



**Mackinnon Mackenzie
& Company Ltd.**

**Annual Report
2013 - 2014**

Mackinnon Mackenzie & Co. Ltd.

BOARD OF DIRECTORS Rear Adml. P. K. Sinha
Captain N. B. Jamnerkar
Abbas Lakadawalla

AUDITORS M/s. Sachin P. Mulgaokar & Co.
Chartered Accountants
Mumbai

**ADVOCATES AND
SOLICITORS** Maneksha & Sethna, Bombay

**REGISTRAR AND SHARE
TRANSFER AGENTS** In House facility
w.e.f. 01-04-2004

BANKERS Standard Chartered Bank
Vijaya Bank

REGISTERED OFFICE 4, Shoorji Vallabhdas Marg, Ballard Estate,
Bombay - 400 038.
CIN No. L63020MH1951PLC013745

In view of the high cost of paper and printing, copies of the Annual Report cannot be distributed at the Annual General Meeting. You are, therefore, requested to bring your copy of the Annual Report to the Meeting.

Mackinnon Mackenzie & Co. Ltd.

NOTICE

NOTICE is hereby given that the 63rd Annual General Meeting of the Shareholders of Mackinnon Mackenzie And Co Limited will be held on Monday, the 22nd September, 2014 at 10:00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400001, to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Profit and Loss Statement for the year ended on that date along with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Abbas Lakdawalla, Director (DIN 00037416) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Sachin P. Mulgaokar & Co., Chartered Accountants as the Statutory Auditors of the Company by passing the following Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of section 139 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with Rule no 3 of the Companies (Audit and Auditors) Rules 2014, M/s. Sachin P. Mulgaokar & Co., Chartered Accountants (Firm’s Registration No.108945W), the retiring Auditors be and hereby re-appointed as Statutory Auditors of the Company for the period of three (3) years commencing from the conclusion of this Annual General Meeting to the Conclusion of the 66th Annual General Meeting, subject to the ratification at each Annual General Meeting held after forthcoming Annual General Meeting on such remuneration as may be determined by the Board of Directors Of the Company.”

“RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to file form ADT-1 with the Registrar of Companies, Mumbai within the prescribed time.”

NOTES:

- a) *A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and a proxy need not be member of the Company. Proxy forms should be deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.*
- b) *The Register of Members and the Share Transfer Books of the Company will be closed from Monday, 15th September 2014 to Monday, 22nd September 2014 (both days inclusive) in terms of the provisions of Sections 91 of the Companies Act, 2013.*

By Order of the Board of Directors
For Mackinnon Mackenzie & Company Limited

CAPT. N. B. JAMNERKAR
DIRECTOR
(DIN: 00012293)

Place: Mumbai
Dated: 28th July 2014

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

To the Members:

Your Directors are pleased to inform that in a view of Commencement of New Companies Act 2013, your Company is in process to implement the various provisions, if applicable.

Your Directors submit the 63rd Annual Report of the Company together with the audited statement of accounts for the period ended 31st March 2014.

1. FINANCIAL RESULTS:

The financial results as follow: -

	<u>Year ended</u> <u>31.03.2014</u> <u>Rs. (Lakhs)</u>	<u>Year ended</u> <u>31.03.2013</u> <u>Rs. (Lakhs)</u>
1 Income from operations	15.15	15.15
2 Other Income	9.09	19.45
3 Total Income	24.24	34.60
4 Total Expenditure	83.12	100.32
5 Gross Profit/(Loss) before interest	(58.88)	(65.72)
Depreciation & Tax		
Less: (a) Interest	.36	0.42
(b) Provisions for depreciation	1.80	2.10
(c) Provision for Doubtful Debts		--
Profit/(Loss) before extraordinary/prior period Items & Tax	(61.04)	(68.24)
Add: (d) Extraordinary/prior period items		----
6 Net Profit/(Loss) before Tax	(61.04)	(68.24)
7 (a) Provision for Fringe Benefit Tax		
(b) Add: Profit/(Loss) B/F from earlier year	(83398.46)	(83330.22)
8 Cumulative Profit/(Loss)	(83459.50)	(83398.46)

The debit balance in the Profit & Loss Account after considering prior years' adjustments stands at Rs. 83459.50 Lakhs.

2. DIVIDEND:

In view of the losses suffered by the Company, your Directors do not recommend any Dividend for the year under review.

3. SETTLEMENT:

- a) Mumbai office staff:
Company has appealed under a special leave petition in the Supreme Court matter is admitted & awaiting final hearing.
- b) Future Business Prospect:
In view of the very adverse financial constraints the prospects of any growth in future business is highly unlikely.

4. QUALIFICATIONS IN AUDITORS' REPORT:

With reference to the comments contained in Auditors' Report, the position has been explained in the Notes to the Financial Statements and are self-explanatory. Information Pursuant to Section 217 of the Company's Act, 1956 is given in item 28 of notes to Financial Statements with Balance Sheet and Profit and Loss Account.

Mackinnon Mackenzie & Co. Ltd.

