



**Mackinnon Mackenzie  
& Company Ltd.**

**Annual Report  
2011 - 2012**



**Mackinnon Mackenzie & Co. Ltd.**

<b>BOARD OF DIRECTORS</b>	Rear Adml. P. K. Sinha Captain N. B. Jamnerkar Abbas Lakadawalla
<b>AUDITORS</b>	M/s. Sachin P. Mulgaokar & Co. Chartered Accountants Mumbai
<b>ADVOCATES AND SOLICITORS</b>	Maneksha & Sethna, Bombay
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	In House facility w.e.f. 01-04-2004
<b>BANKERS</b>	Central Bank of India Vijaya Bank
<b>REGISTERED OFFICE</b>	4, Shoorji Vallabhdas Marg, Ballard Estate, Bombay - 400 038.

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 61st Annual General Meeting of the Shareholders of MACKINNON MACKENZIE & COMPANY LIMITED will be held on Friday, the 28th September, 2012 at 10:00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400001, to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Abbas Lakdawalla who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors on a remuneration to be fixed by the Board of Directors.

#### SPECIAL BUSINESS

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

**“RESOLVED THAT** – pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Rear Admiral P. K. Sinha as Whole-Time Director, designated as Executive Director, for further period upto 31st March 2015 with effect from 1st April 2012 on the terms and conditions including remuneration, a draft placed before this meeting which is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including the powers conferred by this resolution) to alter and vary their terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Rear Admiral P.K. Sinha.”

**“RESOLVED FURTHER THAT** – where in any financial year closing after 31st March, 2012, the Company has no profits or its profits are inadequate, the Company do pay to Rear Admiral P.K. Sinha, remuneration by way of salary, perquisites and allowances not exceeding the ceiling specified under Section II and Part II of Schedule XIII to the Companies Act, 1956.”

**“RESOLVED FURTHER THAT** – the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### 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 Friday, 21st September 2012 to Friday, 28th September 2012 (both days inclusive) in terms of the provisions of Sections 154 of the Companies Act, 1956.
- c) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Item No. 4 of Special Business of the Notice set out above are annexed herewith.
- d) In view of the damages to the records due to heavy rains we have now salvaged 4297 addresses of the shareholders. In the meantime requisite Notice of convening AGM we will send to 4297 members & to whatever addresses further Available.

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

CAPT. N. B. JAMNERKAR  
DIRECTOR

MUMBAI, 30<sup>th</sup> August 2012.

Registered Office: 4, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai-400 001.

**ANNEXURE TO THE NOTICE**

**Explanatory Statement under Section 173(2) of the Companies Act, 1956.**

**Item No. 4**

1. **Remuneration:** The remuneration paid to the Whole-Time Director shall be in accordance with Section I of Part II of Schedule XIII of the Companies Act, 1956. Rear Admiral P.K. Sinha respectively will be remunerated as follows:

- (a) **Salary:** Rs. 75,000/- per month including dearness and all other allowances.
- (b) **Perquisites:** In addition to the above salary, he will also be entitled to the Perquisites mentioned below, the value of which shall be restricted to an amount equal to the annual salary, with limits, as applicable, given below:
- (c) **Housing:** The expenditure by the Company on hiring furnished.
- (i) Accommodation for the Whole-Time Director will be subject to a ceiling of 60% of the salary, over and above 10% payable by him.

**Explanation:** The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962, Subject to a ceiling of 10% of the salary of Rear Admiral P.K. Sinha.

- (ii) **Servants Wages:** Remuneration of servants/ sweeper's wages upto a maximum of Rs. 1,500/- per month.
- (iii) **Medical Reimbursements:** Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or of three month's salary over a period of 4 year.
- (iv) **Leave Travel Concession:** Leave Travel Concession for self and family, once in a year in accordance with the rules of the Company.

**Explanation:** Family means the spouse of the Whole Time Director.

- (v) **Club Fees:** Fees of Clubs, subject to a maximum of two clubs will be allowed. This will not include admission fees and life membership fees.

(d) **Car and Telephone:** Provision for use of Company car for official business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purposes shall be billed by the Company.

