



McDowell Holdings Limited

ANNUAL REPORT 2012 - 2013

McDOWELL HOLDINGS LIMITED

Registered Office: Canberra, Level 9, UB City, #24, Vittal Mallya Road, Bangalore – 560 001

NOTICE IS HEREBY GIVEN OF THE NINTH ANNUAL GENERAL MEETING of the Company to be held at Good Shepherd Auditorium, Opposite St. Joseph's Pre University College, Residency Road, Bangalore – 560 025, on Tuesday, September 24, 2013, at 4.30 p.m. for the following purposes:

1. To receive and consider the accounts for the year ended March 31, 2013 and the reports of the Auditors and Directors thereon;
2. To elect a Director in the place of Mr. N Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint Auditors and fix their remuneration;

SPECIAL BUSINESS:

4. Appointment of Mr. R N Pillai as a Director:

To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:-

"RESOLVED, that Mr. R N Pillai, who was appointed as an Additional Director and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable for retirement by rotation."

By order of the Board

Mumbai
May 30, 2013

Ritesh Shah
Company Secretary

Notes:

- 1) Please refer to the explanatory statement given hereunder.
- 2) Brief particulars of the Directors proposed to be appointed / re-appointed at the Annual General Meeting are given in the Corporate Governance Report.

3) A SHAREHOLDER ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF ONLY ON A POLL. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form, duly completed, must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for the holding of the Meeting.

4) The Transfer Books and Register of Members will remain closed from Monday, September 23, 2013, to Tuesday, September 24, 2013 (both days inclusive).

5) Members are requested to intimate immediately to the Company's Registrars and Transfer Agents, Integrated Enterprises (India) Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003 (Telephone No. 080-23460815-818 Fax No. 080 2346 0819), any change in their e-mail id / correspondence address along with Pin Code Number.

6) Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the Company's Registrars and Transfer Agents, at the address as stated in Note No. 5 above.

7) Members may please address all their documents/ correspondence relating to the equity shares of the Company directly to the Company's Registrars and Transfer Agents, at the address as stated in Note no. 5 above.

8) Nomination facility for shares is available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents at the address as stated in Note no. 5 above.

9) The Company's equity shares are under compulsory dematerialisation. Accordingly, trading of these shares through the Stock Exchanges would be facilitated if the share certificates are dematerialised. Members having the physical share certificates are advised to consider opening of a Demat Account with an authorised Depository Participant and arrange for dematerialising their shareholdings in the Company.

- 10) The Company has designated an exclusive e-mail id viz, mhlinvestor@ubmail.com to enable the investors to post their grievances and monitor its redressal.
- 11) There is no unclaimed dividend required to be transferred to the Investor Education and Protection Fund.
- 12) Members attending the Annual General Meeting are requested to bring with them the following:
 - a. Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting;
 - b. The Attendance Slip duly completed and clearly indicating their DP ID & Client ID, in case of shares held in dematerialized mode and Folio Number, in case of shares held in physical mode, to facilitate identification of membership at the Meeting.
- 13) The Company would accept only the Attendance Slip from a member actually attending the Meeting, or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the Meeting.
- 14) Attendance Slips of Members/valid proxies not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other member/person.
- 15) The Meeting is for members or their proxies only. Please avoid being accompanied by non-members/children.
- 16) Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

Mumbai
May 30, 2013

By order of the Board

Ritesh Shah
Company Secretary

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956

Item no. 4

Mr. R N Pillai (Mr. Pillai) was appointed as an Additional Director of the Company with effect from March 26, 2013, pursuant to the provisions of Section 260 of the Companies Act, 1956, and holds office as a Director upto the date of this Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956, has been received from a member specifying his intention to propose the appointment of Mr. Pillai as a Director of the Company at this Annual General Meeting.

A brief resume of Mr. Pillai, nature of his expertise in specific functional areas and names of companies in which he holds directorships as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, is provided in the Corporate Governance Report, forming part of the Annual Report.

The Directors recommend the Resolution for approval by the Members.

None of the Directors of the Company except Mr. Pillai is interested or concerned in the aforesaid Resolution. Mr. Pillai holds 54 (fifty four) equity shares of Rs. 10/- each, of the Company and is not related to any other Director of the Company.

Mumbai
May 30, 2013

By order of the Board

Ritesh Shah
Company Secretary

Contents

Report of the Directors	2
Corporate Governance Report	5
Management Discussion & Analysis Report	16
Independent Auditors' Report	17
Balance Sheet	22
Statement of Profit & Loss	23
Cash Flow Statement	24
Notes to the Financial Statements	25

BOARD OF DIRECTORS

N. SRINIVASAN
CHAIRMAN

A. HARISH BHAT
MANAGING DIRECTOR

M. R. DORAISWAMY IYENGAR
DIRECTOR

S. NARASIMHA PRASAD
DIRECTOR

R.N. PILLAI
DIRECTOR

RAVI NEDUNGADI
PRESIDENT & CFO - THE UB GROUP

RITESH SHAH
COMPANY SECRETARY

AUDITORS

VISHNU RAM & CO., CHARTERED ACCOUNTANTS, BANGALORE

REGISTERED OFFICE

CANBERRA, LEVEL 9, UB CITY,
24, VITTAL MALLYA ROAD, BANGALORE - 560 001

Your Directors present the Ninth Annual Report of your Company and the audited accounts for the year ended March 31, 2013.

FINANCIAL RESULTS

Particulars	For the Financial Year Ended	
	31.03.2013 (₹)	31.03.2012 (₹)
Profit from operations	41,692,319	16,411,234
Less : Provision for tax	5,420,000	1,235,866
Profit after tax	36,272,319	15,175,368
Less : Transfer to Statutory Reserve Fund	7,254,464	3,035,074
Balance brought forward from previous year	29,328,473	17,188,179
Surplus carried to Balance Sheet	58,346,328	29,328,473

DIVIDEND

Your Directors have deemed it prudent not to recommend any dividend on equity shares for the year ended March 31, 2013, in order to conserve the resources for the business.

REVIEW OF OPERATIONS

Your Company has recorded good performance during the year under review. Inclusive of profit on sale of investments, the total income of your Company during the financial year was ₹ 112,532,252 compared to ₹ 33,077,102 in the previous financial year. The total expenditure during the year was ₹ 70,839,934 against ₹ 16,665,868 in the previous financial year. Your Company has recorded a net profit of ₹ 36,272,319 for the year under review compared to ₹ 15,175,368 in the previous financial year.

A sum of ₹ 7,254,464 (previous year: ₹ 3,035,074), has been transferred to Statutory Reserve Fund, pursuant to the provisions of Section 45-IC of the Reserve Bank of India Act, 1934. The provision of ₹ 1,714,722 for Standard Assets has been made during the financial year of the Notification issued by Reserve Bank of India.

FUTURE PROSPECTS

Your Company continues to hold strategic investments in the UB Group Companies. As the performance of the major investee companies is on the growth path, it is expected that the dividend distribution by such investee companies would increase progressively.

The Company will continue to focus on making long-term strategic investments in various existing/new ventures, besides consolidating the existing investments, as and when opportunities and resources are available.

CAPITAL

The Authorised Capital of your Company remained unchanged at ₹ 150,000,000 divided into 15,000,000 equity shares of ₹ 10 each.

During the year under review, Kingfisher Finvest India Limited, one of the promoters of your Company had exercised the option to convert 297,909 10% Optionally Convertible Debentures of the face value of ₹ 100 ("OCDs") each and was allotted 607,977 equity shares of ₹ 10 each, fully paid-up, on a preferential basis, as per SEBI Regulations.

Report of the Directors (Contd.)

The issued, subscribed and paid-up equity share capital of your Company has increased from ₹ 133,842,810 divided into 13,384,281 equity shares of ₹ 10 each fully paid-up to ₹ 139,922,580 divided into 13,992,258 equity shares of ₹ 10 each fully paid-up, consequent to the allotment of 607,977 equity shares of ₹ 10 each fully paid-up to Kingfisher Finvest India Limited, on a preferential basis, on April 17, 2012.

DIRECTORS

Mr. N Srinivasan, Director, retires by rotation and being eligible, offers himself for re-appointment.

Mr. A. Harish Bhat was re-appointed as the Managing Director of the Company without remuneration for a further period of three years from November 06, 2012, with the approval of the shareholders of the Company at the last Annual General Meeting held on September 25, 2012.