- 5. DIRECTORS:**
Mr. Abbas Lakdawalla, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.
- 6. FIXED DEPOSITS:**
The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act 1956 during the year under review.
- 7. COMPANY RECORDS:**
The company is in the process of reconstructing records to the extent possible with respect to the destroyed records as reported in the earlier years.
- 8. COMPLIANCE CERTIFICATE:**
As required under provisions of Section 383A of the Companies Act 1956, Compliance Certificate dated 28th July 2014 from Ms. Divya Momaya, Practicing Company Secretary is annexed.
- 9. AUDITORS:**
M/s. Sachin P. Mulgaokar & Co, Chartered Accountants, Mumbai, who are the Statutory Auditors of the Company retire at the ensuing Annual general and being eligible, have expressed their willingness to continue, if so re-appointed. As required under the provisions of section 139 (1) of Companies Act 2013 & the Companies (Audit & Auditors) rules 2014, your Company has obtained a written certificate from the Auditors proposed to be re-appointed to the effect that, if appointment is made it shall be in accordance with the conditions as may be prescribed. The Board hereby requests the members to reappoint M/s. Sachin P. Mulgaokar & Co., Chartered Accountants, Mumbai as Auditor for period of Three years from the conclusion of this Annual general meeting till the Annual General Meeting to be held in 2017.
- 10. DIRECTORS RESPONSIBILITY:**
The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the period under review. Pursuant to Section 217(2AA) of the Companies Act, 1956, and in respect of the annual accounts for the period under review, the Directors hereby confirm that:
- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
 - (ii) Appropriate accounting policies have been selected and applied consistently and judgment and estimates that are reasonable and prudent have been made 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 that period.
 - (iii) Proper and sufficient care 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 frauds and other irregularities have been taken to the best of their knowledge and ability.
 - (iv) The annual accounts have been prepared on a "going concern basis."
- 11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUT GO:**
The Company does not have activities related to conservation of energy and technology absorption. During the year foreign exchange out go was Rs. Nil. The foreign exchange earned during the year was Rs. 80200.
- 12. PARTICULARS OF EMPLOYEES:**
The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.
- 13. ACKNOWLEDGEMENT :**
Your Directors take this opportunity of thanking the Shareholders, the Company's Bankers, Auditors, Business Associates, Mumbai Port Trust & Brihan Mumbai Mahapalika Nigam & staff for their co-operation received during the year under review.

On behalf of the Board of Directors
CAPT. N.B. JAMNERKAR
CHAIRMAN
(DIN: 00012293)

Date : 28th July 2014
Place : Mumbai

ANNEXURE TO DIRECTOR REPORT

A/602, Shree Durga Apt.,
Plot no. 186, Sector-10, Sanpada,
Navi Mumbai - 400 705.

D. S. Momaya & Co.
Company Secretary
Phone No.: 9619745928 / 27756137

COMPLIANCE CERTIFICATE

(Under sub section (1) of Section 383A of the Companies Act, 1956)

Co Regd No: L63020MH1951PLC013745

Auth Cap : Rs 4,00,00,000/-

Paid Up Cap : Rs 24,72,225/-

The Members,
Mackinnon Mackenzie and Company Limited
4-Shoorji Vallabhdas Marg,
Ballard Estate,
Mumbai 400 001

We have examined the registers, records, books and papers of Mackinnon Mackenzie and Company Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries there in have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made there under.
3. The Company being public limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met four times on 30.05.2013, 26.07.2013, 28.10.2013 and 28.01.2014, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 20.09.2013 to 27.09.2013 and necessary compliance of the Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2013 was held on 27th September 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year
8. The Company has not advanced loans under the provisions of Section 295 of the Act.
9. The Company was not required to comply with the provisions of section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act during the year under review.
11. As there were no instances falling within the purview of Section 314 of the Act hence no comments.
12. The Company has not issued duplicate share certificates.
13. The Company:
 - i) Delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - ii) Has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.

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- iii) Company was not required to post warrants to any of its members as no dividend was declared during the financial year.
- iv) The provisions of the Act relating to transfer of amount remaining in unpaid dividend account accrued there remain unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund are not applicable.
- v) Has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted.
15. The Company continues to appoint Mr. Prashant Sinha as a Whole Time Director during the Year.
16. The Company has not appointed any sole selling agents during the financial year.
17. No approvals were required to be obtained from Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back shares during the financial year.
21. As the Company has not issued any preference shares or debentures the question of their redemption does not arise.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the company from public, financial institutions, banks and others during the financial year is/ are within the borrowing limits of the company as per section 293(1)(d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate hence was not required to make any entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to other states during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was / were no prosecutions initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offenses under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not setup Provident Fund Scheme hence provisions of Section 418 of the Act are not applicable.

Place : Navi Mumbai
Dated : 28.07.2014

Sd/-
For D.S.MOMAYA & CO.
Divya Momaya
Proprietor
Company Secretaries
FCS: 7195 CP: 7885

Mackinnon Mackenzie & Co. Ltd.

ANNEXURE – “A”

Annexure to the Compliance Certificate of Mackinnon Mackenzie and Company Limited

Registers / Reports as maintained by the Company.

Sr. No.	Particulars
1.	Register of members under Section 154
2.	Register of transfer of shares
3.	Copies of annual accounts under Companies Act, 1956
4.	Books of accounts under section 209
5.	Register of Directors, Managing Director and Company Secretary u/s.303
6.	Register of Directors' shareholding u/s.307
7.	Records pertaining to members attendance attending their meetings
8.	Minutes Books for minutes of the meeting of the Board of Directors and Members
10.	Register of Charges u/s.143
11.	Register of Contracts u/s 301
12.	Register of Proxies

ANNEXURE – “B”

Annexure to the Compliance Certificate of Mackinnon Mackenzie and Company Limited

No.	Form No. / Return	Filed under relevant section of the Act	Particulars	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fees paid
1.	23ACA XBRL	220	Annual Accounts for the period ended 31.03.2013	26.10.2013	Yes	No
2.	Form 20B	159	Annual Return as per Schedule V for F.Y. ended 31.03.2013 and for AGM held on 27.09.2013	19.10.2013	Yes	No
3.	Form 66	383A	For the year ended 31.03.2013	04.10.2013	Yes	No

Sd/-
For D.S.MOMAYA & CO.
Divya Momaya
Proprietor
 Company Secretaries
 FCS: 7195 CP: 7885

Place : Navi Mumbai
 Dated : 28.07.2014

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MACKINNON MACKENZIE & COMPANY LIMITED**

1. Report on the Financial Statements

We have audited the accompanying financial statements of **MACKINNON MACKENZIE & COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Basis of Qualified Opinion

As mentioned in Note 10 (c) of the financial statements, the investments made at Kolkata Rs 56000/- are presently not available for verification as the building is destroyed by fire. As such, we are unable to express an opinion as to the effect of financial statements for the year.

