

McDOWELL HOLDINGS LIMITED (in CIRP)

REPORT BY RESOLUTION PROFESSIONAL

Note: After the closure of the Financial year 2021-22, The Hon'ble National Company law Tribunal, Bengaluru Bench has admitted the petition filed by financial creditor vide its order CP(IB) No. 11/BB/2022 dated 08/04/2022 ordering the commencement of Corporate Insolvency Resolution Plan (CIRP) against the Corporate Debtor M/s. **MCDOWELL HOLDINGS LIMITED**. Further, Mr. KONDURU PRASANTH RAJU, has been appointed as Interim Resolution Professional (IRP) by the Hon'ble NCLT Vide its aforesaid Order. All the existing Board of Directors has been suspended w.e.f. 08/04/2022, so **instead of Board of Director's, Resolution Professional is presenting its report for members of the company as required under section 134 of Companies Act, 2013.**

Secondly, w.e.f. 8th April, 2022 all the powers of Board of Directors are vested with the Resolution professional appointed by the Hon'ble NCLT, Bengaluru Bench.

**TO,
THE MEMBERS,**

The Resolution Professional have pleasure in presenting the Annual Report of the Company along with Audited Accounts for the financial year ended March 31,2022.

The summary of the financial results of the Company for the financial year ended March 31,2022 is asunder;

Particulars	FortheFinancialYearEnded	
	31.03.2022 (Rs.Lakhs)	31.03.2021 (Rs. Lakhs)
Income	47.41	246.89
Less:Expenditure	332.43	360.55
Profit/(Loss) beforeTax	(285.03)	(113.66)
TaxExpense	-	-
Profit/(Loss)afterTax	(285.03)	(113.66)

Corporate Insolvency Resolution Process (CIRP)

After the closure of the Financial Year, an Application for initiation of Corporate Insolvency Resolution Process (CIRP) Under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC Code, 2016) was filed by SUN STAR HOTELS AND ESTATES PRIVATE LIMITED, in its capacity as a Financial Creditor before the Hon'ble National Company law Tribunal, Bengaluru Bench (NCLT) against the Corporate Debtor (Company) i.e., McDowell Holdings Limited for its claimed outstanding of Rs.16,80,66,348/-. The Hon'ble National Company law Tribunal,

Registered Office : UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore 560001, India,
Tel: +91 80 4668 6500, Fax: +91 80 2227 4890, www.mcdowellholdings.co.in
Corporate identity Number – L05190KA2004PLCO33485

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Bengaluru Bench has admitted the said petition vide its order CP(IB) No. 11/BB/2022 dated 08/04/2022 ordering the commencement of CIRP against the Corporate Debtor ordering the commencement of the CIRP against the said Corporate Debtor. Further, Mr. KONDURU PRASANTH RAJU, has been appointed as Interim Resolution Professional (IRP) by the Hon'ble NCLT Vide its aforesaid Order.

Dividend

In view of the losses, no dividend has been recommended for the financial year ended March 31, 2022.

Operations of the Company

The total income of the Company during the financial year under review was Rs. 47.41 lakhs as against Rs. 246.89 lakhs in the previous financial year. The decrease in income was primarily due to reduction in profit on sale of investments, lower dividends received, reduction in provision no longer required written back and drop in service income. The total expenditure during the year was Rs. 332.43 lakhs as against Rs. 360.55 in the previous financial year. The net loss during the year was Rs. 285.03 lakhs as against a loss of Rs. 113.66 lakhs in the previous year.

Market Value of Company's investment

The Company's net worth, taking into account the market value of the Company's investments, (however all the shares are attached by Enforcement Directorate) may not be more than adequate to meet its liabilities and to continue its operations in future.

Directors and Key Managerial Personnel

Company has appointed Mr. NANJUNDAIAH RAMANNA (DIN: 08050965) and Mr. MURTHY VENKATA RAMANA GORLE (DIN: 09237825) as an Additional Directors in the capacity of Independent Directors w.e.f. 17/11/2021.

Mr. SREENIVASAN GOVINDARAJ (DIN: 07805594), Ms. SARVAMANGALA HADAPADA (DIN: 08395454) and Mr. SRIRAMAREDDY THEERTHESH (DIN: 08955326) have resigned from the position of Directors w.e.f. 25/11/2021.

Mr. NANJUNDAIAH RAMANNA (DIN: 08050965) has also give his resignation letter w.e.f. 17/02/2022.

After the closure of the FY, on 8th April, 2022 all the Directors has been suspended as company admitted into CIRP under Insolvency & Bankruptcy Code, 2016.

Resolution Professional' (Directors') Responsibility Statement

The **Resolution Professional** of the Company hereby state that:

(a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

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(b) accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for that period;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;

(d) the Annual Accounts have been prepared on a going concern basis;

(e) Internal Financial Controls have been laid down to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively and

(f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Statutory Auditors

(a) Appointment of Statutory Auditors:

The existing statutory Auditors M/s. BVC & Co., Chartered Accountants, (Firm Registration No. 008154S) has given their resignation so Resolution professional has appointed M/s. S.K. Bajpai & Co. On 31st May 2022 as the Statutory Auditors of the Company for doing statutory audit for the FY 2021-22. The Auditors have confirmed that they fulfill the criteria for appointment as Auditor of the Company as prescribed under the Act and the Rules framed thereunder.