(e) The whole Time Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified in Schedule XIII:

- (i) Encashment of unavailed leave of one month per year at the end of the tenure.
- (ii) Company's contribution to the Superannuation / Provident Fund as per Company's Rule but it shall not exceed 25% of salary laid down under the Income Tax Rules 1962.
- (iii) Gratuity not exceeding half months salary for each completed year of Service subject to such limit as described by Income Tax Act 1961.

2. The Whole Time Director, so long as he functions as such, shall not be paid any Sitting fees for attending meetings of the Board of Directors or Committees thereof.

3. The Company shall reimburse to the Whole Time Director entertainment, traveling and all other expenses incurred by him for the business of the Company.

4. The aforesaid appointment may be terminated at any time by either party thereto by giving to the other party one month's notice of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination. Except for Rear admiral P K Sinha none of the other directors are deemed to be interested in the said resolution. Your directors recommend the resolution to be passed as a Special Resolution.

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

CAPT. N. B. JAMNERKAR  
DIRECTOR

MUMBAI, 30<sup>th</sup> August 2012.

Registered Office: 4, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai-400 001.

## Mackinnon Mackenzie & Co. Ltd.

### REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

To the Members:

The Directors submit the 61st Annual Report of the Company together with the audited statement of accounts for the period ended 31st March 2012.

#### 1. FINANCIAL RESULTS:

The financial results as follow: -

	<u>Year ended</u> <u>31.03.2012</u> <u>Rs. (Lakhs)</u>	<u>Year ended</u> <u>31.03.2011</u> <u>Rs. (Lakhs)</u>
1. Income from operations	45.39	68.08
2. Other Income	7.10	8.30
3. Total Income	52.49	76.38
4. Total Expenditure	<u>74.47</u>	<u>89.93</u>
5. Gross Profit/(Loss) before interest	(21.98)	(13.55)
Depreciation & Tax		
Less : (a) Interest	0.10	6788.20
(b) Provisions for depreciation	2.27	2.57
(c) Provision for Doubtful Debts	0.11	0.46
Profit/(Loss) before extraordinary/ prior period Items & Tax	(24.46)	(6804.78)
Add: (d) Extraordinary/prior period items		(2.67)
6. Net Profit / (Loss) before Tax	(24.46)	(6807.45)
7. (a) Provision for Fringe Benefit Tax		—
(b) Add: Profit/(Loss) B/F from earlier year	(83305.76)	(76498.31)
8. Cumulative Profit/(Loss)	(83330.22)	(83305.76)

The debit balance in the Profit & Loss Account after considering prior years' adjustments stands at Rs. 83330.22 Lakhs.

#### 2. DIVIDEND:

In view of the losses suffered by the Company, your Directors do not recommend 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 who was appointed as Director whose terms expires at this AGM offers himself for re-appointment.

**6. FIXED DEPOSITS:**

The Company has not accepted any fixed deposits from the public 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 \_30-08-2012 from Ms. Divya Momaya, Practicing Company Secretary is annexed.

**9. AUDITORS:**

The Auditors M/s. Sachin P. Mulgaokar & Co., Chartered Accountants are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

**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. 3,26,400 Lakhs.

**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 Municipal Corporation & their staff for their co-operation received during the year under review.

On behalf of the Board of Directors  
CAPT. N.B. JAMNERKAR  
CHAIRMAN / DIRECTOR

Date : 30<sup>th</sup> August 2012.

Place : Mumbai

**ANNEXURE TO DIRECTOR REPORT**

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

**Divya Momoya**  
**Practicing Company Secretary**  
Phone No.: 9619745928 / 27756137

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**COMPLIANCE CERTIFICATE**

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

**Co Regd No:** U63020MH1951PLC13745

**Auth Cap :** Rs 4 CRORES

The Members,  
**Mackinnon Mackenzie and Company Limited**  
4-Shoorji Vallabhdas Marg, P O Box no 122  
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, 2012**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I 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 paidup capital.
4. The Board of Directors duly met **Eight** times on **29.04.2011, 29.07.2011, 30.08.2011, 21.10.2011, 31.01.2012, 27.04.2012, 27.07.2012, and 30.08.2012** 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 **September 20, 2011 to September 29, 2011** 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 2011** was held on **29th September 2011** 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 has made necessary entries in the register maintained under Section 301 of the Act.
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) Has made no allotment however transfer has been made during the year in respect of which share certificates have been delivered.
  - ii) Has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) Company was not required to post warrants to any of its members as no dividend was declared during the financial year.