As mentioned in Note 30 of the financial statements despite continued huge losses resulting in total erosion of the net worth of the company, the accounts for the year have been prepared on the assumption of going concern basis. Should the company be unable to continue as a going concern, the extent of effect the resultant adjustments would have on the net worth at the year end as the losses for the year is not ascertainable. As such, we are unable to express an opinion as to the effect of financial statements for the year.

As mentioned in Note 15 of the financial statements Loans and Advances includes certain old balances amounting to Rs 8,18,785 for which no provision for doubtful items if any has been made in the accounts pending review confirmation of the same. As a result the effect of non-provision on the loss for the year cannot be ascertained. As such, we are unable to express an opinion as to the effect of financial statements for the year.

As mentioned in Note 7 of the financial statements Trade Payables include an amount of Rs.26,51,925/- which represent old balances for which no write back has been made in the accounts pending the review/ confirmation of the same. As a result, the effect of such write back, if any on the loss for the year cannot be ascertained. As such, we are unable to express an opinion as to the effect of financial statements for the year.

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As mentioned in Note 8 of the financial statements certain old credit balances outstanding in various accounts amounting to Rs.1,48,52,774 for which no write back has been made in accounts pending the review /confirmation of the same. As a result, the effect of such write back, if any on the loss for the year cannot be ascertained. As such, we are unable to express an opinion as to the effect of financial statements for the year.

As mentioned in Note 5 of the financial statements the Company's bankers had filed suit in Bombay High Court for recovery of loans which were transferred to the Debt Recovery Tribunal. The bankers have assigned entire debt due to them to a Company and suit filed by these banks have been transferred back to Bombay High Court. Suits are for recovery of Rs.61,66,05,621/- outstanding as on 31st March 1991. However loans along with interest accrued and due to the Company which has taken over the Debt as per the terms of loans and subsequent understanding with the Company amounting to Rs 8,256,129,338 are outstanding as on 31st March 2014 However no confirmations are available from Bank and the Company which has taken over the Debt for the same. We are therefore unable to comment on the effect of the same if any on secured loans due to Company which has taken over the Debt and the debit balance of Surplus in Statement of Profit & Loss Account as at 31st March 2014. As such, we are unable to express an opinion as to the effect of financial statements for the year.

As mentioned in Note 31 of the financial statements non availability of confirmations in respect of balances of secured and unsecured loans, debtors, certain bank balances, deposits, and creditors appearing in Schedule 5,7,8,10, 13, 14 and 15 of the accounts respectively. As such, we are unable to express an opinion as to the effect of financial statements for the year.

As mentioned in Note 24 of the financial statements provision for accrued liability for the year in respect of gratuity and long term compensated absences has been made on arithmetical basis instead of based on actuarial valuation as required by Accounting Standard -15 "Employee Benefits" (the Standard). The effect on the Profit & Loss Account for the year had the Company determined the accrued liability for gratuity and long term compensated absences based on actuarial valuation has not been ascertained. Accordingly, the disclosure requirement regarding the actuarial assumptions used for actuarial valuation is not complied with. Further, the transitional liability/gain as at April 1, 2007, which is required to be determined in terms of the transitional provisions of the Standard, has not been ascertained and accounted for. As a result the effect of on the loss for the year and debit balance of Surplus in Statement of Profit & Loss Account as at 31st March 2014 cannot be ascertained As such, we are unable to express an opinion as to the effect of financial statements for the year.

As mentioned in Note 27 of the financial statements, regarding non compliance of requirements under Micro, Small and Medium Enterprise Development Act, 2006 in absence of information available with the company. As such, we are unable to express an opinion as to the effect of financial statements for the year.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matters in the Basis of Qualified Opinion paragraph as mentioned above* and read together with the other notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March ,2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of Cash Flow Statement , of the cash flows for the year ended on that date.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- (a) Except for the matters described in the Basis for Qualified opinion paragraph above, we have obtained all the information, and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) Except for the effects of the matters described in the Basis for Qualified opinion in, our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) Except for the matter described in the Basis for Qualified Opinion paragraph 4(b), in our opinion, the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) Except for the effects of the matters described in the Basis for Qualified opinion paragraph above, in our opinion, the Balance Sheet, Statement of Profit & Loss comply with the Accounting Standards notified under the companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- (f) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of section 274(1) (g) of the Act.
- (g) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For SACHIN P. MULGAOKAR & CO
(Chartered Accountants)
Firm Regn No:108945W

Sachin P. Mulgaokar
(Proprietor)
Membership No. 40942

Mumbai
Dated: 30th May 2014

Mackinnon Mackenzie & Co. Ltd.

ANNEXURE REFERRED TO IN PARAGRAPH 1 under REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS.

- (i) (a) In our opinion, the Company, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 (b) As explained to us, all fixed assets have been physically verified by the management according to a regular program which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
 (c) There was no substantial disposal of fixed assets during the year.
- (ii) Clause regarding Inventory records and verification is not applicable to the Company as the Company is carrying on agency business.
- (iii) As informed, the Company has not taken or given any loans, secured or unsecured from companies, firms or other parties listed in register maintained under section 301 of the Companies Act 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit no major weakness have been observed in the internal controls.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management. We are of the opinion that all transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.
 b) Based on the information and explanations given to us, it is our opinion that these transactions have been made at reasonable prices having regards to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii) The requirement of having an internal audit system is not applicable to the Company.
- viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government u/s.209 (1) (d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
- ix) (a) **According to the information and explanation given to us, there are no undisputed amounts payable in respect of Income tax, (other than Service Tax Rs 585349), Wealth Tax, Sales Tax, Customs Duty and Excise Duty, and Cess outstanding as at the year end of a period of more than six months from the date they become payable.**
 b) According to the information and explanation given to us, there are no dues of Income tax, Sales tax, Wealth tax, Customs duty, Excise duty or Cess outstanding on account of any dispute, except for the following.