(b) Auditor's Qualifications and Board responses:

Certain issues relating to Company's income stream and its effect on the going concern aspects, Company's Investment in various companies is the subject matter of Qualification in the Audit Report. This Qualification has been explained in Note no. 21 to 36 of the financial statements.

Corporate Governance & Management Discussion and Analysis Reports

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) a Report on Corporate Governance and Management Discussion and Analysis Report are attached to this Report.

DISCLOSURES

Board and its Committees

The details of the meetings of the Board and its Committees held during the financial year, the composition of the board and all of its committees are given in the Report on Corporate Governance. All the recommendations made by the Audit Committee and Nomination and Remuneration Committee from time to time were accepted by the Board.

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Declarations by Independent Directors

The Company has received declarations from the Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and listing regulations.

Performance Evaluation of the Board and it's Committees

The details of annual evaluation made by the Board of its own performance and that of its committees, individual Directors individually and performance criteria for Independent Directors laid down by the Nomination and Remuneration Committee are enclosed as **Annexure – A** to this Report. The policy for performance evaluation of the Independent Directors and Board of Directors is available on the Company's website www.mcdowellholdings.co.in.

Details of remuneration to Directors

During the year under review, remuneration was paid to the Executive Director. The Non-Executive Directors were paid sitting fee for attending the committee and board meetings and reimbursement of actual travel expenses, boarding and lodging, conveyance and incidental expenses incurred in attending such meetings.

Particulars of Employees and Related Disclosures

Disclosures with respect to the remuneration of Directors and Employees as required under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure D** to this Report.

The Company had not offered any shares to its employees or Key Managerial Personnel under any scheme of Employees Stock Option and has also not issued any sweat equity at any time.

Deposits

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter-V, (Acceptance of Deposits by Companies) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Corporate Social Responsibility (CSR)

The Company has constituted a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013. Since the average net profit of the Company for the preceding three financial years was negative, there was no necessity for the Company to carry out any CSR spending for the period under review.

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Secretarial Audit

(a) Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Resolution Professional has appointed M/s. Sachin Thakkar & Associates (C.P.No.15881/Membership No. FCS 11396, Company Secretary in Practice to undertake the Secretarial Audit of the Company.

The Report furnished by Auditor in the format prescribed is enclosed as **Annexure - E** to this report.

(b) Qualifications and Board responses

The Resolution Professional responses to the qualifications of the Secretarial Audit are as under:

(i) Consequent to the resignation of the Company Secretary from the services of the Company w.e.f. December 10, 2019. Due to the attachment of the Company's investments and also the freezing of the Company's Demat account by the Enforcement Directorate (in connection with their investigation against Kingfisher Airlines Limited, Dr. Vijay Mallya / Ors) the generation of funds to pay salary, dues and other administrative expenses have been adversely affected. In view of these facts, the candidates identified by the Placement Agency did not agree to join the Company. Apart from these candidates, few more candidates also disagreed to join on the same grounds. The Company is continuing in its efforts to fill the vacancy.

However after the closure of the Financial Year, Resolution professional has appointed Ms. Rekha Jhanwar as the company secretary and compliance officer.

(ii) The Chief Financial Officer and executive director of the Company resigned from the services of the Company w.e.f. November 16, 2020 and November 18, 2020 respectively. Due to the attachment of the Company's investments and also the freezing of the Company's Demat account by the Enforcement Directorate (in connection with their investigation against Kingfisher Airlines Limited, Dr. Vijay Mallya / Ors) the generation of funds to pay salary, dues and other administrative expenses have been adversely affected. In view of these facts, the candidates disagreed to join on the Company.

However after the closure of the Financial Year, Resolution professional has appointed Mr. CA Krishna Mohan Maddulaas the chief Financial officer.

(iii) Regarding qualification no. 3 to 11:

Due to lack of information and non-compliances done by suspended Directors, Resolution Professional (RP) could not file / comply with the same. However every possible efforts has been made by the RP for making / resolving the non-compliances.

Internal Control System

The Company has a robust system of internal control, the effectiveness of which is tested by the process of internal audit under the supervision of Audit Committee. Your Company through

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internal audit under the supervision of the Audit Committee reviews the risk management process, risk mitigation plans and risk reporting.

The adequacy and effectiveness of Internal Financial Controls have been endorsed by the Internal Auditor and the Statutory Auditors. The report of the Independent Statutory Auditors in the annexure to their Audit Report does not contain any adverse observations.

Share Capital

The Authorised Share Capital of the Company stands at Rs.15,00,00,000 comprising of 150,00,000 equity share of Rs.10 each and the issued, subscribed and paid-up capital of the Company as on March 31, 2022 remain unchanged at Rs.13,99,22,580 comprising of 1,39,92,258 equity shares of Rs.10 each.