**Mackinnon Mackenzie & Co. Ltd.**

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- 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 Company has no borrowing during the Year.
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 is not regular in depositing employers' and employees Provident Fund contribution in the designated government account under provision of section 418 of the Act.

Place : Mumbai  
Dated : 30<sup>th</sup> August 2012

Divya Momaya  
Practicing Company Secretary  
ACS:- 17325  
CP:- 7885

**Mackinnon Mackenzie & Co. Ltd.**

**ANNEXURE – “A”**

**Annexure to the Compliance Certificate of Mackinnon Mackenzie and Company Limited (31.03.2012)**

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
9.	Register of Fixed Assets
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 (31.03.2012)**

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.	Annual Accounts E Form 23ACA XBRL	220	F.Y. ended 31.03.2011	29.12.2011	Yes	No
2.	Annual Accounts E Form 23AC XBRL	220	F.Y. ended 31.03.2011	29.12.2011	Yes	No
2.	Annual Return E Form 20B	159	AGM held on 29.09.2011	23.11.2011	Yes	No
3.	Compliance Certificate E Form 66	383A	As on 31.03.2011	10.10.2011	Yes	No
6.	Form 8 towards modification of charge	135	Towards Modification of the Charge ID: 80062576	05.04.2011	Yes	No

**Divya Momaya**

Place : Mumbai

Dated : 30<sup>th</sup> August 2012

**Practicing Company Secretary**

ACS:- 17325

CP:- 7885

**Mackinnon Mackenzie & Co. Ltd.**

**AUDITORS' REPORT TO THE MEMBERS OF MACKINNON MACKENZIE & COMPANY LIMITED AS AT 31ST MARCH 2012**

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1. We have audited the attached Balance Sheet of M/S. MACKINNON MACKENZIE & COMPANY LIMITED as at 31st March 2012 and also the attached Profit and Loss Account of the Company 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 opinion on these financial statements based on our audit.
2. 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 misstatement. 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.
3. As required by the Companies (Auditors' Report) Order 2003, (the Order) issued by the Central Government of India in terms of sub-section (4-A) of Section 227 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.
4. Further to our comments in the Annexure referred to above, We report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) 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;
  - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account;
  - (d) In our opinion, the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (e) On the basis of written representations received from the directors as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as directors in terms of clause (g) of sec-section (1) of Section 274 of the Companies Act 1956,
  - f) In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the **Notes 1,5,7,10,13,15,30 and 31 with regard to the following :**
    - i) **Investments made at Kolkata Rs.56,000/- are presently not available for physical verification as building is destroyed by fire. (Refer Note 10(c)) 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. (Refer No No.30).**
    - ii) **Non Provision of Doubtful Debts and Advances.**  
Loans and advances shown under "Advances Recoverable in Cash or in Kind or for value to be received Unsecured Considered Good" 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 such non-provision on the loss for the year cannot be ascertained (Refer Note No.15).
    - iii) **Sundry Creditors 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. ( Refer Note No.7.)**

- iv) We refer to Note 8 regarding certain old credit balances outstanding in various accounts amounting to Rs.1,48,54,774 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.
- v) 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 2012. 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 Profit & Loss Account as at 31st March 2012. (Refer No no.5).
- vi) Non availability of confirmations in respect of balances of secured and unsecured loans, debtors, certain bank balances, deposits, and creditors appearing in Schedule 5,7,8,10,13,14,15 of the accounts respectively. (Refer Note No. 31).
- vii) As stated in Note No. 24 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.

Consequential effect of the matters referred in f(i) to f (viii) above the loss for the year and accumulated losses as at 31st March 2012 is not ascertainable.

