

LIMITED REVIEW REPORT

To
The Board of Directors
Mackinnon Mackenzie & Co. Ltd.
Mumbai.

We have reviewed the accompanying a statement of unaudited standalone Ind AS financial results of M/s. Mackinnon Mackenzie & Company Limited (the "Company") for the quarter ended 30th June 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No.CIR/CFD/FAC/62/2016 dated July5, 2016 (the "Circular").

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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 30th June 2018. The Hon. Bombay High Court has passed a decree in favour of the said company in respect of two suits to dispose off/sell the immovable property and flats belonging to the company to recover its dues together with interest. Total amount due to the company as per the decree together with



interest in respect of the two suits is Rs 2187.51 crores as on 30th June 2018. No provision is made in respect of additional amount due to the company as per decree amounting to Rs 1425.52.crores.

60 Clerical workers and 35 subordinate staff were retrenched on 4th August 1992 under the Industrial Dispute Act at Mumbai. Each one was paid 15 days wages as per completed year of service and one months pay in addition to other dues. The Industrial Court had given a judgment against the company against which the company had filed an appeal before the Hon. Bombay High Court, which too was decided against the company. The Hon. Supreme Court has dismissed the appeal of the company filed against the order of the Hon. Bombay High Court and has directed the company to comply with the conditions of the award passed the Industrial Court. The Hon. Supreme Court has dismissed the review and curative petition filed by the company against the said order. The company has filed a compliance report as required by the order passed by the Hon. Supreme Court. No further orders have been passed on this.No provision has been made in respect of dues to 7 (Seven) workers amounting to Rs.91.83 lacs plus interest upto 30th June 2018 to the retrenched staff as per the order of the Hon. Supreme Court. In so far as the balance 88 workers are concerned, the company has pleaded non- applicability.

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

Loans and Advances includes certain old balances amounting to Rs 8,18,785 for which no provision for doubtful items if any has been made in the accounts pending review confirmation of the same.

Trade Payables include an amount of Rs.26,51,925/- which represent old balances for which no write back has been made in the accounts pending the review/ confirmation of the same.

Certain old credit balances outstanding in various accounts amounting to Rs.1,48,52,774 for which no write back has been made in accounts pending the review /confirmation of the same.

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 investments made at Kolkata Rs 56000/- are presently not available for verification as the building is destroyed by fire.



Non availability of confirmations in respect of balances of secured and unsecured loans, debtors, certain bank balances, deposits, and creditors appearing in of the accounts respectively..

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.M. Bhingarde & Co.
Chartered Accountants
Firm Registration No 101418W

S m Bhingarde

S.M. Bhingarde
Proprietor
M.No 40170

Place : Mumbai.

Dated : 3rd August 2018



MACKINNON MACKENZIE AND COMPANY LIMITED

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED : 30.06.2018

(Rs. In Lakhs)

		Quarter Ended		Year Ended	
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Unaudited	Refer note-11	Unaudited	(Audited)
1	Income				
	a) Revenue From Operations	4.67	13.73	4.77	18.51
	b) Other Income	0.66	25.39	-	28.99
	Total Income	5.33	39.12	4.77	47.50
2	Expenses				
	a) Operating Expenses	-	-	-	-
	b) Employees Benefit Expenses	1.08	4.18	1.16	5.30
	c) Depreciation and Amortisation Expenses	0.30	0.04	0.42	1.40
	d) Finance Cost	0.01	0.98	0.04	0.04
	e) Other Expenses	25.25	38.59	13.33	56.17
	Total Expenses	26.64	43.79	14.95	62.91
3	Loss before exceptional items and tax (1-2)	(21.30)	(4.66)	(10.18)	(15.41)
4	Exceptional Items	-	-	-	-
5	Loss before tax (3+4)	(21.30)	(4.66)	(10.18)	(15.41)
6	Tax Expense				
	a. Current Tax	-	-	-	-
	b. Deferred Tax	-	-	-	-
	c. Taxes of Earlier years	-	2.80	-	2.80
	Total Tax Expenses	-	2.80	-	2.80
7	Net loss for the period (5-6)	(21.30)	(7.46)	(10.18)	(18.21)
8	Other Comprehensive Income, net of tax				
	a) Items that will not be reclassified to profit or loss	-	-	-	-
	b) Items that may be reclassified to profit or loss	-	-	-	-
	Other Comprehensive Income/Expenses for the period, net of tax	-	-	-	-
9	Total Comprehensive Income/Expenses for the period, net of tax	(21.30)	(7.46)	(10.18)	(18.21)
10	Paid up equity Share Capital (face Value of Rs 10/- each)	24.72	24.72	24.72	24.72
11	Other Equity excluding Revaluation Reserve	-	-	-	(83,488.63)
12	Basic & Diluted earning per share (face value of Rs 10/- each)	(8.62)	(3.02)	(4.11)	(7.36)