S. No.	Name of Statute	Nature of Dues	Amount Rs.	Period to which it relates	Forum where dispute is pending
1	Foreign Exchange Regulation Act	Fine for alleged violation of Foreign Exchange Regulation Act by the Company and its Officer	10,02,97,000	1979	Foreign Exchange Appellate Tribunal has allowed Companies Appeal against which the concerned Govt. Dept. filed an appeal with High Court of Bombay. The Hon. High Court of Bombay has referred the matter back to the Appellate Tribunal Commissioner of Income Tax (Appeals)
2	Income Tax Act	Income Tax	86,37,784	A.Y. 2011-12	

Mackinnon Mackenzie & Co. Ltd.

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- x) (a) **The Company total accumulated losses far exceed its capital and Reserves.**
(b) **The Company has suffered cash losses during the year.**
- xi) **According to the information and explanations given to us and the records examined by us, Company has not been able to repay loan and interest on secured loans and suits filed by Banks with Debt Recovery Tribunal and suit filed by the Company which has taken over debt from Banks are pending with High Court of Bombay.**
- xii) According to the information and explanations given to us and the records examined by us, the Company has not granted any loan against security of pledge of shares.
- xiii) In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to chit fund and Nidhi/mutual benefit fund/societies.
- xiv) As per information given to us the Company is not dealing in shares and securities .
- xv) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are prima facie prejudicial to the interest of the Company.
- xvi) **As informed to us, Secured loans were taken in past for purchase of ships which have already been sold off but the Company is not in a position to repay the balance loan. Company's fixed assets like Building are mortgaged to the Company which has taken over debt due to Banks. Outstanding secured loans including interest as on 31st March 2014 is Rs. 8,256,129,338.**
- xvii) On the basis of an overall examinations of the balance sheet and cash flow of the Company and the information and explanations given to us, we report that the Company has not utilised any funds raised on short term basis of long term investments and vice- versa.
- xviii) The Company has not made any preferential allotment of shares to parties or companies covered under Section 301 of the Act.
- xix) Company has not issued any debentures.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) Based upon the audit procedures performed and the information and explanation given by the management, we report that, no fraud on or by the Company has been noticed or reported during the year.

For SACHIN P. MULGAOKAR & CO
(Chartered Accountants)
Firm Regn No:108945W

Sachin P. Mulgaokar
(Proprietor)
Membership No. 40942

Mumbai :
Dated : 30th May 2014

Mackinnon Mackenzie & Co. Ltd.

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	24,72,225	24,72,225
Reserves and surplus	4	(8,32,64,11,871)	(8,32,03,07,389)
Non-Current Liabilities			
Long Term Borrowings	5	8,25,61,29,338	8,25,61,29,338
Long Term Provisions	6	35,02,399	32,13,996
Current Liabilities			
Trade Payables	7	8,75,89,504	7,88,57,700
Other Current Liabilities	8	4,65,51,039	4,68,96,766
TOTAL		6,98,32,633	6,72,62,636
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	9	22,08,268	23,88,531
Non-Current Investments	10	3,07,120	3,07,120
Long-term loans and advances	11	1,46,190	3,75,559
Other Non-Current assets	12	3,04,997	8,545
Current Assets			
Trade receivables	13	5,36,50,035	5,28,90,169
Cash and cash equivalents	14	60,15,085	62,95,877
Short-term loans and advances	15	61,60,146	45,10,013
Other Current Assets	16	10,40,792	4,86,822
TOTAL		6,98,32,633	6,72,62,636

Contingent Liabilities and commitments 25
 Summary of Significant Accounting Policies 2
 The notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For Sachin P Mulgaokar & Co
 Firm Registration Number 108945W
 Chartered Accountants

For and on behalf of the Board of Directors

Sachin Mulgaokar
 Proprietor
 Membership No 40942
 Place : Mumbai
 Date : 30th May 2014

Rear Admiral P.K. Sinha
 Director

 Place : Mumbai
 Date : 30th May 2014

Capt N.B. Jamnerkar
 Director

Mackinnon Mackenzie & Co. Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

Particulars	Note No.	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
Revenue from Operations	17	15,14,836	15,15,288
Other income	18	9,08,607	19,44,696
Total Revenue		24,23,443	34,59,984
Expenses			
Employee Benefits Expense	19	18,89,936	31,60,376
Finance Cost	20	36,177	41,839
Depreciation and Amortisation expense	9	1,80,263	2,10,869
Other expenses	21	64,21,548	68,71,446
Total expenses		85,27,924	1,02,84,530
(Loss) before prior period expense		(6104482)	(6824545)
Profit / (Loss) before tax		(6104482)	(6824545)
Tax expense:			
(a) Current tax expense for current year		-	-
(e) Deferred tax		-	-
Loss for the year		(6104482)	(6824545)
Earnings per share Basic/Diluted (Face Value of Rs 1/- each):		-2.47	-2.76

Summary of Significant Accounting Policies 2
The notes are an integral part of the financial statements

This is the Statement of Profit and Loss Account referred to in our report of even date.

For Sachin P Mulgaokar & Co
Firm Registration Number 108945W
Chartered Accountants

For and on behalf of the Board of Directors

Sachin Mulgaokar
Proprietor
Membership No 40942
Place : Mumbai
Date : 30th May 2014

Rear Admiral P.K. Sinha
Director
Place : Mumbai
Date : 30th May 2014

Capt N.B. Jamnerkar
Director

Mackinnon Mackenzie & Co. Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1 **General Information:** Mackinnon Mackenzie & Co Ltd is engaged in the business of shipping agency, ship handling, ship manning, managing pension funds , cargo handling and property owning and leasing.

2 **Significant Accounting Policies**

(i) **Basis of Accounting**

These financial statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspect of accounting standards notified under Section 211(3C). [(Companies Accounting Standards} Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956 Based on the nature of products and the time between the acquisition of asset for processing and their realisation in cash and cash equivalents , the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

ii) **Fixed Assets and Depreciation**

(a) **Fixed Assets :Tangibles**

All Tangible assets are stated at cost of acquisition less accumulated depreciation.

