NOTICE

Notice is hereby given that the 59th Annual General Meeting of the Shareholders of MACKINNON MACKENZIE & COMPANY LIMITED will be held on Wednesday, the 29th September, 2010 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:

- To consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
- To appoint a Director in place of Additional Director Mr. Abbas Lakadawala who retires and being eligible, offers himself for re-appointment.
- To appoint Auditors on a remuneration to be fixed by the Board of Directors.

SPECIAL BUSINESS

 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 31.03.2013 with effect from 17th July 2010 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 it 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, 2010, 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 20th September 2010 to 29th September 2010 (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 all the addresses of the shareholders. In the meantime requisite Notice of convening AGM we will send to all members & to whatever addresses further Available.

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

> CAPT. N. B. JAMNERKAR DIRECTOR

MUMBAI, 30th August 2010.

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

- 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. 60,000/- 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:
 - (i) Servants Wages: Remuneration of servants/ sweeper's wages upto a maximum of Rs. 1,500/- per month.
 - (ii) Medical Reimbursements: Reimburse-ment 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.
 - (iii) 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.

- (iv) 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.
- (c) 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.
- (d) 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:

- Company's contribution to the Provident Fund subject to ceiling of 10% of salary.
- (ii) 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.
- (iii) Gratuity not exceeding half months salary for each completed year of Service subject to such limit as described by Income Tax Act 1961.
- 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.
- 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, 30th August 2010.

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 59th Annual Report of the Company together with the audited statement of accounts for the period ended 31st March 2010.

1. FINANCIAL RESULTS:

Your Directors result the financial results as follow:-

		Year ended 31.03.2010 Rs. (Lakhs)	Year ended 31.03.2009 Rs. (Lakhs)
1.	Income from operations	68.08	70.55
2.	Other Income	9.18	12.30
3.	Total Income	77.26	82.85
4.	Total Expenditure	59.49	80.40
5.	Gross Profit/(Loss) before interest	17.77	2.45
	Less : (a) Interest	6592.60	5581.54
	(b) Provisions for depreciation	2.86	3.19
	(c) Provision for doubtful Debts	.38	.43
	Profit/(Loss) before extraordinary/ prior period Items & Tax	6578.07	(5582.71)
	Add: (d) Extraordinary/prior period items		_
6.	Net Profit / (Loss) before Tax	6578.07	(5582.71)
7.	(a) Provision for Fringe Benefit Tax		.65
	(b) Add: Profit/(Loss) B/F from earlier year	(6578.07)	(5583.36)
			(64336.88)
8.	Cumulative Profit/(Loss)	(76498.31)	(69920.24)

The debit balance in the Profit & Loss Account after considering prior years' adjustments stands at Rs. 76498.31 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:

Negotiation with Central Bank is in progress for out of court settlement and your Directors are hopful that this will be concluded.

b) Mumbai office staff:

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

c) Future Business Prospect:

The Board of Directors are exploring the possibility once the Central Bank issue is settled.

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:

Mr. Abbas Lakdawalla who was appointed as Additional 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 dated30th August 2010 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

Date: 30th August 2010.

Place: Mumbai

ANNEXURE TO DIRECTOR REPORT

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

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

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 **31**st **March, 2010.** 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.
- 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 Seven times on 28/04/2009, 28/07/2009, 12/08/2009, 3/10/2009, 30/10/2009, 20/11/2009 and 29/01/2010, 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 2009 to 24th September 2009 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 2009 was held on 21st December 2009 after seeking necessary permission for ROC and 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 during the year.
- 13. The Company:
 - 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.
 - Company was not required to post warrants to any of its members as no dividend was declared during the financial vear.

Mackinnon Mackenzie & Co. Ltd.

- 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
- 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 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.

Divya Momaya **Practicing Company Secretary**

ACS:- 17325

CP:- 7885

Dated: 30th August 2010

Place: Mumbai

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			
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 31.03.2009	23.01.2010	Yes	No
2.	Annual Return E Form 20B	159	AGM held on 21.12.2009	23.01.2010	Yes	No
3	Compliance Certificate	383A	As on 31.03.2009	23.01.2009	Yes	No
4	E Form 25C	269	Appointment of R. Adm Sinha (Retr.)as a whole time Director	23.01.2010	Yes	No
5	E Form 23	192	Special Resolution for Appointment of Mr. Sinha as Whole time Director	23.01.2010	Yes	No
6.	E Form 32	260	Appointment of Mr. Abbas Lakdawalla as independent Director	30.10.2009	No	Yes

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

Place: Mumbai Dated: 30th August 2010

Mackinnon Mackenzie & Co. Ltd.

AUDITORS' REPORT TO THE MEMBERS OF MACKINNON MACKENZIE & COMPANY LIMITED AS AT 31ST MARCH 2010

- We have audited the attached Balance Sheet of M/S. MACKINNON MACKENZIE & COMPANY LIMITED as at 31st March 2010 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;
 - 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 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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 1,2,6,7,8,9,and 10 appearing in Schedule 17 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 No. 8 (c) in Schedule 17.
- ii) 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.2 in Schedule 17).
- iii) 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. 6 in Schedule 17).
- iv) 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(a) in Schedule 17).

- v) We refer to Note 7(b) in the Schedule 17 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.
- vi) The Company's bankers had filed suit in Bombay High Court for recovery of loans which were transferred to the Debt Recovery Tribunal. Out of 3 Banks Bank of India and Indian Bank have assigned entire debt due to them to a Company and suit filed by these two 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 Banks and the Company which has taken over the Debt as per the terms of loans and subsequent understanding with the Company amounting to Rs 7,577,322,305 is outstanding as on 31st March 2010. Interest amounting to Rs 3602.34 lacs has not been provided for the year in respect of loan due to the company. Had the interest been provided, loss for the year, accumulated losses and secured loans balances would have been higher to the extent of Rs 3602.34 lacs. 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 Bank and the Company which has taken over the Debt and the debit balance of Profit & Loss Account as at 31st March 2010. (Refer No no.9 in Schedule17).
- vii) Non availability of confirmations in respect of balances of secured and unsecured loans, debtors, certain bank balances, deposits, and creditors appearing in Schedule 3,7.8.9 and 10 of the accounts respectively. (Refer Note No. 10 in Schedule 17).
- viii) As stated in Note No. 15 in Schedule 17 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 2010 is not ascertainable.

ix) 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 2010 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. Chartered Accountants.

(Sachin P Mulgaokar)
PROPRIETOR
Membership No. 40942
Firm Registration No: 108945W

Place: Mumbai Date: 30th August 2010