Depository System

The trading in the equity shares of your Company is under compulsory dematerialisation mode. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail the facility of dematerialisation of the Company's shares. Moreover, transfer of shares of the Company by physical means has been barred from April 1, 2019 pursuant to SEBI's Notification dated December 3, 2018.

Listing Requirements

Your Company's Equity Shares are listed on the BSE Limited and National Stock Exchange of India Limited. The listing fees have been paid to both the Stock Exchanges for the year 2021-2022.

Annual Return

As required under sub-section (3) of Section 92 of the Act as amended by the Companies (Amendment) Act, 2017, the Company has placed a copy of the Annual Return in Form MGT-7 on its website www.mcdowellholdings.co.in through the link <https://www.mcdowellholdings.co.in/others.html>.

Nomination and Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has laid down a policy for the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company. The same is set out in Annexure - C to this report.

Particulars of Loans, Guarantees or investments

Details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given in Note 4 & 12 of the Notes to the Financial Statements.

Subsidiary, Associates and Joint Ventures

The Company does not have any Subsidiary, Associates and Joint Ventures.

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Related Party Transactions

During the year under review, all contracts/arrangements entered by your Company with related parties, were on an arm's length basis and in the ordinary course of business, and did not consummate material transactions with any related party as defined in the Act. All related party transactions, entered for the year under review, have been approved by the Audit Committee, wherever applicable.

Transactions with related parties as per the requirements of Accounting Standards 18 issued by The Institute of Chartered Accountants of India are disclosed in the relevant Schedule of Notes to Annual Accounts. The Policy for Related Party Transactions is available on the Company's website: www.mcdowellholdings.co.in.

Familiarisation Programme for Independent Directors

The details of programmes for familiarisation of the Independent Directors, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the Company's website: www.mcdowellholdings.co.in

Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo

The provisions under Section 134 of the Companies Act, 2013 and rules made there under relating to energy conservation, technology absorption do not apply to the Company, as the Company is not engaged in the manufacturing activities. There were no foreign exchange earnings or outgo during the year under review.

Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgement

Resolution Professional wish to acknowledge the co-operation and support extended by the employees and the members of the Company.

FORMcDOWELL HOLDINGS LIMITED (in CIRP)

Sd/-
(signature)
Konduru Prasanth Raju,
Resolution Professional
IBBI/IPA-002/IP-N00708/2018-19/12200

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As Company is in CIRP so all the Board of Directors are suspended w.e.f. 8th April 2022, so Below information / policy effective upto 7th April, 2022. W.e.f. 8th April, 2022 all the powers are vested with the Resolution professional appointed by the Hon'ble NCLT, Bengaluru Bench.

ANNEXURE - A

PERFORMANCE EVALUATION PROCESS & CRITERIA

The Nomination and Remuneration Committee (N & R Committee) of Board of Directors has formulated criteria and questionnaires to evaluate the performance of Board, its committees and Individual Directors including the Independent Directors. Further, the Independent Directors at their separate meeting have formulated the criteria and questionnaire to evaluate the performance of Non Independent Directors and the Chairman of the Board.

The formal annual evaluation has been carried out in the manner given below:

- Based on the questionnaire and feedback, the performance of every Director was evaluated in the meeting of the Nomination and Remuneration Committee.
- The Independent Directors at their separate meeting have carried out annual evaluation on the performance of Non Independent Directors, Board as a whole and performance of the Chairman of the Company.
- As stipulated under the Code for Independent Directors, the Board of Directors have carried out the performance evaluation of each Independent Directors by circulating the questionnaires to the other Board members, excluding the Director being evaluated.

Some of the key criteria for performance evaluation are as follows:

Evaluation of Non Independent Directors:

- Attendance and participation at Board and Committee meetings.
- Level of familiarity and compliance with the codes and policies.
- Familiarity with all the spheres of the activities of the Company.
- Level of participation in developing Business Strategies.
- Quality of relationship with other members of the Board.

Evaluation of Independent Directors: (in addition to the criteria for Non Independent Directors)

- Ability to exercise responsibilities in a bona fide manner.
- Level of Contribution in implementing best Corporate Governance practice.
- Independent Judgment during Board's deliberation on strategy, performance, risk management etc.

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ANNEXURE – B

VIGIL MECHANISM

A) Employees and Directors can make Protected Disclosure a letter addressed to the Ethics Counsellor or to the Chairman of the Audit Committee.

B) Name of the Whistle Blower need not be disclosed to the Whistle Officer/Committee.

C) The Ethics Counsellor / Chairman of the Audit Committee shall after end of investigation make a detailed written record of the Protected Disclosure.

D) The Ethics Counsellor / Chairman of the Audit Committee shall finalize and submit the report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

E) On submission of report, the Ethics Counsellor / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Ethics Counsellor / Chairman of the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

F) Notwithstanding the above, the Whistle Blower shall have direct access to the Chairman of the Audit Committee in exceptional cases.