(b) **Depreciation: Tangibles**

Depreciation on Tangible assets has been provided on the Written Down Method at the rate specified in Schedule XIV of the Companies Act, 1956.

c) The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the amount recoverable of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iii) **Investments**

Long Term Investments are valued at cost. Provision has been made for permanent diminution in the value of investments , if any, except where data is not available.

iv) **Revenue Recognition:** Revenues are recognised on accrual basis.

v) **Foreign Currency Transactions**

i) Transactions in Foreign Exchange are recorded at the exchange rates prevailing on the date of realisation.

ii) Current Assets and Liabilities balances in foreign currency at the date of Balance Sheet are translated with reference to year and exchange rates, the loss/gain , on such translation is accounted for in the Profit & Loss Account.

vi) **Retirement Benefits**

i) **Defined Contribution Plans:** The company's contribution in respect of Provident Fund and Superannuation Fund is charged to Profit & Loss Account each year.

ii) **Defined Benefit Plan/Long Term Compensated Absences:** Provision for Gratuity has been made on arithmetical basis in respect of employees on the assumption that all employees retire on 31st March 2014. Provision for compensated absences has been made on arithmetic basis in respect of all employees.

vii) **Taxation**

i) **Current Tax:** No provision is made in view of the loss and carried forward loss

ii) **Deferred Tax:** Net deferred tax asset has not been recognised by the company in view of uncertainty of future taxable income.

Mackinnon Mackenzie & Co. Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	As at 31 March, 2014 Rs	As at 31 March, 2013 Rs
3 SHARE CAPITAL		
Authorised Shares		
400,00,000 (400,00,000) Equity shares of Rs 1 each	4,00,00,000	4,00,00,000
	<u>4,00,00,000</u>	<u>4,00,00,000</u>
Issued , Subscribed and Paid Up Shares		
24,72,225 (24,72,225) Equity shares of Rs 1 each	<u>24,72,225</u>	<u>24,72,225</u>

**a) Reconciliation of number of shares
Equity Shares
Particulars**

Particulars	March 31, 2014		March 31, 2013	
	No of shares	Rs	No of shares	Rs
At the beginning of the year	24,72,225	24,72,225	24,72,225	24,72,225
Addition during the year	-	-	-	-
Deletion during the year	-	-	-	-
At the end of the year	<u>24,72,225</u>	<u>24,72,225</u>	<u>24,72,225</u>	<u>24,72,225</u>

b) Details of Shareholders holding more than 5% shares in the company

Particulars	March 31, 2014		March 31, 2013	
	No of shares	% Holding	No of shares	% Holding
Abad Transport Private Ltd.	2,50,000.00	10.11	250000	10.11
Belmount Holdings & Trading Co. Ltd.	2,50,000.00	10.11	250000	10.11
Elaster Investments & Trading Co.Ltd.	2,50,000.00	10.11	250000	10.11
Zodiac Holdings & Trading Co. Ltd.	2,50,000.00	10.11	250000	10.11
Mackinnons Abad Shipping Ltd.	1,92,250.00	7.78	192250	7.78

Rights, preferences and restrictions attached to shares

- c) The company has one class of Equity Shares having a par value of Rs 1 per share. Each shareholder is eligible for one vote. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of the Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings

- | | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|--|---------|---------|---------|---------|---------|
| d) Fully paid Equityshares pursuant to contract without payment being received in cash | 999930 | 999930 | 999930 | 999930 | 999930 |

- e) In order to bring in line the paid up capital which was not represented by the assets due to huge carried forward losses the company had made a petition the the Hon. Bombay High Court under section 100 and other applicable provisions of the Companies Act, 1956 for reduction of capital from Rs 2.50 crores to Rs 25 Lacs by reducing the paid up value of the share from Rs 10 to Rs 1. The Hon.Bombay High Court has confirmed the reduction of capital vide their order dated 15th April 2004. Consequently Rs 22,375,012 (after adjusting forfeiture of 27,775 shares and Rs13,888 amount paid on forfeited shares) has been reduced from the accumulated losses of the company during the year ended 31st March 2005.

Mackinnon Mackenzie & Co. Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
4. RESERVES AND SURPLUS		
(a) CAPITAL RESERVE		
As per Last Balance Sheet	1,12,46,274	1,12,46,274
(b) GENERAL RESERVE		
As per Last Balance Sheet	82,80,748	82,80,748
Less: Transferred to Debit Balance in Surplus in Profit & Loss Statement	82,80,748	82,80,748
Closing Balance	-	-
(c) SURPLUS IN STATEMENT OF PROFIT & LOSS		
As per last Balance Sheet	(8,33,98,48,299)	(8,33,30,23,754)
Loss for the year	(61,04,482)	(68,24,545)
	(8,34,59,52,781)	(8,33,98,48,299)
Less: Balance in General Reserve	82,80,748	82,80,748
Closing Balance	(8,33,76,72,033)	(8,33,15,67,551)
Amount paid on forfeited shares	13,888	13,888
Total	(8,32,64,11,871)	(8,32,03,07,389)
5. LONG TERM BORROWINGS		
Secured		
From Others	8,25,61,29,338	8,25,61,29,338
(Secured by way of pledge of certain investments, hypothecation of book debts and mortgage of all immovable properties)		
Total	8,25,61,29,338	8,25,61,29,338
Note:		
The Hon'able Bombay High Court has approved the application of the banks for transfer of debts owed by the company to them to M/s Ardeshir B Cursetjee & Sons Ltd (hereinafter referred to A.B.C & Sons Ltd.) along with securities and mortgagage charges. Consequently suits filed by the banks pending before the Debt Recovery Tribunal has transposed M/s A.B.C & Sons Ltd in place of the banks. Total amount due to M/s A.B. C & Sons Ltd against debts of various banks taken over by them is Rs 8,25,61,29,338.(Previous Year Rs 8,25,61,29,338) and no interest has been provided thereon.		
6 LONG TERM PROVISIONS		
Provision for Employees Benefits: All Unfunded		
(a) Contribution to Superannuation Fund	10,85,939	9,50,939
(b) Gratuity	12,55,300	11,98,557
(c) Leave Encashment	11,61,160	10,64,500
Total	35,02,399	32,13,996
7 TRADE PAYABLES (See Notes below)	8,75,89,504	7,88,57,700
Total	8,75,89,504	7,88,57,700

Notes:

- (a) Trade payables include an amount of Rs 26,51,925 (Previous Year Rs 26,51,925) which represents old balances for which no write back has been made pending the review /confirmations of the same.
- (b) In view of the multiplicity and identification of accounts relating to small scale undertakings, information for determining the particulars relating to current indebtedness to such undertakings as required under Schedule VI part I to the Companies Act, 1956 is not readily available.