Mr. S G Ruparel ceased to be a Director of the Company, consequent upon his demise on February 11, 2013. Dr. Vijay Mallya resigned from the Board with effect from February 28, 2013. The Board places on record its appreciation of the valuable services rendered by Mr. S G Ruparel and Dr. Vijay Mallya during their tenure of office as Directors of your Company.

Mr. R N Pillai (Mr. Pillai) was appointed as an Additional Director of the Company with effect from March 26, 2013, pursuant to the provisions of Section 260 of the Companies Act, 1956, and holds office as a Director upto the date of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956, has been received from a member specifying his intention to propose the appointment of Mr. Pillai at this Annual General Meeting.

AUDITORS

M/s. Vishnu Ram & Co., Chartered Accountants, the retiring Auditors, are eligible for re-appointment at the ensuing Annual General Meeting and it is necessary to fix their remuneration.

REGISTRATION WITH RESERVE BANK OF INDIA AS NON BANKING FINANCIAL COMPANY

Your Company continues to be a Non-Banking (non-deposit taking) Financial Company, duly registered with Reserve Bank of India under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934. In terms of the provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the Company is categorised as a 'Systemically Important Non-Deposit taking Non-Banking Financial Company'.

LISTING OF EQUITY SHARES OF THE COMPANY

The equity shares of your Company continue to be listed on Bangalore Stock Exchange Limited (Regional Exchange), Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Annual Listing fees for the year 2013-14 have been paid to these Stock Exchanges.

DEPOSITORY SYSTEM

The trading in the equity shares of your Company is under compulsory dematerialisation mode. As on May 24, 2013 (i.e. date of last benpos), equity shares representing 96.50% of the equity share capital are held in dematerialised form.

CORPORATE GOVERNANCE

A report on Corporate Governance is annexed separately as part of the Annual Report along with a certificate of compliance from the Auditors. Necessary requirements of obtaining certifications / declarations in terms of Clause 49 of the listing agreement with the stock exchanges have been complied with.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the listing agreement with the stock exchanges, Management Discussion and Analysis Report is annexed and forms an integral part of the Annual Report.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION ETC.

Your Company has not undertaken any manufacturing activity during the year under review. Hence the disclosure relating to conservation of energy and technology absorption pursuant to Section 217 (1) (e) of the Companies Act, 1956 is not applicable.

During the year under review, the Company had no transactions in foreign exchange and no expenditure was incurred on Research & Development.

EMPLOYEES

The Company has no employee in respect of whom Statement under Section 217 (2A) of the Companies Act, 1956, is required to be annexed.

FIXED DEPOSITS

The Company has not accepted any deposits from public during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

As required in terms of Section 217 (2AA) of the Companies Act, 1956, your Directors state and confirm that –

- a. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 profit of the Company for that year;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. they have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to acknowledge the co-operation, understanding and support extended by the Group Companies, Shareholders and Bankers.

By Authority of the Board

May 30, 2013
Mumbai

N Srinivasan
Chairman

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, details of which are given below:

2. BOARD OF DIRECTORS

The Board of Directors comprises a Non-Executive Chairman, a Managing Director and three other Non-Executive Directors.

During the financial year under review, six Board Meetings were held i.e. on May 29, 2012, August 08, 2012, November 07, 2012, December 08, 2012, February 12, 2013 and March 26, 2013.

Attendance of each Director at the Board Meetings and the last Annual General Meeting and details of number of outside Directorship and Committee position held by each of the Directors as on date are given below:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on 29.09.2012	No. of other Companies in which Director	No of committees (other than the company) in which Chairman / Member
Dr. Vijay Mallya*	Non Executive Chairman	03	Yes	NA	NA
Mr. A. Harish Bhat	Managing Director	06	Yes	11	04 (Chairman of 01)
Mr. N. Srinivasan	Independent Non Executive Director	05	No	17	09 (Chairman of 05)
Mr. M. R. Doraiswamy Iyengar	Independent Non Executive Director	05	Yes	03	04 (Chairman of 03)
Mr. S. G. Ruparel**	Independent Non Executive Director	03	Yes	NA	NA
Mr. S. N. Prasad	Non Executive Director	03	Yes	02	01
Mr. R. N. Pillai#	Non Executive Director	01	NA	07	Nil

* resigned from the Board with effect from February 28, 2013

** passed away on February 11, 2013

appointed as an additional director with effect from March 26, 2013

NOTE:

The above details are in respect of their Directorship only in Indian Companies.

- a) Out of eleven (11) other Companies in which Mr. A. Harish Bhat is a Director, two (02) are Private Companies and one (01) is a Section 25 Company.
- b) Out of seventeen (17) other Companies in which Mr. N. Srinivasan is a Director four (04) are Private Companies.
- c) Out of two (02) other Companies in which Mr. S. Narasimha Prasad is a Director, one (01) is a Private Company, which is a subsidiary of a Public Company.
- d) Out of three (03) other Companies in which Mr. M.R. Doraiswamy Iyengar is a Director, one (01) is a Private Company.
- e) Out of seven (07) other Companies in which Mr. R N Pillai is a Director, six (06) are Private Companies.
- f) None of the Directors is related to any other Director.

DISCLOSURES REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

Directors retiring by rotation and eligible for re-appointment

Mr. N Srinivasan:

Mr. N Srinivasan (Mr. Srinivasan) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The brief particulars of Mr. Srinivasan are as under:

Mr. Srinivasan is a Graduate in Commerce and a Chartered Accountant. He has over fifty years of experience in the field of Finance, Accounts and Audit and has served as Senior Partner of Fraser & Ross and Deloitte Haskins & Sells.

Details of Mr. Srinivasan's Directorships in other Indian Companies and Committee Memberships are as under:

Sl. No.	Name of the Company	Position held
1.	United Breweries (Holdings) Limited	Director & Chairman of Audit Committee
2.	The India Cements Limited	Director & Member of Audit Committee
3.	Kartiken Logistics Limited	Director
4.	India Cements Capital Limited	Director
5.	Redington (India) Investments Limited	Director
6.	Gati Limited	Director & Chairman of Audit Committee
7.	Essar Shipping Limited	Director & Member of Audit Committee
8.	UB Engineering Limited	Director & Chairman of Audit Committee
9.	Best & Crompton Engineering Limited	Director
10.	Tractors & Farm Equipment Limited	Director & Chairman of Audit Committee
11.	The United Nilgiri Tea Estates Company Limited	Director & Member of Audit Committee
12.	TAFE Motors & Tractors Limited	Director & Member of Audit Committee
13.	Redington (India) Limited	Director & Chairman of Audit Committee
14.	Paterson Consulting Group Private Limited	Director
15.	Indair Carriers Private Limited	Director
16.	SCM Microsystems (India) Private Limited	Director
17.	UT Worldwide (India) Private Limited	Alternate Director

Mr. Srinivasan is the Member of the Audit Committee & General Committee of Directors of the Company.

Mr. Srinivasan does not hold any equity share of the Company and is not related to any other Directors of the Company.

NEW DIRECTOR:

Mr. R N Pillai:

Mr. R N Pillai (Mr. Pillai), aged 56 years, is a Chartered Accountant. Mr. Pillai has been associated with the United Breweries Group since 1986 and possesses vast experience in different areas ranging from finance, administration and management.

Mr. Pillai was appointed as an Additional Director of the Company with effect from March 26, 2013 and will hold office as Director up to this Annual General Meeting.

Details of Directorships of Mr. Pillai in other Indian Companies are as under:

SI. No.	Other Directorships	Position held
1.	Idea Streamz Consultants Private Limited	Director
2.	Collective Media Softek (India) Private Limited	Director
3.	Yenkay Associates Private Limited	Director
4.	VJM Media Private Limited	Director
5.	Blitz Publications Private Limited	Director
6.	Bangalore Beverages Limited	Director
7.	Ganapathy Mallya Investments Private Limited	Director

Mr. Pillai holds 54 (fifty four) equity shares of the Company and is not related to any other Directors of the Company.