ANNEXURE – C

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

Part A – Policy on appointment of Directors

For the Board of a Company to be effective and efficient, it should comprise of individuals who have professional qualifications and proven experience in their respective fields of specialization.

The Nomination and Remuneration Committee evaluates the Directors and recommends the Board for their appointment/ reappointment and ensures optimum composition of Board. While recommending appointment of an Individual as a Director on the Board, the committee has to consider the following factors:

- Diversity of the Board
- Qualification and positive attributes
- Independence of Directors (in the case of Independent Directors)

Diversity of Board

The Committee shall take into consideration the following to ensure Board diversity:

- Optimum composition of Executive Directors and Non-Executive Directors on the Board;
- Professional experience and expertise in different areas of specialization;

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- Diversity criteria including, but not limited to gender, age, ethnicity, race, religion, culture and geographic background;
 - Academic qualification, functional expertise, personal skills and qualities.
- The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Qualification and positive attributes

The Committee may also assess the following criteria:

- Financially literate, which means he/she possess the ability to read and understand basic financial statements i.e. balance sheet, statement of profit and loss, and statement of cash flow.
- Possess high levels of personal, professional integrity.
- Have appropriate knowledge/experience about the industry and the Company, or ability to acquire required knowledge and understanding.
- Able to provide guidance to the Board in matters of business, finance, strategy and corporate governance.
- Able to analytically look into the issues placed before the Board and provide strategies to solve them.
- Possess better communication skills and ability to work harmoniously with fellow Directors and Management.
- Willingness to devote the required time, including being available to attend Board and Committee meetings.

Independence of Directors (only in the case of Independent Directors)

Any relationship between the Company and Directors other than in the normal course will affect the Independence of Directors in many ways. The Committee shall assure that the candidate proposed for the position of Independent Director meets the minimum criteria for Independence set out under Section 149 of the Companies Act, 2013. It shall also assess if the candidate would be able to meet the standards mentioned in the code for Independent Directors under the Companies Act, 2013.

Part B – Policy on Remuneration to Board of Directors, Key Managerial Personnel and other Employees Introduction

With the view to attract and retain qualified industry professionals for the Board and Management in order to achieve its strategic goals this policy is designed for adopting the highest standards of good corporate governance. The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis and is in consonance with the existing industry practices.

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This policy is now framed to ensure that the requirements of Section 178 of the Companies Act, 2013 is met and it intends to define general guidelines for the Company's pay to the Board of Directors, Key Managerial Personnel and Senior Management and other employees.

Remuneration of Directors

The Board of McDowell Holdings Limited comprises of three categories of Directors viz., Whole-time Director, Non-Executive Director and Non-Executive Independent Directors.

The Remuneration to Whole-Time Director and Non - Executive Directors are governed by the provisions of Companies Act, 2013 and the rules framed thereunder and the notifications issued by the Ministry of Corporate Affairs from time to time.

As Company is in CIRP so all the Board of Directors are suspended w.e.f. 8th April 2022 so above information is only for the FY 2021-22.

Non-Executive Directors

The Non-Executive Directors including Non-Executive Independent Directors are eligible for fixed amount of sitting fees for attending meetings of the Board of Directors and its Committees as allowed under the Companies Act, 2013.

Reimbursement of expenses

All expenses incurred by the Board of Directors for attending the meetings and events of the Company are reimbursed at actual basis.

Remuneration to Key Managerial Personnel and Senior Management Personnel

The remuneration structure to the Key Managerial Personnel and Senior Management Personnel shall include the following components:

- (i) Basic Pay
- (ii) Variable Pay
- (iii) Perquisites and Allowances
- (iv) Retiral benefits
- (v) Performance Evaluation Payment

It is to be ensured that Key Managerial Personnel (KMP) and Senior Management Personnel are paid as per the trend prevalent in the similar industry, nature and size of business and the risks and responsibilities associated for holding such position. The level and components of remuneration is reasonable and sufficient to attract and retain the KMPs and Senior Management.

The Annual Plan and Objectives for Key Managerial Personnel and Senior Management Personnel shall be reviewed by the Nomination and Remuneration Committee and Performance Evaluation Payment will be approved by the Committee based on the achievements against the Annual Plan and Objective.

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As Company is in CIRP so all the Board of Directors are suspended w.e.f. 8th April 2022, so no remuneration shall be paid to them except the employee and KMP retained / appointed by Resolution professional shall be eligible as per the agreed terms.

SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

MCDOWELL HOLDINGS LIMITED (in CIRP)

CIN: L05190KA2004PLC033485

UB Tower, Level 12, UB City 24

Vittal Mallya Road

Bangalore KA 560001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s.MCDOWELL HOLDINGS LIMITED (in CIRP) (CIN: L05190KA2004PLC033485)** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents, Resolution professional and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the year ended on 31st March, 2022, complied with certain statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **(Not applicable during the year)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **(Not applicable to the company during the year);**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (upto 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021) - **(Not applicable to the company during the year);**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto 16th August, 2021) - **(Not applicable to the company during the year);**
- f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto 9th June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021) - **(Not applicable to the company during the year);**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the company during the year);**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021) - **(Not applicable to the company during the year);**

I have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- (i) Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- (ii) The Uniform Listing Agreement entered into by the Company with BSE Limited (BSE) and National Stock Exchange Limited (NSE)

During the Audit period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except following qualification;

1. **The Company could not comply with Section 203 of the Companies Act, 2013 and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 since the Company did not fill up during the Financial Year the vacancy of Company Secretary/Compliance Officer caused during the Financial Year 2021-22.**

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2. **The Company could not fill up the vacancy of two Key Managerial Personnel namely, the Chief Executive Officer and the Chief Financial Officer so to that extent, there is a non-compliance of provisions of Section 203 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**
3. **Due to non-compliance of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e., composition of board, Company has received “suspension of trading in securities” letter from NSE& BSE and the trading of securities has been suspended w.e.f. 18.02.2022 from both the stock exchanges.**
4. **Company has not filed Corporate Governance report under Regulation 27 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ending on December 2021 and March 2022.**
5. **Company has not filed Statement of Investor Complaints for the Quarter ended on December 2022 as required under regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**
6. **As per Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, company needs to file shareholding pattern within 21 days from the end of each quarter, however;**
 - a. **Company has not filed share holding pattern on NSE for the quarter ended on March 2022.**
 - b. **Company has filed share holding pattern on BSE after 21 daysfor the quarter ended on March 2022.**
7. **Company has not filed financial results for the quarter ended on December 2021 and March 2022 as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,**
8. **Company has not provided any e-forms/ documents filed with the Registrar of company (ROC) for and during the Financial Year 2021-22 so we are unable to give opinion whether company has complied with the respective provisions of Companies act, 2013 or not.**
9. **We have not received the information from the company regarding the Continual disclosures and Disclosure of encumbered shares has been received from the promoters/ other person or not as required under Regulation 30 and 31 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 so we are unable to give opinion whether company has complied with the respective regulation or not.**
10. **Company has not provided us the Minutes of Audit committee Meeting, Nomination & Remuneration committee,General Meetings& Other committee Meeting, if any.**

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Secondly, the minutes of Board meeting provided by the company does not contain the date of signing of minutes, date of entry of minutes in the minutes book, closing time of the meeting etc., so accordingly company has not complied with section 118 of Companies Act, 2013 and Secretarial Standard (SS) – 1 & 2 issued by The Institute of the Company Secretaries of India (ICSI).

11. Company has not complied with section 173 of Companies Act, 2013 and SS-1 at various instance and we haven't received all notices of Committee meetings held during the year under review so we are unable to comment on other non-compliances, if any.

Note :We have received very few/limited data, information and documents form the Company and based on that we have conducted the secretarial audit for the FY 2021-22, so we are unable to give our opinion regarding the various annual / event based compliances applicable to the company has been complied with or not.

I further report that :

During the audit period under review there were no specific laws which were exclusively applicable to the Company / Industry. However, being an NBFC, company need to comply with the various provisions of The Reserve Bank of India Act, 1934, however Resolution Professional has taken legal opinion from M/s. Shardul amarchand Mangaldas & Co., (“advocates”) and according to the said report McDowell Holdings limited has been reclassified as NBFC-CIC (exempted category), so no need to comply with the section 45 IA of RBI Act as well as CIC Directions.

I further report that:

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Women Director. There were changes in the composition of Board that took place during the year under review as mentioned hereunder;

As mentioned in the minutes of the Board Meeting, Company has appointed Mr. NANJUNDAIAH RAMANNA (DIN: [08050965](#)) and Mr. MURTHY VENKATA RAMANA GORLE (DIN: [09237825](#)) as an Additional Directors in the capacity of Independent Directors w.e.f. 17/11/2021.

Mr. SREENIVASAN GOVINDARAJ (DIN: [07805594](#)) and Ms. SARVAMANGALA HADAPADA (DIN: [08395454](#)) have resigned from the position of Directors w.e.f. 25/11/2021.

As per the information received from the company, Mr. SRIRAMAREDDY THEERTHESH (DIN: [08955326](#)) has also resigned from the position of Director w.e.f. 25/11/2021, however company has not filed necessary form DIR-12 to the ROC and violated section 168 of Companies Act, 2013.

McDOWELL HOLDINGS LIMITED (in CIRP)

Mr. NANJUNDAIAH RAMANNA (DIN: [08050965](#)) has filed his resignation letter in form DIR-11 with the office of ROC w.e.f. 17/02/2022, however company has not filed necessary form DIR-12 to the ROC and violated section 168 of Companies Act, 2013.

Except in case of meeting convened at shorter notice i.e., meeting no. 113rd held on 29/06/2021, adequate notice is given to all Directors to schedule the Board Meetings, **however in the notice of email sent there were no agenda and detailed notes on agenda attached**, sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. However we haven't received all notices of committee meetings held during the year under review from the company.

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. I was informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

I further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meetings, **there is no adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.**

I further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditors and other designated professionals.