- viii) Subject to the effect of such adjustments, If any as might have been required, had the outcome of the uncertainties referred to in paragraph 1 above been known and subject to the matters referred to in paragraphs (ix),(x),(xi) and (xvi) of the Annexure.

And read with other notes to accounts and accounting policies give the give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-

- (a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2012 and  
(b) In the case of Profit & Loss Account of the Loss for the year ended on that date,  
(c) In case of Cash Flow Statement, of the Cash Loss of the year ended on that date.

For Sachin P Mulgaokar & Co.  
Firm Registration No: 108945W  
Chartered Accountants.

Sachin P Mulgaokar  
PROPRIETOR  
Membership No. 40942

Mumbai:  
Dated: 30<sup>th</sup> August 2012

**Mackinnon Mackenzie & Co. Ltd.**

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT**

- (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 Tax Deduced at Source Rs. 158798 (paid subsequently after close of financial year), Service Tax Rs 11,07,300), 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 fine for alleged violation of Foreign Exchange Regulation Act by the Company and its Officer :

S. No.	Name of Stature	Nature of Dues	Amount Rs.	Period to which it relates	Forum where dispute is pending
1	Foreign Exchange Regulation Act	Fine	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

**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 2012 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.  
Firm Registration No: 108945W  
Chartered Accountants.

Sachin P Mulgaokar  
PROPRIETOR  
Membership No. 40942

Mumbai:  
Dated: 30<sup>th</sup> August 2012

**Mackinnon Mackenzie & Co. Ltd.**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

Particulars	Note No.	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	24,72,225	24,72,225
Reserves and surplus	4	(8,31,34,82,844)	(8,31,10,36,626)
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	8,25,61,29,338	8,25,61,29,338
Long Term Provisions	6	25,20,779	22,96,158
<b>Current Liabilities</b>			
Trade Payables	7	7,27,82,786	6,92,50,431
Other Current Liabilities	8	4,67,50,893	4,64,69,214
<b>TOTAL</b>		<b>6,71,73,177</b>	<b>6,55,80,740</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	9	24,57,987	26,84,985
Non-Current Investments	10	3,07,120	3,07,120
Long-term loans and advances	11	2,67,044	2,78,098
Other Non-Current assets	12	8,545	52,93,303
<b>Current Assets</b>			
Trade receivables	13	5,29,00,206	5,16,14,273
Cash and cash equivalents	14	61,32,413	3,43,108
Short-term loans and advances	15	47,48,464	47,11,408
Other Current Assets	16	3,51,399	3,48,446
<b>TOTAL</b>		<b>6,71,73,177</b>	<b>6,55,80,740</b>

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 August 2012

Rear Admiral P.K. Sinha  
 Director  
  
 Place : Mumbai  
 Date : 30th August 2012

Capt N.B. Jamnerkar  
 Director

**Mackinnon Mackenzie & Co. Ltd.**

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Note No.	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Revenue from Operations	17	45,39,286	68,08,092
Other income	18	7,09,476	8,29,602
<b>Total Revenue</b>		<b>52,48,762</b>	<b>76,37,694</b>
<b>Expenses</b>			
Employee Benefits Expense	19	19,84,204	24,35,306
Finance Cost	20	9,426	67,88,20,143
Depreciation and Amortisation expense	9	2,26,998	2,56,504
Other expenses	21	54,74,352	66,04,577
<b>Total expenses</b>		<b>76,94,980</b>	<b>68,81,16,530</b>
<b>(Loss) before prior period expense</b>		(2446218)	(680478836)
<b>Prior Period Expense (Net)</b>		-	2,67,046
<b>(Loss) before tax</b>		(2446218)	(680745882)
<b>Tax expense:</b>			
(a) Current tax expense for current year		-	-
(e) Deferred tax		-	-
<b>Loss for the year</b>		(2446218)	(680745882)
<b>Earnings per share Basic/Diluted (Face Value of Rs 1/- each):</b>		-0.99	-275.36

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 August 2012

Rear Admiral P.K. Sinha  
Director  
Place : Mumbai  
Date : 30th August 2012

Capt N.B. Jamnerkar  
Director



## Mackinnon Mackenzie & Co. Ltd.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

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 2012. 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 2012**

