.com

SCI
A Navratna Company
ISO 9001:2008

The Shipping Corporation Of India Ltd.

(A GOVERNMENT OF INDIA ENTERPRISE)
Regd. Office: Shipping House, 245, Madame Cama Road, Mumbai-400 021. Ph: 91-22 2202 6666, 2277 2000
Fax: 91-22 22026905 • Website: www.shipindia.com
सीआईएन/CIN-L63030MH1950GOI008033

Ref/BS/2015-2016/26

29.09.2016

To,

Corporate Relationship Department, **Bombay Stock Exchange Ltd**, 1st Floor, New Trading Ring, Rotunda Building, P.J. towers, Dalal Street, Fort, Mumbai – 400 001	The Manager, Listing Department, **The National Stock Exchange of India Ltd.**, 'Exchange Plaza' Bandra-Kurla Complex, Bandra (East) MUMBAI - 400 051.

Dear Sir,

Sub: Statement on Impact Of Audit Qualifications

With reference to an email received from BSE as on 12.08.2016 and NSE as on 05.08.2016, in Pursuance of SEBI vide Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby submit the Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) for Annual Audited Financial Results for the year ended 31.03.2015.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,

कृते भारतीय नौवहन निगम लिमिटेड
For THE SHIPPING CORPORATION OF INDIA LTD.

दिपांकर हालदार/DIPANKAR HALDAR
कार्यकारी निदेशक (विधिक मामले) एवं कंपनी सचिव
Executive Director (Legal Affairs) & Company Secretary

एस सी आई
SCI
A Navratna Company
ISO 9001:2008

भारतीय नौवहन निगम लिमिटेड
(भारत सरकार का उद्यम)
पंजीकृत कार्यालय: शिपिंग हाउस, 245 मादाम कामा रोड, मुंबई - 400 021
फोन: 91-22-2202 6666, 2277 2000 फैक्स: 91-22-2202 6905 वेबसाइट: www.shipindia.com

The Shipping Corporation Of India Ltd.
(A GOVERNMENT OF INDIA ENTERPRISE)
Regd. Office: Shipping House, 245, Madame Cama Road, Mumbai-400 021. Ph: 91-22 2202 6666, 2277 2000
Fax: 91-22 22026905 • Website: www.shipindia.com
सीआईएन/CIN-L63030MH1950GOI008033

Statement on Impact of Audit Qualifications on Financial Statements for the Financial Year ended March 31,2015
[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income (Rs. In Lacs)	458762	458762
	2.	Total Expenditure (Rs. In Lacs)	438669	438669
	3.	Net Profit/(Loss) (Rs. In Lacs)	20093	20093
	4.	Earnings Per Share (Rs.)	4.31	4.31
	5.	Total Assets (Rs. In Lacs)	1520488	1520488
	6.	Total Liabilities (Rs. In Lacs)	867128	867128
	7.	Net Worth (Rs. In Lacs)	653360	653360
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. **Audit Qualification (each audit qualification separately):**

a. **Details of Audit Qualification:** Auditors have given the following qualifications in their Audit report:

1) The direct access of overseas foreign agents to fund collected on account of freight and other charges in the absence of matching bank guarantees, any policy on fixation of credit limits based on credit rating & other factors and regular monitoring mechanism is prone to risk of non / short payment, the consequential effect of which on the Statement of Profit and Loss remains unascertainable.
2) Adjustments that may be required in the account on working of the actual amount payable to all eligible employees for self lease for staff and officers from 26/11/2008 to 31/03/2015, the impact of which on the statement of profit and loss and Balance Sheet remains presently unascertainable.

b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification:**
Point '1 ' & '2' appeared first time in the year ended 31st March 2015.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

	(i) Management's estimation on the impact of audit qualification: Cannot be ascertained.
	(ii) **If management is unable to estimate the impact, reasons for the same:** Point no. 1 - SCI has opened bank accounts in its name for collection of freight and other charges directly from customers at all ports except the ports where local laws do not permit opening such accounts by non-resident companies. SCI collects bank guarantee from its foreign agents to cover its risk on account of freight & other charges collected by agents. While 100 % risk cannot be mitigated in any business, SCI ensures that any risk associated with freight collection is minimised to the extent possible without affecting its business interests. As collections are ongoing, the bank guarantee/security amount is periodically reviewed vis-a-vis the amount of business done by agents. However, due to the time lag which is inherent in the business model, the impact thereof on the accounts is not determinable. Point No. 2) - Management has offered self lease facility to its employee's w.e.f. 26/11/2008 on the terms and conditions approved by the Ministry of Shipping. Applications have been received from some of the employees and they are under scrutiny. The final amount payable is yet to be worked out. However, as a prudent accounting practice, Management has made a provision in the books of account on the basis of number of employees who have applied estimated amount per employee and period of self lease. The actual impact on profit & loss account can be ascertained only after applications are received from all the eligible employees and final employeewise amount payable is worked out.
	(iii) **Auditors' Comments on (i) or (ii) above** **Refer Annexure – 1**
III	*Signatories:*
	• CEO/Managing Director — 26/9/16
	• CFO — 26/09/2016
	• Audit Committee Chairman — 26/9/16
	• Statutory Auditor
	Place: Mumbai
	Date: 26/09/2016

FOR GMJ & CO.
CHARTERED ACCOUNTANTS
PARTNER
28/9/16

MKPS & ASSOCIATES FRN 302014E CHARTERED ACCOUNTANTS

GMJ & CO. MUMBAI FRN NO. 103429W CHARTERED ACCOUNTANTS

Annexure to Form – B:

Auditors' Comments on management's explanation on qualification

For II.e.ii. 1:

We may like to further add to management's reply that in case of accounts opened in the name of agents and freight collections directly credited to the account of the agent, there is a probability of certain freight collections directly credited to the account of agent but not deposited to the account of the company by the agents. As has happened in the past and due to such probability; how many such cases may have happened is not possible to assess due to which its impact on the accounts is not determinable.

For II. E.ii.2:

We concur with the reply of the management.

FOR **GMJ & CO.**
CHARTERED ACCOUNTANTS

PARTNER

GMJ & CO. MUMBAI FRN NO. 103429W CHARTERED ACCOUNTANTS