I further report that:

During the Audit period under review, there were no other instances of:

- a) Public/Right issue of shares/ debentures/sweat equity etc.
- b) Redemption / buy-back of securities.
- c) Obtaining the approval from shareholders under Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction, etc.
- e) Foreign technical collaborations.

However after the closure of the Financial Year, An Application for initiation of Corporate Insolvency Resolution Process (CIRP) Under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC Code, 2016) was filed by SUN STAR HOTELS AND ESTATES PRIVATE LIMITED, in its capacity as a Financial Creditor before the Hon'ble National Company law Tribunal, Bengaluru Bench (NCLT) against the Corporate Debtor (Company) i.e., McDowell Holdings Limited for its claimed outstanding of Rs.16,80,66,348/-. The Hon'ble National Company law Tribunal, Bengaluru Bench has admitted the said petition vide its order CP(IB) No. 11/BB/2022 dated

McDOWELL HOLDINGS LIMITED (in CIRP)

08/04/2022 ordering the commencement of CIRP against the Corporate Debtor ordering the commencement of the CIRP against the said Corporate Debtor. Further, Mr. KONDURU PRASANTH RAJU, has been appointed as Interim Resolution Professional (IRP) by the Hon'ble NCLT Vide its aforesaid Order.

**FOR SACHIN THAKKAR & ASSOCIATES,
Company Secretaries,
ICSI Unique Code No.: I2016GJ1394400
Peer review certificate No. 2163/2022**

**Sd/-
Sachin Thakkar
Proprietor
Mem. No. F11396
C.P. No. 15881
UDIN: F011396D000936089**

Date: 07/09/2022

Place: Ahmedabad

Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.

(ii) This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to financial year ended March' 2022.

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

McDOWELL HOLDINGS LIMITED (in CIRP)**Annexure A**

**To,
The Members,
MCDOWELL HOLDINGS LIMITED**

Our report is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed, provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR SACHIN THAKKAR & ASSOCIATES,
Company Secretaries,
ICSI Unique Code No.: I2016GJ1394400
Peer review certificate No. 2163/2022**

**Sd/-
Sachin Thakkar
Proprietor
Mem. No. F11396
C.P. No. 15881
UDIN: F011396D000936089**

**Date: 07/09/2022
Place: Ahmedabad**

Corporate Governance Report

Note: After the closure of the Financial year 2021-22, The Hon'ble National Company law Tribunal, Bengaluru Bench has admitted the petition filed by financial creditor vide its order CP(IB) No. 11/BB/2022 dated 08/04/2022 ordering the commencement of Corporate Insolvency Resolution Plan (CIRP) against the Corporate Debtor M/s. **MCDOWELL HOLDINGS LIMITED**. Further, Mr. KONDURU PRASANTH RAJU, has been appointed as Interim Resolution Professional (IRP) by the Hon'ble NCLT Vide its aforesaid Order. All the existing Board of Directors has been suspended w.e.f. 08/04/2022, so **instead of Board of Director, Resolution Professional presenting Corporate governance report to the extent information available with him.**

Company's Philosophy on Corporate Governance

Your Company believes in upholding high standards of Corporate Governance in its operations and ensuring adherence to ethical and moral standards. The philosophy of your Company on Corporate Governance envisages, inter alia, attainment of accountability and equity in all its actions and enhancement of shareholder value keeping in view the needs and interests of other stakeholders.

Board of Directors

A. Composition of the Board

As on 31st March, 2022, The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Women Director.

Company has appointed Mr. NANJUNDAIAH RAMANNA (DIN: 08050965) and Mr. MURTHY VENKATA RAMANA GORLE (DIN: 09237825) as an Additional Directors in the capacity of Independent Directors w.e.f. 17/11/2021.

Mr. SREENIVASAN GOVINDARAJ (DIN: 07805594), Ms. SARVAMANGALA HADAPADA (DIN: 08395454) and Mr. SRIRAMAREDDY THEERTHESH (DIN: 08955326) have resigned from the position of Directors w.e.f. 25/11/2021.

Mr. NANJUNDAIAH RAMANNA (DIN: 08050965) has also give his resignation letter w.e.f. 17/02/2022.

After the closure of the FY, on 8th April, 2022 all the Directors has been suspended as company went into CIRP under Insolvency & Bankruptcy Code, 2016, so there is no point to comment about their directorship in no. of companies and other related matters.

B. Number of Board Meetings

During the year under review, Four board meetings were held on 29/06/2021, 26/08/2021, 17/11/2021, 27/01/2021. Necessary quorum was present in all the meetings and the gap between two consecutive meetings did not exceed 120 days.