Particulars	As at 31 March, 2012 Rs	As at 31 March, 2011 Rs
<b>3 SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
250,00,000 ( 250,00,000) Equity shares of Rs 1 each	2,50,00,000	2,50,00,000
	<u>2,50,00,000</u>	<u>2,50,00,000</u>
<b>Issued , Subscribed and Paid Up Shares</b>		
24,72,225 ( 24,72,225) Equity shares of Rs 1 each	24,72,225	24,72,225
	<u>24,72,225</u>	<u>24,72,225</u>

a) **Reconciliation of number of shares**

Particulars	March 31, 2012		March 31, 2011	
	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	-	-	-	-
<b>At the end of the year</b>	<b>24,72,225</b>	<b>24,72,225</b>	<b>24,72,225</b>	<b>24,72,225</b>

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

Particulars	March 31, 2012		March 31, 2011	
	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.

- |  | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|--|---------|---------|---------|---------|---------|
| d) Fully paid Equity Shares 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 2012**

	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
<b>4 RESERVES AND SURLPUS</b>		
(a) <b>CAPITAL RESERVE</b>		
As per Last Balance Sheet	1,12,46,274	1,12,46,274
(b) <b>GENERAL RESERVE</b>		
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) <b>SURPLUS IN STATEMENT OF PROFIT &amp; LOSS</b>		
As per last Balance Sheet	(8,33,05,77,536)	(7,64,98,31,654)
Loss for the year	(24,46,218)	(68,07,45,882)
	(8,33,30,23,754)	(8,33,05,77,536)
Less: Balance in General Reserve	82,80,748	82,80,748
Closing Balance	<b>(8,32,47,43,006)</b>	<b>(8,32,22,96,788)</b>
Amount paid on forfeited shares	13,888	13,888
<b>Total</b>	<b>(8,31,34,82,844)</b>	<b>(8,31,10,36,626)</b>
<b>5 LONG TERM BORROWINGS</b>		
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)		
<b>Total</b>	<b>8,25,61,29,338</b>	<b>8,25,61,29,338</b>
<b>Note:</b>		
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 mortgage 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		
<b>6 LONG TERM PROVISIONS</b>		
Provision for Employees Benefits: All Unfunded		
(a) Contribution to Superannuation Fund	8,15,939	7,07,939
(b) Gratuity	8,47,000	8,05,386
(c) Leave Encashment	8,57,840	7,82,833
<b>Total</b>	<b>25,20,779</b>	<b>22,96,158</b>
<b>7 TRADE PAYABLES ( See Notes below)</b>	<b>7,27,82,786</b>	<b>6,92,50,431</b>
<b>Total</b>	<b>7,27,82,786</b>	<b>6,92,50,431</b>

**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 2012**

	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
<b>8 OTHER CURRENT LIABILITIES</b>		
(a) Advances from Customer ( See Note below)	2,08,21,293	2,08,19,710
(b) Amount held for principals ( See Note below)	47,89,277	46,76,885
(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	11,07,300	9,38,013
(g) TDS Payable	1,58,798	1,60,381
<b>Total</b>	<b>4,67,50,893</b>	<b>4,64,69,214</b>

**Note**

Following amounts represents old balances for which no write back has been 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 01.04.2011	Additions during the year	Deductions during the year	As at 31.03.2012	As at 01.04.2011	For the year	Deductions during the year	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Land & Buildings										
On Leasehold Land	9,821,508	-	-	9,821,508	8,148,942	83,628	-	8,232,570	1,588,938	1,672,566
2. Furniture & Fittings	313,118	-	-	313,118	311,681	261	-	311,942	1,176	1,437
3. Office & Electrical Equipments	205,245	-	-	205,245	194,141	1,542	-	195,683	9,562	11,104
4. Plant & Machinery	1,937,430	-	-	1,937,430	937,552	141,567	-	1,079,119	858,311	999,878
<b>Total</b>	<b>12,277,301</b>	<b>-</b>	<b>-</b>	<b>12,277,301</b>	<b>9,592,316</b>	<b>226,998</b>	<b>-</b>	<b>9,819,314</b>	<b>2,457,987</b>	<b>2,684,985</b>
Previous Year	12,277,301	-	-	12,277,301	93,35,812	256,504	-	95,92,316	2,684,985	-

