

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

To
The Board of Directors
Mackinnon Mackenzie & Co. Ltd.
4, Shoorji Vallabhdas Marg
Ballard Estate
Mumbai 400001

1. We have reviewed the accompanying a statement of unaudited financial results of M/s. Mackinnon Mackenzie & Company Limited (the "Company") for the quarter and half year ended 30th September 2020 (the "Statement") together with the relevant notes thereon (the "Statement"). This Statement which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") as amended, which has been initialed by us for identification purposes. The Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. 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.

3. A review of interim financials is limited primarily to inquiries of company personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit. Accordingly, we do not express an audit opinion.

I.

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 September 2020. 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 of Rs 702.79 crores together with interest. Total amount due to the company as per the decree together with interest in respect of the two suits is Rs 2892.43 crores as on 30th September 2020. No provision is made in respect of additional amount due to the company as per decree amounting to Rs 2130.44 crores.

II.

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 month's 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 lakhs plus interest upto 30th September 2020 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.

III.

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.

IV.

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.

V.

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.

VI.

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.

VII.

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 the Ind AS 19 Employees Benefits (the Standard).

VIII.

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

4. Based on our review conducted as stated in Paragraph 3 and in paragraph I TO VIII above nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Place : Mumbai.
Dated : 12th November 2020

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

S m Bhingarde

(CA S.M. Bhingarde)
Proprietor
M.No 40170
UDIN: 20040170AAAAAR2662

MACKINNON MACKENZIE AND COMPANY LIMITED

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

Email : mmcladv@yahoo.co.in Website : www.mmclimited.net

CIN NO. : L63020MH1951PLC013745

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

Sr. No.	Particulars	(Rs. in Lacs except share data)					
		Quarter Ended			Half Year ended		Year Ended
		Sep 30, 2020 (Unaudited)	Jun 30, 2020 (Unaudited)	Sep 30, 2019 (Unaudited)	Sep 30, 2020 Unaudited	Sep 30, 2019 Unaudited	Mar 31, 2020 (Audited)
I	(a) Revenue from Operations	5.09	5.09	7.23	10.18	11.95	23.36
II	(b) Other Income	0.66	0.66	0.66	1.33	1.46	9.58
III	Total Revenue (I+II)	5.75	5.75	7.90	11.50	13.42	32.94
IV	Expenses						
	a. Cost of Materials Consumed	-	-	-	-	-	-
	b. Changes in inventories of finished goods, work in progress	-	u	-	-	-	-
	c. Employees benefit costs	3.15	1.97	2.88	5.12	4.58	10.03
	d. Finance costs	0.01	0.04	-	0.05	0.05	0.11
	e. Depreciation and Amortisation Expense	0.26	0.25	0.25	0.51	0.51	1.12
	f. Other Expenses	9.89	10.63	14.30	20.51	24.58	51.72
	Total Expenses (IV)	13.31	12.89	17.44	26.20	29.71	62.99
V	Profit/(Loss) before Exceptional Items and Tax (III-IV)	(7.56)	(7.14)	(9.54)	(14.70)	(16.29)	(30.04)
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) before tax (V+VI)	(7.56)	(7.14)	(9.54)	(14.70)	(16.29)	(30.04)
VIII	Tax Expense:						
	a) Current Tax (Net of MAT Credit)	-	-	-	-	-	-
	b) Deferred Tax	-	-	-	-	-	-
	c) Tax Adjustment of Earlier Years	-	-	-	-	-	-
		-	-	-	-	-	-
IX	Net Profit or / (Loss) for the period (VII-VIII)	(7.56)	(7.14)	(9.54)	(14.70)	(16.29)	(30.04)
X	Other Comprehensive Income (Net of tax)						
	a) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	-
	- Remeasurement gain/(losses) on defined benefit plans	-	-	-	-	-	-
	b) Income tax relating to items that will not be reclassified profit or loss	-	-	-	-	-	-
	c) Items that may be recycled to profit or loss	-	-	-	-	-	-
	- Deferred gains/(losses) on cash flow hedges reserves	-	-	-	-	-	-
	d) Income tax relating to items that may be reclassified to profit or loss	-	-	-	-	-	-
	Other comprehensive income / (Expense) for the period/year (Net of Tax)	-	-	-	-	-	-
XI.	Total Comprehensive Income for the period /year (IX-x)	(7.56)	(7.14)	(9.54)	(14.70)	(16.29)	(30.04)
XII.	Paid-up Share Capital	24.72	24.72	24.72	24.72	24.72	24.72
XIII.	Face Value of Share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
XIV.	Earning per Equity Share						
	a. Basic	(3.06)	(2.89)	(3.86)	(5.95)	(6.59)	(12.15)
	b. Diluted	(3.06)	(2.89)	(3.86)	(5.95)	(6.59)	(12.15)
		For MACKINNON MACKENZIE & CO.LTD.					