C. DIRECTORS & KMP (EXISTING AND ANY CHANGE MADE BETWEEN 01/04/2021 TO 31/03/2022)

DIRECTORS & KMP (EXISTING AND ANY CHANGE MADE BETWEEN 01/04/2021 TO 31/03/2022)								
Name of Director/ KMP	DIN & PAN	Residential Address	Date of Appointment/ last re-appointment	Designation	Nature (Independent/Promoter/Professional/Executive/Non-Executive/Nominee) In case of Nominee, mention whose nominee he/she is	Whether liable to retire by rotation	Number of Shares held in the Company and % of shareholding (as on 31.03.2022)	Date of Cessation (If any)
1. Sarvamangala Hadapada	08395454 AEKPH5211G	# 108, 10 th Main, 2 nd Cross, Shankar Nagar Bangalore - 560 096	22.11.20	Addl. Director	Independent	Yes	-	25.11.21
2. Theethesh Bagalagunte Sriramareddy	08955326 AHYPT7606G	#35/A, 19 th Cross, Bagalagunte, Hesaraghatta Road, Nagasandra, Bangalore - 560 073	13.11.20	Addl. Director	Independent	Yes	-	25.11.21
3. G. Sreenivasan	07805594 AOVPS6968N	No, 109, 2 nd Floor, 4 th Cross, 25 Feet Road New Saraswathi Puram Extn, Ulsoor Bangalore - 560 008	13.11.20	Addl. Director	Non-Executive Director	Yes	-	25.11.21
4. Nanjundiah R	08050965 AXHPR1052R	No. 115, 1 st Main, Kempegowda Nagar Bangalore - 560 091	17.11.21	Addl. Director	Independent	Yes	-	17.02.22
5. Murthy Venkata Ramana Gorle	09237825 ACGPG3893F	8-2-293/A/270, Road No, 10, Opp. Canara Bank Jubilee Hills Hyderabad - 500 033	17.11.21	Addl. Director	Independent	Yes	-	08.04.22 (suspended as company went into CIRP)

Company has appointed Mr. NANJUNDAIAH RAMANNA (DIN: 08050965) and Mr. MURTHY VENKATA RAMANA RAMANA GORLE (DIN: 09237825) as an Additional Directors in the capacity of Independent Directors w.e.f. 17/11/2021.

Mr. SREENIVASAN GOVINDARAJ (DIN: 07805594), Ms. SARVAMANGALA HADAPADA (DIN: 08395454) and Mr. SRIRAMAREDDY THEERTHESH (DIN: 08955326) have resigned from the position of Directors w.e.f. 25/11/2021.

Mr. NANJUNDAIAH RAMANNA (DIN: 08050965) has also give his resignation letter w.e.f. 17/02/2022.

After the closure of the FY, on 8th April, 2022 all the Directors has been suspended as company admitted into CIRP under Insolvency & Bankruptcy Code, 2016.

D. Directors with pecuniary relationship or business transaction with the Company

The details of remuneration including sitting fees paid to the directors have been furnished in this report.

E. Number of shares and convertible instruments held by Non-Executive Directors

None of the Non-Executive Directors hold any shares in the Company.

Skills/Expertise/Competence of Board of Directors

The Board has identified the following skills/expertise/competencies for the effective functioning of the Company which are currently available with the Board.

Strategy and Planning	Experience in reviewing and guiding corporate strategy, annual budgets and business plans and overseeing major capital expenditures and acquisitions.
Governance	Experience in developing governance practices, protecting the interests of stakeholders and building long-term effective stakeholder engagements.
Financial	Ability to understand the (a) financial statements; (b) accounting principles used for preparation of the financial statements; (c) internal controls; and (d) procedures for financial reporting.
Leadership	Experience in understanding the organizational processes, strategic planning and risk management. Ability to effectively represent the vision, mission and values of the Company with the key stakeholders.

All the Directors possess the competencies identified above and required for the functioning of the business of the Company.

F. Meeting of Independent Directors

Resolution professional does not any record of Meeting of Independent Directors held during the FY 2021-22.

Committees of the Board

The Board of Directors has constituted five Committees viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Committee of Directors.

Audit Committee

As per the records available,during the year, Three Audit Committee meetings were held on 29/06/2021, 26/08/2021, 27/01/2021. However Resolution Professional did not find any minutes of Committee meetings in the company's record.

Nomination and Remuneration Committee

As per the records available, during the year, Two Nomination and Remuneration Committee meeting were held on 26/08/2021 & 17/11/2021. However Resolution Professional did not find any minutes of Committee meetings in the company's record.

Attendance of Board meeting / Committee meeting AND Remuneration of Directors

Name of Director / committee members	Date of Meeting Attended	Sitting Fees paid			TOTAL
		Board Meeting	Audit committee meeting	Nomination & Rem. committee meeting	
SARVAMANGALA HADAPADA	29.06.21	30,000	15,000	-	45,000
	26.08.21	30,000	15,000	15,000	60,000
	17.11.21	30,000	-	15,000	45,000
					150,000
G. SREENIVAS	29.06.21	30,000	15,000	-	45,000
	26.08.21	30,000	15,000	15,000	60,000
	17.11.21	30,000	-	15,000	45,000
					150,000
B.S. THEERTHESH	29.06.21	30,000	15,000	-	45,000
	26.08.21	30,000	15,000	15,000	60,000
	17.11.21	30,000	-	15,000	45,000
					150,000
G.V.R. MUTHY	27.01.22	30,000	15,000	-	45,000
R. NANJUNDIAH	27.01.22	30,000	15,000	-	45,000
					540,000

Compliance Officer

As per the records available, during the year, Mr. G Sreenivas was appointed as the Compliance Officer of the Company for the purpose of complying with various provisions of the SEBI LODR and Companies Act, 2013 and for monitoring the share transfers process. However he resigned on 25.11.2021 and after that there was no such compliance officer. After the closure of the year, Company went into CIRP and Resolution Professional was appointed by hon'ble NCLT to manage the whole affairs of the company so Mr. KONDURU PRASANTH RAJU has been appointed as compliance officer for all the matters/ compliances.