**10. Non-Current Investments**

	Unit Face Value	Number	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Trade Investment ( At Cost , Unless Otherwise stated)				
<b>UNQUOTED</b>				
<b>Equity</b>				
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
<b>Debenture</b>	NA	NA		
Woodland Hospital and Medical Research Center Limited. East India Clinic	NA	NA		
Registered Mortgage Debenture 1952			12,000	12,000
5% Non-Redeemable Registered Debenture Stock 1959			35,000	35,000
Bengal Chamber of Commerce and Industry. 6.5% Non-Redeemable Registered Debentures 1962	NA	NA	9,000	9,000
<b>Government Securities</b>				
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
Less: Provision in the diminution in the value of Non current investment			3,27,120	3,27,120
<b>Total</b>			<b>20,000</b>	<b>20,000</b>
			<b>3,07,120</b>	<b>3,07,120</b>
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 2012**

	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
<b>11 LOANS AND ADVANCES</b> (Unsecured and Considered Good, unless otherwise stated )		
(a) Advance Direct Taxes ( Net of provisions)	2,67,044	2,78,098
(b) Other Loans & Advances: ( Considered Doubtful)	1,18,41,051	1,18,41,051
Less: Provision	(1,18,41,051)	(1,18,41,051)
<b>Total</b>	<b>2,67,044</b>	<b>2,78,098</b>
<b>12 OTHER NON-CURRENT ASSETS</b>		
(a) Margin Deposit with Bank	-	52,84,758
(b) Interest Accrued on Investment	8,545	8,545
<b>Total</b>	<b>8,545</b>	<b>52,93,303</b>
<b>13 TRADE RECEIVABLES</b>		
Unsecured		
(a) Debts Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	5,28,90,169	4,90,15,122
Considered Doubtful	1,96,20,764	1,96,10,051
	7,25,10,933	6,86,25,174
Less: Provision for Doubtful Debts	-1,96,20,764	-1,96,10,051
	5,28,90,169	4,90,15,122
(b) Other Debts		
Considered Good	10,037	25,99,151
<b>Total</b>	<b>5,29,00,206</b>	<b>5,16,14,273</b>
<b>14 CASH AND BANK BALANCES</b>		
Current		
(a) Cash and Cash Equivalents		
(i) Balances in Bank		
In Current Account	4,87,022	3,34,096
(ii) Cash on Hand	3,184	11
(b) Other Bank Balances		
(i) In Margin Deposit	56,33,207	
(ii) In Fixed Deposit	9,000	9,000
<b>Total</b>	<b>61,32,413</b>	<b>3,43,108</b>
Non -Current		
Fixed Deposit with Banks with maturity of more than Twelve Months included in Note 12	-	52,84,758
<b>15 SHORT TERM LOANS &amp; ADVANCES</b>		
Unsecured Considered Good		
(a) Advance Direct Taxes ( Net of provisions)	4,30,571	3,93,700
(b) Other Loans & Advances	42,03,240	42,05,242
(c) Prepaid Expenses	1,14,653	1,12,466
<b>Total</b>	<b>47,48,464</b>	<b>47,11,408</b>