3. AUDIT COMMITTEE

The Audit Committee, constituted on November 06, 2006, to meet the requirements under both, the Listing Agreement and Section 292A of the Companies Act, 1956, comprises of the following Directors:

Mr. M R Doraiswamy Iyengar (Chairman)	Non-Executive Independent Director
Mr. N Srinivasan	Non-Executive Independent Director
Mr. S Narasimha Prasad	Non-Executive Director

Mr. S. G. Ruparel was appointed as a member of the Audit Committee w.e.f. May 29, 2012. Consequent upon his demise on February 11, 2013, Mr. S.G. Ruparel ceased to be the Member of the Audit Committee.

The Committee, inter alia, has reviewed the financial statements for the year ended March 31, 2013 and has recommended its adoption. In addition, the Committee has also reviewed Unaudited (Provisional) quarterly results for June 30, 2012, quarterly and half yearly results for September 30, 2012 and quarterly results for December 31, 2012, which were subjected to a Limited Review by the Statutory Auditors of the Company and audited financial results for the year ended March 31, 2013.

The Company Secretary, Mr. Ritesh Shah, acts as the Secretary of the Committee.

During the financial year under review, four meetings of the Audit Committee were held i.e. on May 29, 2012, August 08, 2012, November 07, 2012 and February 12, 2013. The details of attendance by members of the Committee are as follows:

Name of the Director	No. of Meetings	Meetings attended
Mr. M.R. Doraiswamy Iyengar (Chairman)	4	4
Mr. N. Srinivasan	4	3
Mr. S. Narasimha Prasad	4	1
Mr. S.G. Ruparel	4	2

4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

A Shareholders / Investors Grievance Committee was constituted on November 06, 2006, to operate in terms of the provisions related thereto in the Listing Agreements with the Stock Exchanges and / or the provisions as prescribed under the Companies Act, 1956.

The Committee comprises of the following Directors:

Mr. M.R. Doraiswamy Iyengar (Chairman)	Non-Executive Independent Director
Mr. S. Narasimha Prasad	Non-Executive Director

During the financial year, four meetings were held i.e. on May 29, 2012, August 07, 2012, November 06, 2012 and February 11, 2013, which were attended by both the members of the committee.

Mr. Ritesh Shah, Company Secretary, is the Compliance Officer.

In the interest of the investors and for administrative convenience, the Board has authorised a Director and Company Secretary to jointly approve Share Transfer, Transmission etc. upto a specific limit.

During the year under review, nine complaints were received from the shareholders/investors, which were replied / resolved to their satisfaction. There was no complaint pending as on March 31, 2013.

Committee of Directors

The Company has constituted a Committee of Directors with authority delegated by the Board of Directors, inter alia, to approve transfer and transmission of shares, issue of new share certificates on account of certificates lost, defaced, etc., and for other routine operations such as issue of powers of attorney, operation of bank accounts etc.

The Committee comprises the following Directors:

Mr. N. Srinivasan
 Mr. M. R. Doraiswamy Iyengar
 Mr. A. Harish Bhat and
 Mr. S. Narasimha Prasad

During the year, one meeting of the Committee was held i.e. on April 17, 2012.

5. REMUNERATION COMMITTEE

The Company has not constituted a Remuneration Committee as the need has not arisen.

Remuneration of Directors:

a) **Managing Director:**

Mr. A. Harish Bhat has been re-appointed as the Managing Director of the Company without remuneration for a further period of three years from November 06, 2012, with the approval of the shareholders of the Company at the last Annual General Meeting held on September 25, 2012.

b) **Non – Executive Directors**

At present, the Non-Executive Directors do not draw any remuneration from the Company. Sitting Fees are paid to Non-Executive Directors for attending Board/ Committee Meetings. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance and incidental expenses, incurred for attending such meetings. The details of sitting fees paid to the Directors during the year under review are as under:

Name of the Director	Sitting fees (net of tax)
Dr. Vijay Mallya	20,730
Mr. A Harish Bhat	Nil
Mr. N. Srinivasan	77,000
Mr. M. R. Doraiswamy Iyengar	101,500
Mr. S G Ruparel	55,000
Mr. S Narasimha Prasad	61,500
Mr. R N Pillai	9,000

c) **Particulars of Equity Shares of the Company currently held by the Directors are furnished below:**

Name of the Director	No. of Equity Shares held
Mr. A. Harish Bhat	204
Mr. N. Srinivasan	Nil
Mr. M.R. Doraiswamy Iyengar	04
Mr. S. Narasimha Prasad	162
Mr. R.N. Pillai	54

6. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings of the Company are furnished below:

Financial Year ended	Date	Time	Venue
March 31, 2010	September 29, 2010	2.00 p.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025
March 31, 2011	September 29, 2011	2.30 p.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025
March 31, 2012	September 25, 2012	2.30 p.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025

The following Special Resolutions were passed by the Shareholders at the past three Annual General Meetings (AGMs):

AGM held on	Subject matter of the Special Resolution
September 29, 2012	Re-appointment of Mr. A Harish Bhat as Managing Director
September 29, 2011	Nil
September 29, 2010	Nil

All the resolutions set out in the Notices, including Special Resolution, were passed by the Shareholders.

POSTAL BALLOT

The Company has not passed any resolution at the above Annual General Meetings held, which was required to be passed through postal ballot as per the provisions of the Companies Act, 1956, and the rules framed thereunder.

At this meeting also, there is no special resolution requiring passing by way of Postal Ballot.

No resolution was passed through Postal Ballot during 2012-13.

No Special Resolution is proposed to be passed through Postal Ballot at present.

7. DISCLOSURES

During the financial year ended March 31, 2013, the Company had no materially significant related party transactions with its promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large. Details of related party transactions form part of the Notes on Accounts.

The Company has complied with all the statutory requirements comprised in the Listing Agreements/Regulations/Guidelines/Rules of the Stock Exchanges/SEBI/other Statutory Authorities.

There were no instances of non-compliance by the Company nor have any penalties, strictures been imposed by Stock Exchanges, SEBI or any Statutory Authority during the last three years, on any matter, relating to capital markets.

Code of Conduct

In compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has adopted a Code of Business Conduct and Ethics for its Board Members and designated employees, a copy of which is available on the Company's website viz, www.mcdowellholdings.in All the members of the Board had affirmed compliance with the Code for the year ended March 31, 2013 and a declaration to this effect signed by the Managing Director is forming part of this report. The Company, presently, has one employee.

Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a "Code of Conduct for Prevention of Insider Trading", which is applicable to all the Directors and designated employees

8. MEANS OF COMMUNICATION

The unaudited quarterly results and audited annual results are sent to all the Stock Exchanges, where the equity shares of the Company are listed. The results are normally published in 'Business Standard, (English

Daily) and 'Vijaya Karnataka' (Kannada Daily). The results are also displayed on the Company's Website www.mcdowellholdings.in

The Company has designated an exclusive e-mail id viz, mhlinvestor@ubmail.com to enable the investors to post their grievances and monitor its redressal.

9. MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement, Management Discussion and Analysis Report is appended and forms part of the Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

a)	AGM Date, Time and Venue	Tuesday, September 24, 2013, at 4.30 p.m. at Good Shepherd Auditorium, Opposite St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025.
b)	Financial Year	April 01 to March 31
	First Quarterly Results	By August 14
	Second Quarterly Results	By November 14
	Third Quarterly Results	By February 14
	Audited Financial Results	By May 30
c)	Dates of Book Closure	September 23, 2013 to September 24, 2013 (both days inclusive)
d)	Dividend payment date	NA
e)	Listing on Stock Exchanges:	The shares of the Company are listed on the following Stock Exchanges: 1. Bangalore Stock Exchange Limited (BgSE) 2. Bombay Stock Exchange Limited, (BSE) 3. National Stock Exchange of India Limited (NSE) The Annual Listing Fees for the years 2012-13 and 2013-14 have been paid to all the Stock Exchanges.
f)	Stock Code	
	BSE	532852
	NSE	SYMBOL – MCDHOLDING
	BgSE	McDHL
g)	ISIN No.	INE836H01014 (NSDL & CDSL) – for equity shares INE836H08019 (NSDL & CDSL) – for 10% Optionally Convertible Debentures
h)	Market price data	As per Annexure A.
i)	Stock performance in comparison to BSE sensex	As per Annexure B.
j)	Registrar and Transfer Agents	Integrated Enterprises (India) Limited Registered Office: 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003 Tel. nos. (080) 2346 0815 – 0818 Fax no. (080) 2346 0819 E-mail id : alfint@vsnl.com