Mackinnon Mackenzie & Co. Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
8 OTHER CURRENT LIABILITIES		
(a) Advances from Customer (See Note below)	2,09,80,091	2,09,80,091
(b) Amount held for principals (See Note below)	50,48,024	48,81,958
(c) Advances from Tenants	84,51,449	84,51,449
(d) Security Deposits	65,22,776	65,22,776
(e) Other Advances	49,00,000	49,00,000
(f) Service Tax Payable	5,85,349	9,97,775
(g) TDS Payable	63,350	1,62,717
Total	4,65,51,039	4,68,96,766

Note

Following amounts represents old balances for which no write back has been made in accounts pending the review confirmation of the same

Advances from Customers	1,02,99,091	1,02,99,091
Advances and amounts held for principals	45,53,683	45,53,683
	1,48,52,774	1,48,52,774

9. FIXED ASSETS

	GROSS BLOCK AT BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions during the year	Deductions during the year	As at 31.03.2014	As at 01.04.2013	For the year	Deductions during the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible	Asset	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Land & Buildings										
On Leasehold Land	98,21,508	-	-	98,21,508	83,12,017	75,474	-	83,87,491	14,34,017	15,09,491
2. Furniture & Fittings	3,13,118	-	-	3,13,118	3,12,156	175	-	3,12,331	787	962
3. Office Equipments	2,05,245	-	-	2,05,245	1,97,010	1,143	-	1,98,153	7,092	8,235
4. Plant & Machinery	20,78,843	-	-	20,78,843	12,09,000	1,03,471	-	13,12,471	7,66,372	8,69,843
Total	1,24,18,714	-	-	1,24,18,714	1,00,30,183	1,80,263	-	1,02,10,446	22,08,268	23,88,531
Previous Year	1,22,77,301	1,41,613	-	1,24,18,714	98,19,314	2,10,869	-	1,00,30,183	23,88,531	

Notes

(a) For rate of depreciation refer note number 2

(b) The assets have been regrouped/reclassified for the current year as well as previous year

10. Non-Current Investments

	Unit Face Value	Number	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
Trade Investment (At Cost , Unless Otherwise stated)				
UNQUOTED Equity				
Hill Properties Limited (A Class) (See note a below) (Rs 1,18,000 paid up per share)	1,20,000	2	2,36,000	2,36,000
Atlas Ores Mines & Mineral Pvt Ltd (In Liquidation)	100	200	20,000	20,000
Debenture				
Woodland Hospital and Medical Research Center Limited. East India Clinic Registered Mortgage Debenture 1952	NA	NA	12,000	12,000
5% Non-Redeemable Registered Debenture Stock 1959	NA	NA	35,000	35,000
Bengal Chamber of Commerce and Industry. 6.5% Non-Redeemable Registered Debentures 1962	NA	NA	9,000	9,000
Government Securities				
7 Year National Savings Certificates (See note b below)	NA	NA	5,000	5,000
5.5% LOAN 1995 (See note b below)	NA	NA	10,120	10,120
			3,27,120	3,27,120
Less: Provision in the diminution in the value of Non current investment			20,000	20,000
Total			3,07,120	3,07,120
Aggregate amount of unquoted investments			3,27,120	3,27,120

Notes

- a) Investments include an amount of Rs 236000 representing equity shares in a co-operative society towards purchase of flat
- b) Investments Rs 15,120 are kept as security with authorities. These investments have matured. The Company is not in a position to get the same from authorities as the same are lost or misplaced. No provision is made for loss of investments Rs 15,120 and accrued interest Rs 8545 as company is still following up with the authorities
- c) Investments made at Kolkata Rs 56,000 are presently not physically available as building is destroyed by fire. In absence of adequate data, no provision is made for loss of investments if any
- d) NA denotes not available

Mackinnon Mackenzie & Co. Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
11 LOANS AND ADVANCES (Unsecured and Considered Good, unless otherwise stated)		
(a) Advance Direct Taxes (Net of provisions)	1,46,190	3,75,559
(b) Other Loans & Advances: (Considered Doubtful)	1,17,59,495	1,17,59,495
Less: Provision	(1,17,59,495)	(1,17,59,495)
Total	1,46,190	3,75,559
12 OTHER NON-CURRENT ASSETS		
(a) Margin Deposit with Bank	2,96,452	-
(b) Interest Accrued on Investment	8,545	8,545
Total	3,04,997	8,545
13 TRADE RECEIVABLES		
Unsecured		
(a) Debts Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	5,33,82,879	5,28,90,169
Considered Doubtful	1,96,20,764	1,96,20,764
	7,30,03,643	7,25,10,933
Less: Provision for Doubtful Debts	-1,96,20,764	-1,96,20,764
	5,33,82,879	5,28,90,169
(b) Other Debts		
Considered Good	2,67,156	-
Total	5,36,50,035	5,28,90,169
14 CASH AND BANK BALANCES		
Current		
(a) Cash and Cash Equivalents		
(i) Balances in Bank		
In Current Account	3,17,308	2,86,137
Cash on Hand	624	16,135
(b) Other Bank Balances		
(i) In Margin Deposit	56,88,153	59,84,605
(ii) In Fixed Deposit	9,000	9,000
Total	60,15,085	62,95,877
Non -Current		
Fixed Deposit with Banks with maturity of more than Twelve Months included in Note 12	2,96,452.00	-
15 SHORT TERM LOANS & ADVANCES		
Unsecured Considered Good		
(a) Advance Direct Taxes (Net of provisions)	18,06,962	2,01,198
(b) Other Loans & Advances	42,37,376	42,03,974
(c) Prepaid Expenses	1,15,808	1,04,841
Total	61,60,146	45,10,013

Note: Other Loans and Advances include certain old balances amounting to Rs 8,18,785/- (Previous Year Rs 8,18,785/-) for which no provision for doubtful items has been made in accounts pending review confirmation of the same. As a result , the effect on such non-provision on the loss for the year cannot be ascertained.