**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 2012**

	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
<b>16 OTHER CURRENT ASSETS</b>		
Accrued Interest on Fixed Deposit	3,51,399	3,48,446
<b>Total</b>	<b>3,51,399</b>	<b>3,48,446</b>
<b>17 REVENUE FROM OPERATIONS</b>		
(a) Sale of Service		
Commission and Service Charges	82,586	83,202
(b) Income from Property	44,56,700	67,24,890
<b>Total</b>	<b>45,39,286</b>	<b>68,08,092</b>
<b>18 OTHER INCOME</b>		
(a) Interest		
(i) On Margin Deposit with Bank	3,90,444.81	3,87,166.00
(ii) On Income Tax Refund	28,326.00	44,916.00
(b) Miscellaneous Income	2,90,705.00	3,97,520.00
<b>Total</b>	<b>7,09,476</b>	<b>8,29,602</b>
<b>19 EMPLOYEES BENEFITS EXPENSES</b>		
(a) Salaries and Wages	17,45,447	19,07,901
(b) Contributions to Provident & Other Funds	1,08,000	1,44,420
(c) Gratuity	41,614	2,31,923
(d) Staff Welfare Expense	89,143	151,062
<b>Total</b>	<b>19,84,204</b>	<b>24,35,306</b>
<b>20 FINANCE COSTS</b>		
Interest-Others	9,426	67,88,20,143
<b>Total</b>	<b>9,426</b>	<b>67,88,20,143</b>
<b>21 OTHER EXPENSES</b>		
(a) Power and fuel	3,308	9,163
(b) Water Charges	2,44,743	2,73,003
(c) Rent	2,11,458	49,395
(d) Rates & Taxes	4,75,590	1,75,389
(e) Insurance	1,85,029	2,05,917
(f) Repairs and maintenance - Buildings	2,25,039	6,45,282
(g) Repairs and maintenance - Others	14,400	5,25,328
(h) Communication	95,096	96,305
(i) Travelling and Conveyance	6,81,196	8,56,674
(j) Legal and Professional	23,95,922	21,79,027
(k) Provision for Doubtful Debts	10,713	46,852
(l) Payments to Auditors (Refer Note 22 below)	3,02,000	2,35,000
(m) Miscellaneous Expenses	6,29,858	13,07,242
<b>Total</b>	<b>54,74,352</b>	<b>66,04,577</b>
<b>22 DETAILS OF PAYMENT TO AUDITORS</b>		
(a) As Auditor		
(i) Audit Fees	2,00,000	2,00,000
(ii) Tax Audit Fees	35,000	35,000
(b) In other capacity		
(i) Taxation Matters	67,000	-
	<b>3,02,000</b>	<b>2,35,000</b>

**Mackinnon Mackenzie & Co. Ltd.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012**

	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
	<b>Rupees</b>	<b>Rupees</b>

**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	8,58,000	8,55,397
Contribution to Provident and Other Funds	1,08,000	1,44,420
Perquisites	-	49,230
<b>Total</b>	<b>9,66,000</b>	<b>10,49,047</b>

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	1,08,000	1,44,420
--	----------	----------

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
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		

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 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. High Court of Bombay has referred the matter back to the Appellate Tribunal. An amount of Rs 25,400 paid as deposit against the penalty is relected in Loans and Advances	10,02,97,000	10,02,97,000
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**Mackinnon Mackenzie & Co. Ltd.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012**

	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
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	
<b>28</b>	<b>EARNINGS IN FOREIGN CURRENCY</b>	
	From Services Rendered	80,200
		80,200
<b>29</b>	<b>EARNING PER EQUITY SHARE (EPS)</b>	
	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 and diluted earnings per equity share are as stated below	
	Profit after tax	-25,28,804
	Weighted Number of Shares ( Nos)-Basic	2472225
	EPS	-1.02
	Basic/Diluted Earning Per Share	-275.39
	Face Value per share	-275.39
	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 5,7,8,10,13,14,15 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 2012	Total	Property Owing & Leasing	Shipping & Shipping Agency Activities 2011	Total
<u>Revenue</u>						
Internal	44.57	(0.83)	(45.40)	67.24	0.84	68.08
<u>Results</u>	31.06	(3.14)	(27.92)	52.01	(-4.03)	47.98
Unallocated Corporate expenses net of unallocated income			(-52.29)		-64.56	
Interest & Finance Cost			0.09		6788.20	
<u>Taxation</u>	Nil	Nil	Nil	Nil	Nil	Nil
Current	Nil	Nil	Nil	Nil	Nil	Nil
Deferred						
Net Profit after tax & before prior period adjustment			(24.96)			(6804.78)
Prior period adjustment	Nil	Nil	Nil	1.40	1.27	2.67
Net Profit after tax & prior period Adjustment			(24.46)			(6807.45)
<u>Other Information</u>						
Segment Assets	504.93	--	(504.93)	492.99	--	492.99
Unallocated Corporate Assets			166.80			166.31
Total Assets			671.73			659.30
Segment Liabilities	62.74	10.40	73.14	62.66	9.57	72.23
Unallocated Corporate Liabilities			83708.69			83672.72
Total Liabilities			83781.83			83744.95
Depreciation	(2.21)	(0.05)	2.26	2.48	0.08	2.56
Unallocated Corporate Depreciation			---			---
Total Depreciation			2.26			2.26