k)	Share Transfer System	In addition to the Committee of Directors, the Board has also authorized a Director and Company Secretary to jointly approve Share Transfer, Transmission etc., upto a specific limit as indicated under the heading Shareholders / Investors Grievance Committee. The requirements under the Listing Agreement / Statutory regulations in this regard are being followed.
l)	Distribution of Shareholding	As per Annexure C
m)	Dematerialisation of shares	As on May 24, 2013 (i.e. date of last benpos), 96.50 per cent of the paid-up share capital was held in dematerialized form.
n)	Outstanding GDRs/ ADRs/ Warrants or any other Convertible instruments	N.A.
o)	Plant Locations	N.A.
p)	Address for correspondence	<p>Shareholder correspondence should be addressed to the Company's Registrars and Transfer Agents: Integrated Enterprises (India) Limited Registered Office: 30, Ramana Residency, 4th Cross Sampige Road, Malleswaram Bangalore 560 003 Tel. Nos. (080) 2346 0815 - 818 Fax No. (080) 2346 0819 ; E-mail id : alfint@vsnl.com</p> <p>Investors may also write or contact the Company Secretary, Mr. Ritesh Shah, at the Registered Office of the Company at Canberra, Level 9, UB City, #24, Vittal Mallya Road, Bangalore 560 001 Tel. No. (080) 3985 6500 Fax No. (080) 3985 6607 e-mail : mhlinvestor@ubmail.com</p>

Pursuant to circular issued by SEBI in December 2010, for dealing with physical unclaimed shares, the Company is in the process of initiating necessary action to transfer the unclaimed shares, in respect of the shareholders whose share certificates were returned undelivered and remained unclaimed, to a separate folio in the name of "Unclaimed Suspense Account".

NON MANDATORY REQUIREMENTS

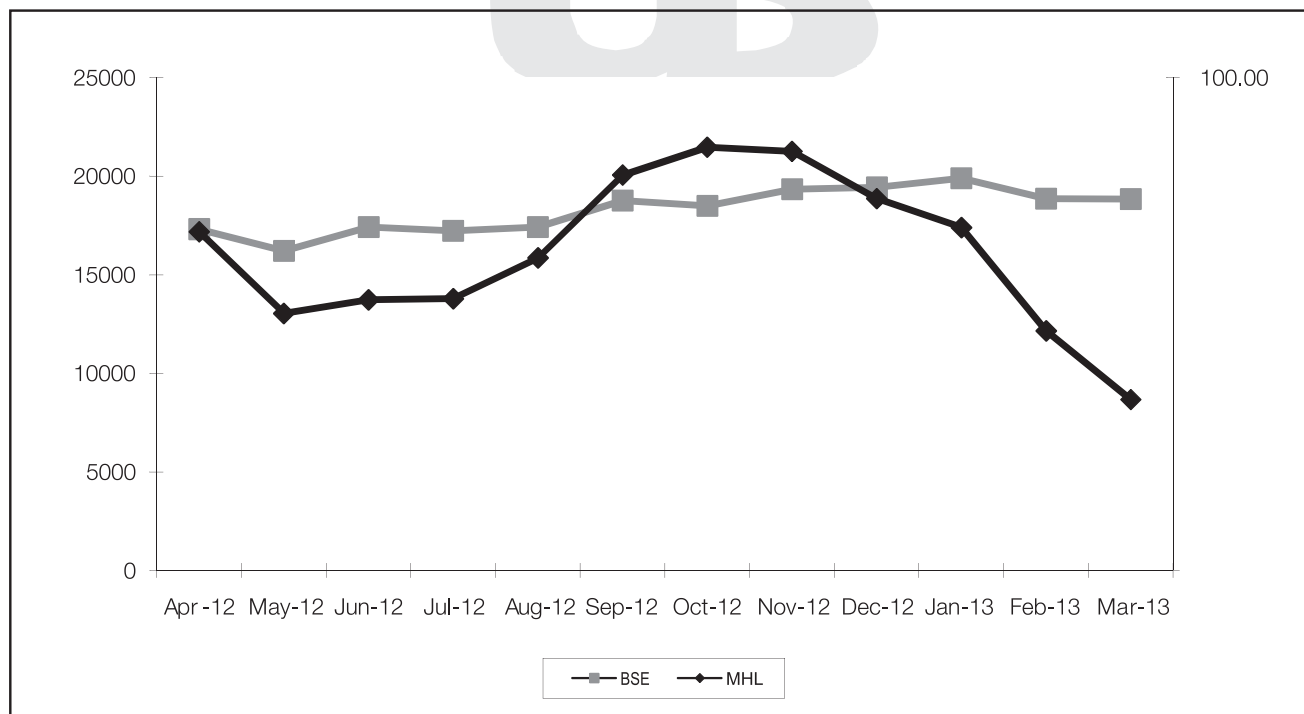
1.	Chairman of the Board	The expenses incurred by the Chairman in performance of his duties are eligible for reimbursement.
2.	Shareholders Rights	The Company's half-yearly results are being published in English and Kannada Newspapers having adequate circulation. Hence the same are not sent to the shareholders.
3.	Audit Qualifications	The Report of the Auditors on the Financial Statements for the year ended March 31, 2013, does not contain any qualification or adverse remark.
4.	Training of the Board Members	The Board may consider imparting training as and when the need arises.
5.	Mechanism for evaluating Non-executive Members of the Board	The Board may consider adopting such requirement in future.
6.	Whistle Blower Policy	Though briefly covered in the Code of Conduct adopted by the Company, the Board may consider adopting a separate mechanism for Whistle Blower Policy in future.

ANNEXURE A : MARKET PRICE DATA

MHL - Monthly BSE			
Month	High (₹)	Low (₹)	Volume
Apr - 12	82.75	42.75	301,605
May - 12	68.90	52.10	42,402
Jun - 12	60.50	49.15	50,277
Jul - 12	72.60	52.20	539,151
Aug - 12	67.00	54.00	118,810
Sep - 12	86.90	58.30	1,083,173
Oct - 12	89.35	68.20	796,307
Nov - 12	99.40	81.00	514,200
Dec - 12	91.65	75.25	166,832
Jan - 13	81.65	68.00	58,692
Feb - 13	74.25	47.05	91,219
Mar - 13	53.00	33.25	61,991

MHL - Monthly NSE			
Month	High (₹)	Low (₹)	Volume
Apr - 12	79.20	43.75	875,062
May - 12	66.85	52.55	85,911
Jun - 12	58.25	49.25	85,984
Jul - 12	68.70	53.90	764,050
Aug - 12	64.75	54.80	169,371
Sep - 12	84.35	60.85	3,665,022
Oct - 12	86.00	69.00	1,763,322
Nov - 12	95.40	83.10	2,058,790
Dec - 12	87.55	76.30	1,035,358
Jan - 13	80.95	69.00	269,736
Feb - 13	71.00	48.40	373,577
Mar - 13	50.80	34.45	348,363

ANNEXURE B: STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX



ANNEXURE C: DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on May 24, 2013 (i.e. date of last benpos), is given below:

VALUEWISE

Shareholding of nominal value (₹)	No. of Shareholders	% to Total	Share Capital in Rupees	% to Total
Upto 5,000	55,112	98.03	22,056,420	15.77
5,001 – 10,000	560	1.00	4,377,450	3.13
10,001 – 20,000	303	0.54	4,434,560	3.17
20,001 – 30,000	89	0.16	2,230,050	1.59
30,001 – 40,000	31	0.06	1,080,790	0.77
40,001 – 50,000	31	0.06	1,428,540	1.02
50,001 – 100,000	48	0.09	3,601,040	2.57
100,001 and Above	34	0.06	100,713,730	71.98
TOTAL	56,208	100.00	139,922,580	100.00

CATEGORYWISE

Category	No. of Shares	% of Equity
Promoter Group	5,199,601	37.16
Resident Body Corporate	479,615	3.43
Banks / FI / FII / MF / Trust	4,494,726	32.12
NRI / OCB / FFI	241,171	1.72
Resident Individuals	3,577,145	25.57
TOTAL	13,992,258	100.00

Audit Certificate on Corporate Governance

The Members of,
McDowell Holdings Limited

We have examined the compliance of conditions of Corporate Governance by McDowell Holdings Limited ("the Company"), for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management of the company. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the management of the Company, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month as on March 31, 2013, against the company as per records maintained by the company and presented to the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Mumbai
May 30, 2013

For **Vishnu Ram & Co.**
Chartered Accountants

(S. Vishnumurthy)
Proprietor
Membership No. 22715

CEO/CFO Certificate

In terms of the requirement of Clause 49, the certificates from CEO/CFO have been obtained.