Mackinnon Mackenzie & Co. Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
16 OTHER CURRENT ASSETS		
Accrued Interest on Fixed Deposit	10,40,792	4,86,822
Total	10,40,792	4,86,822
17 REVENUE FROM OPERATIONS		
(a) Sale of Services		
Commission and Service Charges	80,200	80,652
(b) Income from Property	14,34,636	14,34,636
Total	15,14,836	15,15,288
18 OTHER INCOME		
(a) Interest		
(i) On Margin Deposit with Bank	6,15,524	5,40,921
(ii) On Income Tax Refund	27,983	17,436
(b) Miscellaneous Income	2,65,100	3,05,100
(c) Sundry Credit Balance Written Back	-	10,81,239
Total	9,08,607	19,44,696
19 EMPLOYEES BENEFITS EXPENSES		
(a) Salaries and Wages	16,44,516	26,14,545
(b) Contributions to Provident & Other Funds	1,35,000	1,35,000
(c) Gratuity	56,743	3,51,557
(d) Staff Welfare Expense	53,677	59,274
Total	18,89,936	31,60,376
20 FINANCE COSTS		
Interest-Others	36,177	41,839
Total	36,177	41,839
21 OTHER EXPENSES		
(a) Power and fuel	30,772	14,392
(b) Water Charges	5,24,361	3,32,577
(c) Rent	1,99,109	2,65,479
(d) Rates & Taxes	15,97,395	5,31,887
(e) Insurance	1,69,795	1,71,378
(f) Repairs and maintenance - Buildings	2,69,575	3,18,066
(g) Repairs and maintenance - Others	9,394	26,705
(h) Communication	89,749	1,39,473
(i) Travelling and Conveyance	4,59,378	5,99,792
(j) Legal and Professional	24,30,030	29,99,167
(k) Provision for Doubtful Debts	-	-
(l) Payments to auditors (Refer Note 22 below)	2,24,720	2,80,900
(m) Miscellaneous Expenses	4,17,270	8,43,343
(n) Claims	-	3,48,287
Total	64,21,548	68,71,446

Mackinnon Mackenzie & Co. Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
22 DETAILS OF PAYMENT TO AUDITORS		
(a) As Auditor		
(i) Audit Fees	2,24,720	2,00,000
(ii) Tax Audit Fees	-	35,000
(b) In other capacity		
(i) Taxation Matters	-	67,000
	2,24,720	3,02,000

23 RELATED PARTIES TRANSACTIONS

Director /Key Management Personnel: Mr P.K. Sinha Executive Director
Details of remuneration to Key Management Personnel is disclosed in Note 24 below

24 MANAGERIAL REMUNERATION

Remuneration paid or provided in accordance with Section 198 of the Companies Act, 1956 to Executive Director included in Employees benefits expenses is as under

Salaries and Allowances	9,90,000	8,58,000
Contribution to Provident and Other Funds	1,35,000	1,35,000
Total	11,25,000	9,93,000

Details of Employees Benefits as required by the Accounting Standard -15-Employees Benefits are as follows

Defined Contribution Plan		
Contribution to Provident and Other Fund	1,35,000	1,35,000

Defined Benefit Plan/Long Term Compensated Absences : In terms of the provisions of the Standard applicable to the company, the company is required to provide for accrued liability for the year in respect of gratuity and long term compensated absences based on actuarial valuation as at year end. However the company has made provision for the year for gratuity and long term compensated absences on arithmetical basis as stated in note 2(vi). The effect of the Profit & Loss Account for the year had the company determined the accrued liability for gratuity and long term compensated absences based on actuarial valuation has not been ascertained. Further the transitional liability/gain as at April 1, 2007 which is required to be accounted in terms of transitional provisions of the Standard , has not been ascertained and accounted for

25 CONTINGENT LIABILITIES

i) Claim not acknowledged as debts	77,25,910	77,25,910
(a) In respect of Income Tax matters for the A.Y.2011-12 where the company is in appeal with the Commissioner of Income Tax (Appeals) against the Order of the Assessing Officer.	1,01,37,784	-
ii) Uncalled amounts on partly paid shares	4,000	4,000
iii) Guarantees issued by the Company's Bankers	3,60,000	3,60,000
iv) Retrenched staff	2,23,49,234	2,23,49,234

60 Clerical workers and subordinate staff were retrenched on 4th August 1992 under the Industrial Disputes Act at Mumbai. Each one was paid 15 days wages per completed year of service and one month's notice pay in addition to other dues. The Industrial Court has given a judgement against the Company on 08.03.96. However the company had filed an appeal with the High Court against the same order , which has been decided against the company. Special Leave Petition has been admitted for hearing before the Hon. Supreme Court against the order of the Hon. Bombay