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NOTES

1

The above unaudited financial results have been reviewed and recommended by the Audit Committee at their meeting held on November 12, 2020, and approved by the Board of Directors at their meeting held on the same date. The limited review, as required under Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has been completed by the Statutory Auditors for the quarter and half year ended 30th September 2020 and they have expressed modified opinion on the same

2

The company is continuously monitoring the lockdown situation due to spread of COVID-19 pandemic from mid-March and regularly assesses the impact of pandemic on its operation. Though the Company is not in position to gauge with certainty the future impact on its operations, barring unforeseen circumstances there will not be a significant impact of COVID-19 on the operations of the Company for the financial year 2020-21.

3

The Hon'able 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 Rs.2892.43 Crores as on 30th September 2020. No further entries are passed in the books for the balance amount due Rs.2130.44 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.

4

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.

5

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.

6

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.

7

Figures for previous periods have been regrouped and reclassified, wherever necessary

8

The Company operation is one segment, hence no separate reporting is given

For S. M. Bhingarde & Co

For MACKINNON MACKENZIE & CO.LTD.

PLACE: MUMBAI

S M Bhingarde

MS HETAL PARMAR

DATE : 12th November 2020

Proprietor

INDEPENDENT WOMEN

DIN NO.07723298

**Membership No
40170**

MACKINNON MACKENZIE AND COMPANY LIMITED

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NOTES : 2

Unaudited Cash Flow Statement for the half year ended September 2020

Particulars	Rs. In lacs		Rs. In lacs	
	For the half year ended September 30, 2020		For the half year ended September 30, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/(Loss) before Tax		(14.70)		-16.29
Adjustment for :				
Depreciation	0.51		0.51	
Interest expense	0.05		-0.14	
Interest on fixed deposit	-	0.57	0.05	0.42
Operating Profit(Loss) before working capital changes		(14.13)		(15.87)
Adjustment for :				
Trade and Other Receivables	2.96		0.69	
Trade Payables	(12.23)	(9.27)	(12.69)	(12.00)
NET CASH FLOW FROM OPERATING ACTIVITIES		(4.86)		(3.87)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Asset	-		-	
Interest received	-	-	0.14	0.14
NET CASH FROM INVESTING ACTIVITIES		-		0.14
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest paid	(0.05)	(0.05)	(0.05)	(0.05)
NET CASH FROM FINANCING ACTIVITIES		(0.05)		(0.05)
NET INCREASE/DECREASE IN IN CASH & CASH EQUIVALENTS		(4.91)		-3.78
Cash and Cash Equivalents at the beginning of the year		17.62		7.11
Cash and Cash Equivalents at the end of the year		12.71		3.33
Components of Cash and Cash Equivalents:				
Cash on Hand		0.02		0.00
Other Bank Balances				
- On Current Accounts		12.69		3.33
		12.71		3.33

For MACKINNON MACKENZIE & CO.LTD.

For S. M. Bhingarde & Co.

S m Bhingarde

Proprietor

Membership No.

40170

MS HETAL PARMAR

INDEPENDENT WOMEN DIRECTOR

DIN NO.07723298

PLACE: MUMBAI

DATE : 12th November 2020

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NOTES : 1

STATEMENT OF UNAUDITED ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

	(Rs. in Lacs)	
Particulars	As At Sep 30, 2020	As At Mar 31, 2020
ASSETS :		
Non - Current Assets		
(a) Property, Plant and equipment	12.10	12.61
(b) Capital work-in-progress	-	-
(c) Right of Use- Lease assets	-	-
(d) Intangible Assets	-	-
(f) Financial Assets	-	-
i) Investments	3.07	3.07
ii) Loans	-	-
iii) Other Financial Assets	-	-
(g) Non-Current Tax Asset (Net)	-	-
(h) Other Non-Current Assets	-	-
	15.17	15.68
CURRENT ASSETS :		
(a) Inventories	-	-
(b) Financial Assets		
i) Trade Receivable	512.64	509.65
ii) Cash and Cash Equivalents	12.71	17.62
iii) Bank Balance	90.96	90.96
iv) Loan	-	-
v) Other Financial Assets	17.60	17.60
(c) Other Current Assets	47.31	47.35
	681.22	683.18
TOTAL ASSETS	696.39	698.86
EQUITY AND LIABILITIES :		
EQUITY :		
(a) Equity Share Capital	24.72	24.72
(b) Other Equity	(83,604.41)	(83,589.72)
	(83,579.70)	(83,565)
LIABILITIES :		
Non - Current Liabilities		
(a) Financial Liabilities		
Long Term Borrowings		
i) Secured Borrowings	82,561.29	82,561.29
ii) Unsecured Borrowings	-	-
iii) Other financial liabilities	-	-
(b) Provisions	27.53	27.53
(c) Deferred tax liabilities (net)	-	-
(d) Liabilities for Current Tax (Net)	1.86	1.86
	82,590.68	82,590.68
Current Liabilities		
(a) Financial Liabilities		
i) Secured Borrowings		
ii) Unsecured Borrowings		
iii) Lease Liability		
iv) Trade Payables	1,205.00	1,194.45
v) Other Financial Liabilities	-	-
iii)	-	-
(b) Other Current Liabilities	480.42	478.73
(c) Provisions	-	-
	1,685.41	1,673.18
	84,276.09	84,263.86
TOTAL EQUITY AND LIABILITIES	696.39	698.86

For S. M. Bhingarde & Co.

S M Bhingarde

Proprietor
Membership No.

40170