Mumbai
May 30, 2013

A. Harish Bhat
Managing Director

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of Clause 49 of the Listing Agreement, the Code of Conduct as approved by the Board of Directors of the Company on January 23, 2007, has been displayed at the Company's website www.mcdowellholdings.com. All the members of the Board had affirmed compliance with the Code for the period March 31, 2012.

Mumbai
May 30, 2013

A. Harish Bhat
Managing Director

Overview – Financial Performance

This has been comprehensively covered in the Report of the Directors for the year under review.

Industry Structure & Developments

Your Company is essentially an investment holding company having investments in the UB Group companies, which are engaged in the business of Property Development & Exports, Manufacture and Sale of Beer, Chemicals & Fertilizers etc. The profitability of the Company is linked to the performance of the investee companies as well as fluctuations in the quotations on the Stock Market. As the performance of the major investee companies is on the growth path, it is expected that the dividend distribution by such investee companies would increase progressively.

Opportunities and Risks

The Company continues to hold significant investments in equity share capital of investee companies engaged in the business of Manufacture and Sale of Beer and Chemicals & Fertilizers etc., which are characterized by fluctuations in prices, regulation and excessive taxation. Any downward movement of product prices of the investee Companies could affect their margins, which could be a threat to the Company's fortunes.

Outlook

Your Company is registered as a Non-Banking (non deposit taking) Financial Company with Reserve Bank of India under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934.

The Company will continue to focus on making long-term strategic investments in various existing/new ventures, besides consolidating the existing investments, as and when opportunities and resources are available.

Internal Control System

Your Company has a system of internal control which is reviewed by the Audit Committee of the Board of Directors. The Group Internal Audit Department evaluates the functioning and quality of the internal controls and provides assurance through periodic reporting. The Audit Committee reviews the Internal Audit Reports and the adequacy of internal control on regular basis, which also acts as a tool for minimizing any possible risk in the operations of the Company.

Independent Auditors' Report

To,
The Members of
McDOWELL HOLDINGS LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of McDOWELL HOLDINGS LIMITED ('the Company') which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 issued under Sub-section (1A) of section 45MA of the Reserve Bank of India Act, 1934 (2 of 1934), we enclose in the Annexure a statement on the matters specified in paragraph 3 of the said directions.
- iii. As required by section 227(3) of the Act, 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;
 - b. 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Vishnu Ram & Co.**
Chartered Accountants

(S. Vishnumurthy)

Proprietor

Membership No. 22715

Firm Registration No. 004742S

Place : Mumbai

Date : May 30, 2013

Annexure to the Independent Auditors' Report



Re: McDowell Holdings Limited

Referred to in paragraph 5 (i) of our report of even date

- (a) The company did not have any fixed assets. Therefore, the provisions of clause 4(i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (b) The company did not have any stocks of goods. Therefore, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (c) In our opinion and according to the information and explanations given to us, the company has granted unsecured loan to a party covered in the register maintained under section 301 of the Companies Act, 1956. The amount of such loans outstanding as at 31-3-2013 is ₹ 495.968 million. The rate of interest and other terms and conditions of loans given by the company are prima facie not prejudicial to the interest of the company. The repayments of the dues are in accordance with terms and conditions stipulated.
- (d) The company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii)(e) to 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (e) In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of the audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (f) In our opinion and according to the information and explanations given to us, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (g) There have not been any transactions for sale or purchase of goods or services made in pursuance of contracts referred to in section 297 of the Companies Act, 1956. Therefore, the provisions of clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (h) The company has not accepted any deposits from the public. Therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (i) The company does not have an internal audit system of its own. However, the company is subjected to internal audit by the group internal audit department. In our opinion, the prevalent system is commensurate with the size of the company and nature of its business.
- (j) Provisions with regard to maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to this company.
- (k) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax and other material statutory dues applicable to it.
- (l) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31-3-2013 for a period of more than six months from the date they became payable.
- (m) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

Annexure to the Independent Auditors' Report (Contd.)

- (n) The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (o) The company has not taken any loans from banks or financial institution. The company has not defaulted in repayment of dues to debenture holders.
- (p) The company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (q) The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (r) The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (s) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- (t) The company has not raised any term loans during the year. Therefore, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (u) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment.
- (v) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (w) The company is a Non-Banking Financial Company registered with Reserve Bank of India under section 45-IA of the Reserve Bank of India (Amendment Act), 1997. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (x) During the year, the company has not raised any money by public issue. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (y) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **Vishnu Ram & Co.**
Chartered Accountants

(S. Vishnumurthy)
Proprietor

Membership No. 22715

Firm Registration No. 004742S

Place : Mumbai

Date : May 30, 2013

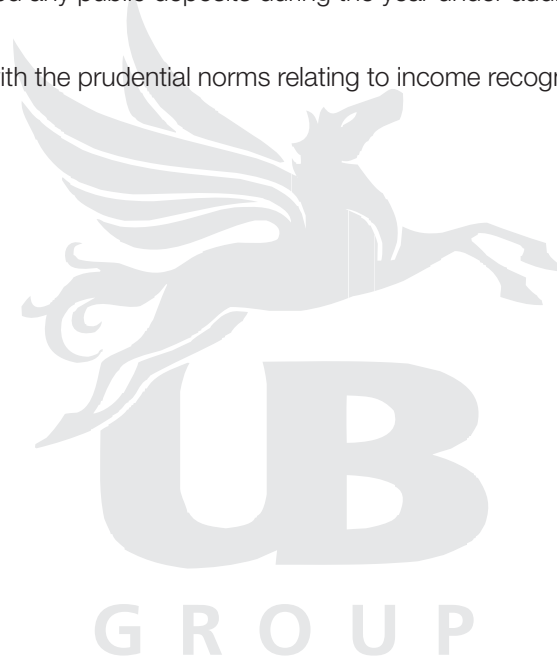
Annexure to the Independent Auditors' Report (Contd.)

Re: McDowell Holdings Limited

Referred to in paragraph 5 (ii) of our report of even date

- (a) The company has obtained registration as provided under section 45-IA of the Reserve Bank of India Act, 1934. The company is entitled to continue to hold such certificate of registration in terms of its asset/income pattern as on March 31, 2013.
- (b) The Board of Directors of the company has passed a resolution for the non- acceptance of any public deposits.
- (c) The company has not accepted any public deposits during the year under audit.
- (d) The company has complied with the prudential norms relating to income recognition, accounting standards and asset classification.

Place : Mumbai
Date : May 30, 2013



For **Vishnu Ram & Co.**
Chartered Accountants

(S. Vishnumurthy)

Proprietor

Membership No. 22715

Firm Registration No. 004742S

Balance Sheet as at March 31, 2013

	Notes	As at 31-03-2013 Rupees	As at 31-03-2012 Rupees
I. Equity and Liabilities			
1. Shareholders' Funds			
a. Share Capital	3.1	139,922,580	133,842,810
b. Reserves and Surplus	3.2	547,141,772	487,158,350
2. Current Liabilities			
a. Short-term borrowings	3.3	700,000,000	200,000,000
b. Other Current Liabilities	3.4	14,087,280	37,076,788
		1,401,151,632	858,077,948
II. Assets			
1. Non-current Assets			
a. Non Current Investments	3.5	626,032,177	632,068,177
2. Current Assets			
a. Trade Receivables	3.6	3,757,641	2,870,116
b. Cash and Cash Equivalents	3.7	15,380,231	15,043,609
c. Short term Loans and Advances	3.8	722,014,418	208,096,046
d. Other Current Assets	3.9	33,967,165	-
		1,401,151,632	858,077,948

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS 1 to 3

The schedules referred to above and the notes thereon form an integral part of the accounts.

As per our report of even date.

