



**Mackinnon Mackenzie
& Company Ltd.**

Annual Report
2010 - 2011

Mackinnon Mackenzie & Co. Ltd.

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| BOARD OF DIRECTORS | Rear Adml. P. K. Sinha Captain N. B. Jamnerkar Abbas Lakadawalla |
| AUDITORS | M/s. Sachin P. Mulgaokar & Co. Chartered Accountants Mumbai |
| ADVOCATES AND SOLICITORS | Maneksha & Sethna, Bombay |
| REGISTRAR AND SHARE TRANSFER AGENTS | In House facility w.e.f. 01-04-2004 |
| BANKERS | 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.

NOTICE

Notice is hereby given that the 60th Annual General Meeting of the Shareholders of MACKINNON MACKENZIE & COMPANY LIMITED will be held on Thursday, the 29th September, 2011 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 2011 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 Director Capt. N. B. Jamberkar who retires and being eligible, offers himself for re-appointment.
3. To appoint Auditors on a remuneration to be fixed by the Board of Directors.

NOTES:

- a) A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and a proxy need not be member of the Company. Proxy forms should be deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.

- b) The Register of Members and the Share Transfer Books of the Company will be closed from Monday, 20th September 2011 to Wednesday, 29th September 2011 (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 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.
- e) As per Listing Agreement Clause No. 54II(h)i — there are no shares in unclaimed suspense account with the Company.

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

CAPT. N. B. JAMNERKAR
DIRECTOR

MUMBAI, 30th August 2011.

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 60th Annual Report of the Company together with the audited statement of accounts for the period ended 31st March 2011.

1. FINANCIAL RESULTS:

Your Directors result the financial results as follow:-

| | <u>Year ended</u> <u>31.03.2011</u> <u>Rs. (Lakhs)</u> | <u>Year ended</u> <u>31.03.2010</u> <u>Rs. (Lakhs)</u> |
|--|--|--|
| 1. Income from operations | 68.08 | 68.08 |
| 2. Other Income | 8.30 | 9.18 |
| 3. Total Income | 76.38 | 77.26 |
| 4. Total Expenditure | 89.93 | 59.49 |
| 5. Gross Profit/(Loss) before interest | (13.55) | 17.77 |
| Less : (a) Interest | 6788.20 | 6592.60 |
| (b) Provisions for depreciation | 2.57 | 2.86 |
| (c) Provision for Doubtful Debts | 0.46 | .38 |
| Profit/(Loss) before extraordinary/ prior period Items & Tax | (6804.78) | (6578.07) |
| Add: (d) Extraordinary/prior period items | (2.67) | — |
| 6. Net Profit / (Loss) before Tax | (6807.45) | (6578.07) |
| 7. (a) Provision for Fringe Benefit Tax | — | — |
| (b) Add: Profit/(Loss) B/F from earlier year | (76498.31) | (69920.24) |
| 8. Cumulative Profit/(Loss) | (83305.76) | (76498.31) |

The debit balance in the Profit & Loss Account after considering prior years' adjustments stands at Rs. 83305.76 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) The Honourable Bombay High Court has approved the application of the Central Bank of India for transfer of debts owed by your Company to the Bank to a third party alongwith the securities and mortgage charges.

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 now exploring the possibilities of any fresh / new business.

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:

Capt. N. B. Jamnerkar 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 30th August 2011 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
REAR ADMIRAL P.K. SINHA
EXECUTIVE DIRECTOR

Date : 30th August 2011.

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

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, 2011. 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 Six times on 30/04/2010, 29/07/2010, 30/08/2010, 23/09/2010, 29/10/2010, and 28/01/2011 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 20th September 2010 to 29th September 2010 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 2010 was held on 29th September 2010 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 : 30th August 2011

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

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

| 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 31.03.2010 | 19.11.2010 | No | Yes |
| 2. | Annual Return E Form 20B | 159 | AGM held on 29.09.2010 | 19.11.2010 | Yes | No |
| 3. | Compliance Certificate E Form 66 | 383A | As on 31.03.2010 | 19.11.2010 | No | Yes |
| 4. | E Form 32 | 303(2) | Appointment of R. Adm.Sinha (Retr) as Whole time Director | 19.11.2010 | No | Yes |
| 5. | E Form 25C | 269 | Appointment of R. Adm.Sinha (Retr) as Whole time Director | 19.11.2010 | Yes | No |
| 6. | E Form 23 | 192 | Board Resolution for Appointment of Mr. Sinha as Whole time Director | 19.11.2010 | No | Yes |
| 7. | E form 32 | 303(2) | Appointment of Mr. Abbas Lakdawalla as Independent Director | 19.11.2010 | No | Yes |

Place : Mumbai
Dated : 30th August 2011

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