Mackinnon Mackenzie & Co. Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
High Court. (The Company has deposited an amount of Rs 32,00,000 with the Registrar, which has been shown under Short Term Loans and Advances)		
v) Fine of Rs 10,02,97,000 is levied on Company and its Officers for alleged violation of Foreign Exchange Regulation Act in respect of transactions relating to purchase of ships in foreign currency in the year 1978. The Company had filed an appeal against the said order with Appellate Tribunal for Foreign Exchange. The Tribunal has allowed the company's appeal against which the concerned department had filed an appeal with the Hon. High Court of Bombay. The Hon. Hogh Court of Bombay has referred the matter back to the Appellate Tribunal. An amount of Rs25,400 paid as deposit against the penalty is relected in Loans and Advances	10,02,97,000	10,02,97,000
26 The company's old records were destroyed owing to heavy rains which took place in Mumbai on 26th July 2005 , resulting in heavy seepage in the premises where old records were kept. The company is in the process of reconstructing the records to the extent possible.		
27 The Suppliers /Service Providers covered under Micro, Small and Medium Enterprises Development, 2006 have not furnished the information regarding filing of necessary memorandum and the appropriate authority. In view of this , information to be disclosed under Section 22 of the said Act is not given.		
28 EARNINGS IN FOREIGN CURRENCY		
From Services Rendered	80,200	80,200
29 EARNING PER EQUITY SHARE (EPS)		
EPS is calculated by dividing the profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the year. Numbers used for calculating basic abd diluted earnings per equity share are as stated below		
Profit after tax	-61,04,482	-68,24,545
Weighted Number of Shares (Nos)-Basic	2472225	2472225
EPS	-2.47	-2.76
Basic/Diluted Earning Per Share	-2.47	-2.76
Face Value per share	1	1
30 Going concern basis has been adopted in the preparation of financial statements based on management expectations and projections.		
31 Confirmations are not available in respect of balances of secured loans, debtors, certain bank balances, deposits, advances and creditors appearing in Notes 5,7,8, 10,13,14 and 15 of the accounts respectively.		
32 There are no amounts due and outstanding to be credited to Investor Education Protection Fund.		

Mackinnon Mackenzie & Co. Ltd.

33 SEGMENT

Rs. In Lakhs

Description	Property Owing & Leasing	Shipping & Shipping Agency Activities 2013	Total	Property Owing & Leasing	Shipping & Shipping Agency Activities 2012	Total
Revenue Internal	14.35	0.81	15.16	14.35	(0.81)	(15.16)
Results	(-13.04)	(-2.98)	(-16.02)	(-1.17)	(-5.51)	(-6.69)
Unallocated Corporate expenses net of unallocated income			(-44.66)			(-61.14)
Interest & Finance Cost			0.36			0.42
Taxation						
Current	Nil	Nil	Nil	Nil	Nil	Nil
Deferred	Nil	Nil	Nil	Nil	Nil	Nil
Net Profit after tax & Before prior period adjustment			(-61.04)			(-68.24)
Prior period adjustment	Nil	Nil	Nil	Nil	Nil	Nil
Net Profit after tax & prior period Adjustment			(-61.04)			(-68.24)
Other Information						
Segment Assets	510.10	--	510.10	504.13	--	504.13
Unallocated Corporate Assets			188.22			168.49
Total Assets			698.32			672.62
Segment Liabilities	96.42	13.74	110.16	70.63	12.32	82.95
Unallocated Corporate Liabilities			83827.56			83768.02
Total Liabilities			83937.72			83850.97
Depreciation	1.78	0.2	1.80	(1.98)	(0.13)	2.09
Unallocated Corporate Depreciation			---		---	
Total Depreciation			1.80			2.09

34 Previous years figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications/disclosures

Signature to Note 1 to 34 of financial statements

For Sachin P Mulgaokar & Co
Firm Registration Number 108945W
Chartered Accountants

For and on behalf of the Board of Directors

Sachin Mulgaokar
Proprietor
Membership No 40942
Place : Mumbai
Date : 30th May 2014

Rear Admiral P.K. Sinha
Director

Place : Mumbai
Date : 30th May 2014

Capt N.B. Jamnerkar
Director

Mackinnon Mackenzie & Co. Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Rs. In lacs 2013-2014	Rs. In lacs 2012-2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before Tax	(61.04)	-68.25
Adjustment for :		
Depreciation	1.80	2.11
Loss on sale of Investment	-	-
Income from Investments	(6.44)	-5.58
Interest (Net)	0.36	0.42
	(4.27)	-3.06
Operating Profit (Loss) before working capital changes	(65.32)	-71.30
Adjustment for :		
Trade and Other Receivables	30.31	-0.05
Trade Payables	86.74	69.23
	56.43	69.18
CASH GENERATED FROM OPERATIONS	(8.88)	-2.12
NET CASH FLOW FROM OPERATING ACTIVITIES	(8.88)	-2.12
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-	-1.41
Bank Balances not considered as Cash and Cash Equivalent		
Investment in Bank Deposit		
Interest received	6.44	5.58
	6.44	4.17
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long Term Borrowings (net)	(0.36)	-0.42
NET INCREASE IN CASH & CASH EQUIVALENTS	(2.81)	1.63
Cash and Cash Equivalents at the beginning of the year	62.96	61.32
Cash and Cash Equivalents at the end of the year	60.15	62.96
	(2.81)	1.63

Notes:

- 1 The above Cash Flow statement has been prepared under the Indirect Method set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India.
- 2 Previous Years figures have regrouped wherever necessary to confirm to current years's classification
This is the Cash Flow statement referred to in our report of even date

For Sachin P Mulgaokar & Co
Firm Registration Number 108945W
Chartered Accountants

For and on behalf of the Board of Directors

Sachin Mulgaokar
Proprietor
Membership No 40942
Place : Mumbai
Date : 30th May 2014

Rear Admiral P.K. Sinha
Director

Place : Mumbai
Date : 30th May 2014

Capt N.B. Jamnerkar
Director

MACKINNON MACKENZIE & CO. LTD.

Regd. Office : 4, Shoorji Vallabhdas Marg, Ballard Estate, Bombay - 400 001.

PROXY FORM

Proxy No.
Ledger Folio
No. of Shares

I/We.....
of being a member/members of MACKINNON MACKENZIE & CO. LTD. hereby appoint.....
.....of.....
or failing him.....of.....
as my/our proxy to attend and vote for me/us and on my/our behalf at the Sixty-third Annual General Meeting of the
Company to be held on Monday, 22nd September, 2014 at 10.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building,
18/20, K. Dubash Marg, Mumbai - 400 001, and at any adjournment thereof.

Signed thisday of.....2014

Signature.....

Affix One Rupee Revenue Stamp here

Note : The Proxy Form should be signed across the stamp as per specimen signature (s) registered with the Company.



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