34 Schedule VI to the Companies Act, 1956 is revised effective from 1 April 2011, which has significantly impacted the disclosure and presentation made in the financial statements. 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 August 2012

Rear Admiral P.K. Sinha  
Director  
  
Place : Mumbai  
Date : 30th August 2012

Capt N.B. Jamnerkar  
Director

**Mackinnon Mackenzie & Co. Ltd.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	Rs. In lacs 2011-2012		Rs. In lacs 2010-2011	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
<b>Net Profit/(Loss) before Tax</b>		(24.46)		(6,807.46)
Adjustment for :				
Depreciation	2.27		2.57	
Loss on sale of Investment	-		0.49	
Income from Investments	(4.19)		(4.32)	
Interest (Net)	0.09	(1.82)	6,788.20	6,786.94
<b>Operating Profit( Loss) before working capital changes</b>		(26.28)		(20.52)
Adjustment for :				
Trade and Other Receivables	(13.12)		(49.53)	
Trade Payables	40.39	27.27	70.17	20.64
<b>CASH GENERATED FROM OPERATIONS</b>		0.99		0.11
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		0.99		0.11
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	-		-	
Bank Balances not considered as Cash and Cash Equivalent	56.3			
Investment in Bank Deposit	(3.52)		(3.37)	
Interest received	4.19	57.00	4.32	0.85
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds from Long Term Borrowings (net)		(0.09)		(0.13)
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		57.89		0.83
Cash and Cash Equivalents at the beginning of the year		3.43		2.60
Cash and Cash Equivalents at the end of the year		61.32		3.43

**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 August 2012

Rear Admiral P.K. Sinha  
Director  
  
Place : Mumbai  
Date : 30th August 2012

Capt N.B. Jamnerkar  
Director

**Mackinnon Mackenzie & Co. Ltd.**

**STATEMENT FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH, 2012**

**ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT,1956**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I) REGISTRATION DETAILS**

Registration Number	:	13745
State Code	:	11
Balance Sheet Date	:	31/03/2012

**II) CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)**

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

**III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)**

Total Liabilities	:	8269862
Total Assets	:	8269862

**SOURCE OF FUND:**

Paid Up Capital	:	2472
Reserves & Surplus	:	11260
Secured Loans	:	8256129
Unsecured Loans	:	0

**APPLICATION OF FUNDS**

Net Fixed Assets	:	2685
Investments	:	307
Net Current Assets	:	-55427
Miscellaneous Expenses	:	NIL
Accumulated Losses	:	8322297

**IV) PERFORMANCE OF COMPANY ( Amount in Rs Thousands)**

Turnover	:	7638
Total Expenditure	:	688384
Profit/(loss) before Tax ( + for Profit - for Loss)	:	-680746
Profit/(loss) after Tax ( + for Profit - for Loss)	:	-680746
Earning per share in Rs.	:	NIL
Dividend Rate %	:	NIL

**V) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY**

( As per Monetary Terms)		
Item Code No.( ITC Code)	:	N.A.

Service Description	Clearing Forwarding
	Ship Manning
	Ship Agency
	Ship Operation
	Travel Tour Services

Note: The above particulars should be read along with the Balance Sheet as at 31st March 2011 the Profit & Loss Account for the year ended as on that date and the Schedules forming part thereof

Place : Mumbai  
Dated : 30th August, 2012

DIRECTORS  
Rear Admrl. P.K. Sinha  
Capt. N.B.Jamnerkar



# 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 Sixtyfirst Annual General Meeting of the  
Company to be held on Friday, 28<sup>th</sup> September, 2012 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 this .....day of.....2012

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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