For Vishnu Ram & Co.,
Chartered Accountants

N. Srinivasan
Chairman

A. Harish Bhat
Managing Director

(S. Vishnumurthy)

Proprietor

Membership No. 22715

Firm Registration No. 004742S

Mumbai
May 30, 2013

Ritesh Shah
Company Secretary

R. N. Pillai
Director

Statement of Profit and Loss for the year ended March 31, 2013



	Notes	For the year ending 31-03-2013 Rupees	For the year ending 31-03-2012 Rupees
I. Revenue			
a. Revenue from operations	3.10	<u>112,532,252</u>	<u>33,077,102</u>
		112,532,252	33,077,102
II. Expenses			
a. Employee costs	3.11	1,449,690	1,100,376
b. Finance costs	3.12	63,626,537	11,287,950
c. Other expenses	3.13	<u>5,763,707</u>	<u>4,277,542</u>
		70,839,934	16,665,868
III. Profit /(Loss) before taxation		41,692,319	16,411,234
a. Tax Expense:			
i. Current Tax		5,420,000	1,235,866
IV. Profit/(loss) for the year		<u>36,272,319</u>	<u>15,175,368</u>
V. Earning per share			
a. Basic (Face value of ₹ 10 each)		2.60	1.15
b. Diluted (Face value of ₹ 10 each)		2.60	1.10

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1 to 3

The schedules referred to above and the notes thereon form an integral part of the accounts.

As per our report of even date.

For Vishnu Ram & Co.,

Chartered Accountants

N. Srinivasan

Chairman

A. Harish Bhat

Managing Director

(S. Vishnumurthy)

Proprietor

Membership No. 22715

Firm Registration No. 004742S

Mumbai

May 30, 2013

Ritesh Shah

Company Secretary

R. N. Pillai

Director

Cash Flow Statement for the year ended March 31, 2013

	For the year ending 31.03.2013 Rupees	For the year ending 31.03.2012 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	41,692,319	16,411,234
Adjustments for :		
Profit on sale of Investments	(27,931,165)	-
Operating profit before working capital changes	13,761,154	16,411,234
Adjustments for :		
(Increase)/Decrease in trade and other receivables	(547,329,866)	(208,483,667)
Increase/(Decrease) in trade payables	<u>506,801,366</u>	<u>204,888,218</u>
	(40,528,500)	(3,595,449)
Cash generated from/(used in) operations	(26,767,347)	12,815,785
Direct taxes paid	(6,863,196)	(2,348,050)
Net cash generated from/(used in) operations	<u>(33,630,543)</u>	<u>10,467,735</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of of Investment	<u>33,967,165</u>	-
Cash flow generated from investing activities	<u>33,967,165</u>	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net increase/(decrease) in cash and cash equivalents	336,622	10,467,735
Cash and cash equivalents at the beginning of the year	15,043,609	4,575,874
Closing Balance of Cash and cash equivalents	15,380,231	15,043,609
Cash and cash equivalents comprises of:		
Cash on hand	-	-
Balance with banks	<u>15,380,231</u>	<u>15,043,609</u>
	<u>15,380,231</u>	<u>15,043,609</u>

As per our report of even date.

For Vishnu Ram & Co.,
Chartered Accountants

N. Srinivasan
Chairman

A.Harish Bhat
Managing Director

(S. Vishnumurthy)

Proprietor

Membership No. 22715

Firm Registration No. 004742S

Mumbai
May 30, 2013

Ritesh Shah
Company Secretary

R. N. Pillai
Director

1. Nature of Companies Operations

In terms of a Composite Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka, the investment business of McDowell & Company Limited (now known as United Spirits Limited), was demerged into McDowell India Spirits Limited (now known as McDowell Holdings Limited) with retrospective effect from the opening hours of April 1, 2005. As a part of the Scheme, the name of the Company was changed from McDowell India Spirits Limited to McDowell Holdings Limited.

The Company has obtained registration from the Reserve Bank of India, to carry on the business of a Non-Banking (Non Deposit accepting) Financial Company. Presently, the company is engaged in the business of investment and financing.

2. Significant accounting policies

i. Basis for preparation of financial statements:

The financial statements are prepared under the historical cost convention, having due regard to the fundamental accounting assumptions of going concern, consistency, accrual and in compliance with the mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006.

ii. Use of estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii. Investments:

Investments are stated at cost. Permanent decline in the value of long-term investments is recognized. Temporary declines in the value of long-term investments are ignored.

iv. Revenue recognition:

Revenues are generally recognized on accrual basis except where there is an uncertainty of ultimate realization.

- i. Dividend from investment in shares is recognized as and when the company's right to receive payment is established.
- ii. Security commission and interest income are recognized on accrual basis.

v. Provision and contingencies:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

vi. Tax expense:

Tax expense comprises of current tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

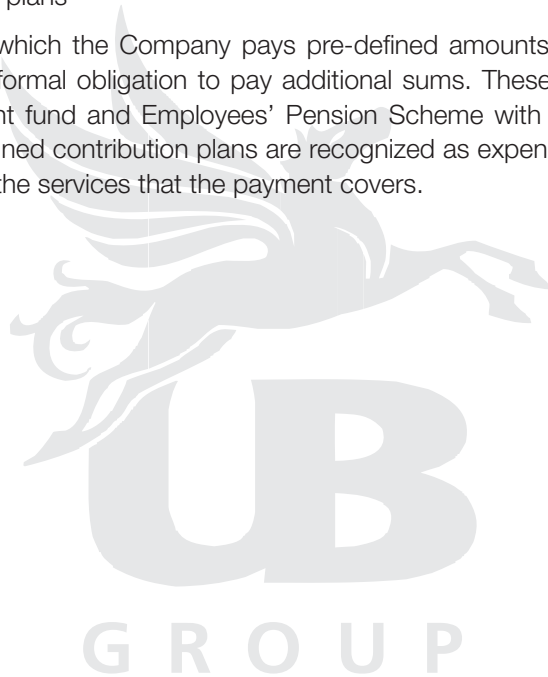
vii. Segmental reporting :

The operations of the company are divided into investment and financial services. Accordingly, the primary segment reporting comprises the performance under these segments.

viii. Employee Benefit :

a. Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund and Employees' Pension Scheme with the government. The Company's payments to the defined contribution plans are recognized as expenses during the period in which the employees perform the services that the payment covers.



	As at 31-03-2013 Rupees	As at 31-03-2012 Rupees
3.1 Share Capital		
Authorised		
15,000,000 Equity shares of ₹ 10 each	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and Paid-up		
13,992,258 (2012: 13,384,281) Equity shares of ₹ 10 each fully paid up	139,922,580	133,842,810
	<u>139,922,580</u>	<u>133,842,810</u>

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	No. of Shares	31-03-2013	No. of Shares	31-03-2012
As at the beginning of the period	13,384,281	133,842,810	12,749,281	127,492,810
Issued during the year on conversion of optionally convertible debentures	607,977	6,079,770	635,000	6,350,000
Outstanding at the end of the period	<u>13,992,258</u>	<u>139,922,580</u>	13,384,281	133,842,810

b. Terms and rights attached to equity shares

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. The rights of shareholder is governed by the Articles of Association of the Company and the Companies Act, 1956.

c. Details of shareholders holding more than 5% shares in the company

	31-03-2013		31-03-2012	
	Number of shares	%	Number of shares	%
		holding		holding
Equity shares of ₹ 10 each fully paid				
United Breweries (Holdings) Limited	3,592,691	25.68%	4,392,691	32.82%
Kingfisher Finvest India Ltd.	1,856,707	13.27%	1,248,730	9.33%
ACACIA PARTNERS, LP	776,269	5.55%	1,064,469	7.95%
SBIMF-Magnum Sector Funds				
Umbrella - Emerging Business Fund	1,287,340	9.20%	1,187,340	8.87%

d. Shares reserved for issue under options

Pursuant to the approval of the shareholders under section 81 (1A) of the Companies Act, 1956, at the Extraordinary General Meeting held on March 25, 2011, the Company had allotted 1,751,290, 10% Optionally Convertible Debentures of the face value of ₹ 100/- ("OCDs") each, to Kingfisher Finvest India Limited, one of the promoters of the Company on preferential basis.

Notes to the financial statements for the year ended March 31, 2013

The Company, on March 31, 2011, allotted 605,000 equity shares of ₹ 10/- each, to Kingfisher Finvest India Limited, pursuant to the conversion of 812,031, OCDs, at a conversion price of ₹ 134.22 per equity share, in accordance with the SEBI Regulations.

The Company, on August 8, 2011, allotted 635,000 equity shares of ₹ 10/- each, to Kingfisher Finvest India Limited, pursuant to the conversion of 641,350, OCDs, at a conversion price of ₹ 101/- per equity share, in accordance with the SEBI Regulations.