NOTES:

- The above results were taken on record by the Board of Directors at the adjourned meeting held on 3rd August 2018 at 16.00 hrs.
- These results have been prepared in accordance with Ind AS notified under the Companies (India Accounting Standards) Rules, 2015
- Ind AS 115 "Revenue from Contract with Customer" is mandatory for reporting period beginning on or after April 01, 2018 and has replaced existing Ind AS related thereto. Under the modified retrospect approach, there were no significant adjustments required to be made to the retained earnings as at April 01, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results for the quarter ended June 30, 2018.
- The Hon'ble Bombay High Court had approved the application of banks for transfer of debts owed to them to a company (hereafter referred to as "Company") along with securities and mortgage charges in the past pursuant to the consent terms filed in the Debt Recovery Tribunal. Consequently suits filed by the banks before the Debt Recovery Tribunal had transposed the "Company" in place of the banks. The Hon. Bombay High Court had passed a decree in favour of the said "Company" to dispose off/sell the Immoveable property and Flats belonging to the company to recover its dues. Total amount due to the "Company" as per decree together with interest is 2187.51 Crores as on 30th June 2018. No further entries are passed in the books for the balance amount due Rs.1425.52 crores in respect of the said suits as the management is not in a position to repay the said loans and decree has been awarded to the lender to dispose off the secured assets. Hence accounting can be done only after the assets are sold & based on discharge given to the Company by the lender.
- 60 Clerical workers & 35 subordinate staff were retrenched on 4th August 1992 under the Industrial Dispute Act at Mumbai. Each one was paid 15 days wages per completed year of services & one month's notice pay in addition to other dues. The Industrial Court has given a Judgement against the company. However the company had filed an appeal with the High Court against the same order, which has been decided against the company. The Hon. Supreme Court had dismissed the appeal of the company filed against the order of the Hon. Bombay High Court & has directed the company to comply with the conditions of the award passed by the Industrial Court. The Hon. Supreme Court has dismissed the review and curative petition filed by the company against the said order. The Company has filed a Compliance Report as required in the order passed by the Hon. Supreme Court. The Company in its Compliance Affidavit submitted to the Supreme Court has stated that as per the concerned workmen are only 7. However there are no further orders on this. The Company had deposited adhoc sum of Rs.32/- lakhs with the Registrar, Bombay High Court. The Company is of the view that it can provide for the said liability only after reconciliation is received in respect of sums so held by the Registrar. Hon'ble Bombay High Court.
- The ground lease of the premises of the company has expired on 22nd May 2017. The Company has made an application for renewal of lease. The Company has accounted for rent due from its tenants for the entire quarter on the basis of it being a holding out tenant as per legal opinion received.
- Consequent to the one time settlement made by the Company with its bankers and the assignment of the debts to a private company. The company is in the process of restructuring the debts.

- 8 Provision for doubtful debts/advance as may be necessary, shall be considered at the time of preparation of Accounts for the financial year ended 31.03.2019.
- 9 The Statutory Auditors of the Company have carried out a "Limited Review" of the above results as per Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.
- 10 The Statutory Auditors have conducted a "Limited Review" of these result in terms of rrulation 33 of SEBI (Listing obligations and Diclosure Requirements) Regulations, 2015
- 11 The figures of the quarter ended March 31, 2018 are the balancing figures between audited figures for the full financial year ended March 31, 2018 and nine months unaudited figures up to December 31, 2017
- 12 Figures of previous reporting periods have been regrouped / reclassified wherever necessary to correspond with the figures of the current quarters presentation.

For MACKINNON MACKENZIE & CO.LTD.

PLACE: MUMBAI
DATE : 3RD AUGUST 2018



Abbas Lakdawalla

ABBAS LAKDAWALLA
DIRECTOR
DIN NO.00037416

For S. M. Bhingarde & Co.



S M Bhingarde
Proprietor

Membership No.
40170