



Mackinnon Mackenzie & Company Ltd.

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Annual Report 2008 - 2009

BOARD OF DIRECTORS Minoo Kaikhushroo
Rear Adml. P. K. S.
Captain N. B. Jamr
Abbas Lakadawalla

AUDITORS M/s. Sachin P. Mulg
Chartered Accountants
Mumbai.

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

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

BANKERS Central Bank of India
Vijaya Bank.

REGISTERED OFFICE 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.

2. To appoint a Director in place of Capt. N.B. Jamnerkar 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, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Abbas Lakdawalla Independent Director who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 20th September, 2009 and who ceases to hold office under section 260 of the Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company liable to retire by rotation."

5. 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 of one year with effect from 17th July 2009 on the terms and conditions including remuneration as are set out in the draft agreement to be entered into between the Company and Rear Admiral P.K. Sinha, a draft whereof is placed before this meeting which agreement 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, 2009, 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 were closed from Tuesday, 15th September 2009 to Thursday, 24th September 2009 (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 and 5 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, 20th November 2009.

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

Mr. Abbas Lakdawalla was appointed as an Independent Director of the Company w.e.f. 20th September, 2009 by the Board of Directors of the Company to fill in the casual vacancy caused on death of Mr. Minoo Capadia. According to the provisions of section 260 of the Companies Act, 1956 he holds office as Additional Director only up to the date of the ensuing Annual General Meeting the Board considers it desirable that the Company should continue to avail itself of his services.

Except for Mr. Abbas Lakdawalla no other Director is interested in the said Resolution.

Your Directors recommend the said resolution to be passed as an Ordinary Resolution

Item No. 5

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. 40,000/- 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, the dependent children and dependent parents 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 Provident Fund subject to ceiling of 10% of salary.

(iii) Company's contribution to the Superannuation Fund as per Company's Rule but it shall not together with Company's contribution to Provident Fund exceed 25% of salary laid down under the Income Tax Rules 1962.

(iv) 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, 20th November 2009.

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

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

To the Members:

The Directors submit the 58th Annual Report of the Company together with the audited statement of accounts for the period ended 31st March 2009.

1. FINANCIAL RESULTS:

Your Directors result the financial results as follow:-

	<u>Year ended</u> <u>31.03.2009</u>	<u>Year ended</u> <u>31.03.2008</u>
	<u>Rs.</u>	<u>Rs.</u>
1. Income from operations	70.55	70.91
2. Other Income	12.30	185.47
3. Total Income	82.85	256.38
4. Total Expenditure	80.40	98.43
5. Gross Profit/(Loss) before interest	2.45	157.9
- Less : (a) Interest	5581.54	4725.48
(b) Provisions for depreciation	3.19	3.62
(c) Provision for doubtful Debts	.43	.42
- Profit/(Loss) before extraordinary/ prior period Items & Tax	(5582.71)	(4571.57)
Add: (d) Extraordinary/prio period items	—	.85
6. Net Profit / (Loss) before Tax	(5582.71)	(4572.42)
7. (a) Provision for Fringe Benefit Tax	.65	.85
(b) Add: Profit/(Loss) B/F from earlier year	(5583.36)	(4573.27)
	(64336.88)	(59763.60)
8. Cumulative Profit/(Loss)	(69920.24)	(64336.88)

The debit balance in the Profit & Loss Account after considering prior years' adjustments stands at Rs. 69920.24 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 WITH BANKS:**a) Negotiation with Bank:**

Negotiations are still in progress with Central Bank of India for an out of Court settlement. Your Directors are hopeful of an early settlement.

b) Mumbai office staff:

Company Appealed under special leave petition in the Supreme Court and now admitted & awaiting final hearing.

c) 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 Accounts and are self-explanatory. Information Pursuant to Section 217 of the Company's Act, 1956 is given in Schedule

19 with Balance Sheet and Profit and Loss Account.

5. DIRECTORS:

- a) Capt. N.B. Jamnerkar retires by rotation and being eligible offers himself for re-appointment.
- b) We regret to convey sad demise of Mr. M.K.B. Capadia who joined the Board in 1991. He was a great assistance to Company throughout.
- c) In the casual vacancy created by death of Mr. M.K.B. Capadia, Mr. Abbas Lakdawalla has been inducted as Independent Director.

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 3rd September, 2009 from Mr. Abbas Lakdawalla, 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

Date : 20th November 2009.
Place : Mumbai

Mackinnon Mackenzie & Co. Ltd.

ANNEXURE TO DIRECTOR REPORT

Ph.: 40167548

Abbas Lakdawalla**Practicing Company Secretary**

606-B, Swiss Corner, Shastri Nagar, Off. Lokhandwala Complex, Andheri (West), Mumbai - 400 053

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

I 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, 2009**. 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 paid-up capital
4. The Board of Directors duly met Five times on **29/04/2008, 28/07/2008, 28/08/2008, 24/10/2008 and 30/01/2009**, 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 15th September 2008 to 24th September 2008 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 2008 was held on 24th September 2008 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.

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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 has continued 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 : 3rd September 2009

ABBAS LAKDAWALLA
Practicing Company Secretary
FCS 2988 CP 4052

Mackinnon Mackenzie & Co. Ltd.

ANNEXURE – “A”**Annexure to the Compliance Certificate of Mackinnon Mackenzie & 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
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 & 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.	Annual Accounts E Form 23ACA 23AC	220	F.Y. ended 31.03.2008	24.10.2008	Yes	No
2.	Annual Return E Form 20B	159	AGM held on 24.09.2008	27.10.2008	Yes	No
3	Compliance Certificate	383A	As on 31.03.2008	24.10.2008	Yes	No
4	E Form 25C	269	Appointment of Mr. Sinha as a whole time Director	04.11.2008	No	Yes
5	E Form 23	192	Special Resolution for Appointment of Mr. Sinha as Whole time Director	07.11.2008	No	Yes

Place : Mumbai
Dated : 3rd September 2009

ABBAS LAKDAWALLA
Practicing Company Secretary
FCS 2988 CP 4052