The Company, on April 17, 2012, allotted 607,977 equity shares of ₹ 10/- each, to Kingfisher Finvest India Limited, pursuant to the conversion of 297,909, OCDs, at a conversion price of ₹ 49/- per equity share, in accordance with the SEBI Regulations. As of March 31, 2013, there was no outstanding Optionally Convertible Debenture.



Notes to the financial statements for the year ended March 31, 2013



	As at 31-03-2013 Rupees		As at 31-03-2012 Rupees	
3.2 Reserves and Surplus				
General Reserve				
As per last Balance Sheet		314,815,495		314,815,495
Statutory Reserve				
As per last Balance Sheet	10,076,282		7,041,208	
Add: Addition during the year	<u>7,254,464</u>	17,330,746	<u>3,035,074</u>	10,076,282
Securities Premium Account				
As per last Balance Sheet	132,938,100		75,153,100	
Add: Addition during the year	<u>23,711,103</u>	156,649,203	<u>57,785,000</u>	132,938,100
Surplus as per Profit and Loss account				
As per last Balance Sheet	29,328,473		17,188,179	
Add: Profit for the year	<u>36,272,319</u>		<u>15,175,368</u>	
	65,600,792		32,363,547	
Less: Appropriations:				
Transfer to Statutory Reserve	<u>7,254,464</u>		<u>3,035,074</u>	
		58,346,328		29,328,473
		547,141,772		487,158,350
3.3 Short Term Borrowings				
Secured				
From others		<u>500,000,000</u>		-
Unsecured				
Inter Corporate Deposit		<u>200,000,000</u>		<u>200,000,000</u>
		700,000,000		200,000,000

a. Nature of security and terms of repayment for secured borrowings

Nature of security

Loan from Reliance Capital Ltd amounting to ₹ 500 Million (Previous Year ₹ Nil) is secured by the pledge of 22,18,620 Shares of United Breweries Limited.

Terms of repayment

Repayable on 08.06.2013; Rate of interest @ 18% p.a.

b. Terms of repayment of unsecured borrowings

Intercorporate deposit of ₹ 200 Million

Repayable on 19.06.2013; Rate of interest @ 18% p.a.

	As at 31-03-2013 Rupees	As at 31-03-2012 Rupees
3.4 Other Current Liabilities		
10% Optionally Convertible Debentures of ₹ 100/- each	-	29,790,900
Interest accrued but not due	9,631,232	6,638,333
TDS payable	2,232,868	392,687
Professional tax payable	200	200
Provision for Standard Assets	1,714,722	-
Audit fees payable	196,630	196,000
Directors sitting fees payable	-	10,000
Other liabilities	311,628	48,668
	<u>14,087,280</u>	<u>37,076,787</u>

	No.	Face value	As at 31-03-2013 Rupees	No.	Face value	As at 31-03-2012 Rupees
3.5 Non-current Investments						
Trade investments						
Quoted						
Fully paid Equity shares						
Mangalore Chemicals & Fertilizers Limited	5,826,828	10	29,308,945	7,026,828	10	35,344,945
UB Engineering Limited	452,243	10	18,996,712	452,243	10	18,996,712
United Breweries (Holdings) Limited	5,260,002	10	284,013,853	5,260,002	10	284,013,853
United Breweries Limited	10,707,344	1	293,585,667	10,707,344	1	293,585,667
			<u>625,905,177</u>			<u>631,941,177</u>
Non-Trade Other Investments						
Unquoted						
UB Electronic Instruments Limited	1,991	100	127,000	1,991	100	127,000
Total Investments			<u>626,032,177</u>			<u>632,068,177</u>
Aggregate value of Quoted Investments:						
Book value			625,905,177			631,941,177
Market value			7,847,456,712			6,448,880,234

Note :-

9,518,620 shares of United Breweries Limited are under pledge to secure the borrowings availed by the Company as well as Group Companies. The carrying cost of these investments is 260.992 Million and the Market Value is ₹ 6,631.623 Million. Subsequent to the balance sheet date, an existing pledge of 6,300,000 shares of United Breweries Limited in favour of a bank, has been further extended to secure the borrowings of other group companies.

Notes to the financial statements for the year ended March 31, 2013



	As at 31-03-2013 Rupees	As at 31-03-2012 Rupees
3.6 Trade Receivables		
(Unsecured, considered good unless stated otherwise)		
Less than six months:		
Considered Good	-	-
Others: Considered Good	<u>3,757,641</u>	<u>2,870,116</u>
	<u>3,757,641</u>	<u>2,870,116</u>
3.7 Cash and Cash Equivalents		
Balances with Banks:		
On Current accounts	<u>15,380,231</u>	<u>15,043,609</u>
	<u>15,380,231</u>	<u>15,043,609</u>
3.8 Short Term Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Advance to others (for details of related party refer note 3.18)	685,888,767	200,000,000
Interest accrued but not due on loan (for details of related party refer note 3.18)	32,079,959	5,476,950
Advance Tax & Tax deducted at source	3,895,692	2,452,496
Rental deposit	<u>150,000</u>	<u>166,600</u>
	<u>722,014,418</u>	<u>208,096,046</u>
3.9 Other Current Assets		
Receivable on account of sale of investments (since received)	<u>33,967,165</u>	-
	<u>33,967,165</u>	-
3.10 Revenue from operations		
Dividends	15,927,334	20,116,602
Commission [Tax deducted at source 2013 : ₹ 3,43,750 (2012 : ₹ 6,87,500)]	3,437,500	6,875,000
Interest [Tax deducted at source 2013: ₹ 65,19,446 (2012 : ₹ 6,08,550)]	65,194,418	6,085,500
Profit on sale of investment	27,972,750	-
Other income	<u>250</u>	-
	<u>112,532,252</u>	<u>33,077,102</u>
3.11 Employee costs		
Salaries paid	1,395,871	1,062,814
Contribution to provident fund	<u>53,819</u>	<u>37,562</u>
	<u>1,449,690</u>	<u>1,100,376</u>

	As at 31-03-2013 Rupees	As at 31-03-2012 Rupees
3.12 Finance costs		
Interest on debentures	138,752	5,271,512
Interest on loan /Inter Corporate Deposits	63,487,785	6,016,438
	<u>63,626,537</u>	<u>11,287,950</u>
3.13 Other expenses		
Travel and communication expenses	798,641	1,125,047
Secretarial expenses	1,756,597	1,681,216
Printing & stationery expenses	790,688	814,614
Provision on Standard Assets	1,714,722	-
Security transaction tax	34,069	-
Director's sitting fees	360,000	400,000
Auditor's remuneration	308,990	256,665
	<u>5,763,707</u>	<u>4,277,542</u>
3.14 Contingent Liability		
Guarantee given on behalf of other body corporate amounting to ₹ 2,500 Million (Previous year ₹ nil).		
3.15 Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ Nil (Previous year ₹ Nil).		
3.16 Information under paragraphs of 4C and 4D of part II of Schedule VI of the Companies Act, 1956 are not furnished, as they are not applicable.		

3.17 Segmental reporting:

Segment-wise business performance for the year ended March 31, 2013 is as follows:

Primary Segment Information

1. Segment Revenue

	31.03.2013 (Rupees)	31.03.2012 (Rupees)
Investments	43,900,084	20,116,602
Financial Services	68,632,168	12,960,500
Total Revenue	112,532,252	33,077,102

2. Segment Results

Investments	40,994,961	12,156,130
Financial Services	697,358	4,255,103
Total Result	41,692,319	16,411,234

Other information	31.03.2013		31.03.2012	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Investments	659,999,342	Nil	647,111,786	31,014,438
Financial services	741,152,290	714,087,280	210,966,162	206,062,349

Notes:

1. Income under the segment 'investments' represents dividends received and profit on sale of investments.
2. Segment results represent profit before tax.
3. Segment assets include Investments and Current Assets.
4. Segment liabilities include short term borrowings and current liabilities.

3.18 Related Party disclosures as required as per Accounting Standard (AS-18) are as below:

Associate: United Breweries (Holdings) Limited

The following is the transaction during the period with the related party:

Company	Particulars	(Rupees)
United Breweries (Holdings) Limited	Dividend Income	Nil (5,260,002)
	Loan given	480,818,000
	Interest income	27,944,727
	Balance outstanding	495,968,253
	Guarantee (in millions)	2,500

3.19 Remuneration to Auditors :

	2012-13 (Rupees)	2011-12 (Rupees)
Statutory Audit	125,000	125,000
Limited Review & Certification of Corporate Governance	50,000	50,000
Certification Fees	100,000	55,000
Service Tax	33,990	26,665
Total	3,08,990	256,665

3.20 Figures for the previous year have been regrouped/reclassified wherever necessary.

3.21 Figures in the Balance Sheet, Statement of Profit and Loss account and Schedules have been rounded off to the nearest rupee.

3.22 The Company has adopted Accounting Standard – 20, “Earning Per Share” for calculation of EPS and the disclosures in this regard are as given below:

Basic earnings per share

Particulars	Year ended 31.03.2013 (Rupees)	Year ended 31.03.2012 (Rupees)
Net Profit after tax	36,272,319	15,175,368
Weighted average number of equity shares of ₹ 10/- each outstanding during the year	13,965,607	13,160,470
Basic earnings per share (₹)	2.60	1.15

Diluted earnings per share

Net Profit after tax	36,272,319	15,175,368
Weighted average number of equity shares of ₹ 10/- each outstanding during the year	13,965,607	13,768,447
Diluted earnings per share (₹)	2.60	1.10

Per our report of even date

For Vishnu Ram & Co.,
Chartered Accountants

A. Harish Bhat
Managing Director

N. Srinivasan
Director

(S. Vishnumurthy)

Proprietor
Membership No. 22715
Firm Registration No. 004742S

Mumbai
May 30, 2013

Ritesh Shah
Company Secretary

R. N. Pillai
Director

	Particulars	Amount outstanding
	2. <u>Unquoted:</u>	
	(i) Shares : (a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (please specify)	Nil
	Long Term investments :	
	1. Quoted:	
	(i) Shares : (a) Equity	6259.05
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (please specify)	Nil
	2. Unquoted:	
	(i) Shares: (a) Equity	1.27
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (please specify)	Nil
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above:	
	Please see Note 2 below	
	Category	Amount net of provisions
		Secured Unsecured Total
	1. Related Parties**	
	(a) Subsidiaries	Nil
	(b) Companies in the same group	4259.68
	(c) Other related parties	Nil
	2. Other than related parties	2220.00
	Total	7179.68
(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	
	Please see note 3 below	
	1. Related Parties**	
	(a) Subsidiaries	Nil
	(b) Companies in the same group	3031.38
	(c) Other related parties	Nil
	2. Other than related parties	3228.94
	Total	6260.32
	** As per Accounting Standard of ICAI (please see Note 3)	

Schedule to Balance Sheet

Particulars		Amount outstanding
(7)	Other Information	
(i)	Gross Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	Nil
(ii)	Net Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	Nil
(iii)	Assets acquired in satisfaction of debt	Nil

Notes:

- As defined in paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

Additional Disclosures by a Systemically Important Non-Deposit taking Non-Banking Financial Company as required by Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1) Capital to Risk Assets Ratio (CRAR)

Sr. No.	Particulars	Current Year	Previous Year
1.	CRAR (%)	41.96	71.50
2.	CRAR – Tier I Capital (%)	41.96	71.50
3.	CRAR – Tier II Capital (%)	Nil	Nil

2) Exposure to Real Estate Sector

Sr. No.	Category	Current Year	Previous Year
A.	DIRECT EXPOSURE		
	(i) Residential Mortgages -	Nil	Nil
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans up to ₹15 lacs may be shown separately)	Nil	Nil

Sr. No.	Category	Current Year	Previous Year
(ii)	Commercial Real Estate -	Nil	Nil
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises., multi-family building, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits	Nil	Nil
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –	Nil	Nil
	a) Residential	Nil	Nil
	b) Commercial Real Estate	Nil	Nil
B.	INDIRECT EXPOSURE		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil

3) Maturity pattern of certain items of assets and liabilities

	1 day to one month (30/31 days)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 Years	TOTAL
Liabilities									
Borrowings from Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Market Borrowings	Nil	Nil	Nil	7000.00	Nil	Nil	Nil	Nil	Nil
Assets									
Advances (net of NPAs)	Nil	Nil	Nil	7179.68	Nil	Nil	Nil	Nil	Nil
Investments (net of Provisions)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

N. Srinivasan
Chairman

A. Harish Bhat
Managing Director

Ritesh Shah
Company Secretary

R. N. Pillai
Director

Mumbai
May 30, 2013

NOTES



Notes:

1. The proxy form duly completed must reach the Registered office of the Company not less than 48 hours before the time for holding the meeting. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Members attending the Annual General Meeting are requested to bring with them the following:
 - (a) Copy of the Annual Report and Notice, as no copies thereof would be distributed at the meeting.
 - (b) The Attendance Slip duly completed and signed as per the **specimen signature** lodged with the Company. The Company would accept only the Attendance Slip from a Member actually attending the Meeting or from the person attending as a duly registered proxy. Attendance Slips of Members / valid proxies, not personally present at the Meeting or relating to proxies which are invalid, will not be accepted from any other member / person. The Meeting is for Members or their Proxies only. Please avoid being accompanied by non-members and / or children.
3. To facilitate members, registration of attendance will commence at 3.30 p.m.



McDOWELL HOLDINGS LIMITED

Registered Office:

Canberra, Level 9, UB City,
#24, Vittal Mallya Road, Bangalore - 560 001

NINTH ANNUAL GENERAL MEETING

Tuesday, September 24, 2013
at 4.30 p.m.

VENUE:

Good Shepherd Auditorium
Opposite St. Joseph's Pre-University College,
Residency Road, Bangalore – 560 025

ADMISSION SLIP

PLEASE HAND OVER THE ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL, DULY COMPLETED.

FOLIO No.:

DP & CLIENT ID No.:

HOLDING:

PLEASE TICK:

MEMBER

OR

PROXY

NAME OF THE MEMBER / PROXY ATTENDING (IN CAPITAL LETTERS)

Name & Address of Member (**Folio No. / DP & Client ID No. must be filled in**)

I hereby register my presence at the meeting

Signature of the Member / Proxy



McDOWELL HOLDINGS LIMITED

Registered Office: Canberra, Level 9, UB City, #24, Vittal Mallya Road, Bangalore - 560 001

PROXY FORM

I/We _____ of _____

being a member/members of **McDOWELL HOLDINGS LIMITED** do hereby appoint _____

of _____ or failing him / her _____

of _____ as my / our proxy to vote for me / us and on my / our behalf at the Ninth Annual General Meeting

of the Company to be held on Tuesday, September 24, 2013 at 4.30 p.m. and at any adjournment or adjournments thereof.

Signed this _____ day of _____ 2013.

Signature (across the stamp)

Name _____

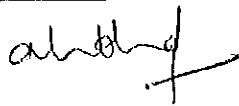
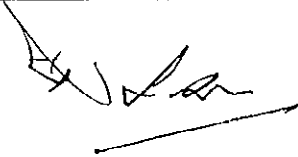
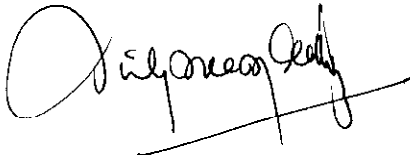
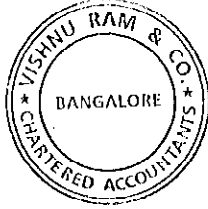
Registered Folio No. _____

DP & Client ID No. _____

Affix
Re. 1/-
Revenue
Stamp

Members are advised that no gifts will be distributed at the Annual General Meeting

FORM A

1.	Name of the Company	McDowell Holdings Limited
2.	Annual Financial Statements for the year ended	March 31, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of Audit qualification	Not Applicable
5.	To be signed by:	
	• Managing Director	
	• Audit Committee Chairman/ Member*	
	<p>• Auditor of the Company</p> <p>Refer our Audit Report dated May 30, 2013 on the financial statements of the Company attached.</p> <p align="center">   </p>	

** the audit committee chairman of the company has resigned and the replacement is yet to be identified. Hence Form A has been signed by the other member of the Audit Committee.*



McDowell Holdings Limited

Canberra, Level 9, UB City, # 24, Vittal Mallya Road, Bangalore - 560 001.
www.mcdowellholdings.in