General Body Meetings

Annual General Meetings

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

Financial ended	Year	Date	Time	Venue
March 31,2019		September 26,2019	03.30 p.m.	UB Tower, Level 1, UB City, 24 Vittal Mallya Road, Bengaluru – 560 001
March 31, 2020		September 29, 2020	12.00 noon	Video conferencing / other Audio Visual means
March 31, 2021		September 29, 2021	12.00 noon	Video conferencing / other Audio Visual means

Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013 and the rules made there under, every listed company is required to provide to its Members facility to exercise their right to vote at general meetings by electronic means. The Company has entered into an arrangement with Central Depository Services (India) Limited for this purpose, to facilitate such e-voting for its Members. Detailed procedure for e-voting is given in the Notice of the 18TH Annual General Meeting and the same is also placed on the website of the Company.

1. Postal Ballot The Company had not conducted any Postal Ballot during the year. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolution through postal ballot
2. The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

General Shareholder information

a)	AGM Date, Time and Venue	Friday, September 29, 2022 at 12.00 noon IST through Video Conferencing/Other Audio Visual Means (VC)
b)	Financial Year	April 1 to March 31
c)	Calendar of publication of Quarterly Results:	
	First Quarterly Results	29/06/2021
	Second Quarterly Results	27/01/2022
	Third Quarterly Results	Not published
	Annual Audited Financial Results	August 31, 2022
d)	Dates of Book Closure	NA
e)	Dividend payment date	N.A.
f)	Listing on Stock Exchanges	The shares of the Company are listed on the following Stock Exchanges: BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) The Annual Listing Fees for the year 2021-22 have been paid.
g)	Stock Code:	
	BSE	532852
	NSE	SYMBOL-MCDHOLDING
h)	ISIN No.	INE836H01014 (NSDL & CDSL) - forequity shares
i)	Market price data	As per Annexure I
j)	Stock performance in comparison to BSE Sensex and NSE Nifty	As per Annexure II
k)	Registrars and Share Transfer Agent	Integrated Registry Management Services Private Ltd. CIN NO: U74900TN2015PTC101466 No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru-560003; E-mail: bglsta@integratedindia.in; Tel: +91-80-23460815-818 Fax: +91-80-2346081
l)	Share Transfer System	In addition to the Committee of Directors, the Board has authorized a Director and Company Secretary to jointly approve share transfers, transmission setc., upto a specified limit. The requirements under the SEBI LODR and other statutory regulations in this regard are being followed.

m)	Distribution of Shareholding	As per Annexure-III
n)	Dematerialisation of shares	As on March 31, 2021, 97.23% of the paid-up share capital was held in dematerialised form.
o)	Outstanding GDRs/ ADRs/ NA/ Warrants or any other Convertible instruments	NA
p)	Plant Locations	NA
q)	Address for correspondence	<p>Shareholder correspondence should be addressed to the Company's Registrars and Share Transfer Agent:</p> <p>Integrated Registry Management Services Private Ltd. CINNO:U74900TN2015PTC101466</p> <p>No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru-560003</p> <p>E-mail: bglsta@integratedindia.in</p> <p>Tel: +91-80-23460815-818 Fax: +91-80-2346081</p> <p>Investors may also write to or contact the Compliance Officer at the Registered Office of the Company at UB Tower, Level- 12, UB City, 24 Vittal Mallya Road, Bengaluru 560001. Tel. Nos. 46686060/46686080 Fax No. (080) 22274890; e-mail: mhlinvestor@ubmail.com</p>

Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Means of Communication

The unaudited quarterly results (for first and second quarter) and audited annual results are uploaded on the website of the Stock Exchanges, on which equity shares of the Company are listed. The results are also displayed on the Company's website www.mcdowellholdings.co.in.

Designated e-mail ID for investor complaints

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

Annexure I

MARKET PRICE DATA OF McDOWELL HOLDINGS LIMITED

Month	Price
April'21	Rs. 38.30/-
May'21	Rs. 44.00/-
June'21	Rs. 61.70/-
July'21	Rs. 52.80/-
Aug'21	Rs. 39.50/-
Sep'21	Rs. 70.95/-
Oct'21	Rs. 88.80/-
Nov'21	Rs. 157.35/-
Dec'21	Rs. 126.75/-
Jan'22	Rs. 102.65/-
Feb'22	Rs. 108/-
March'22	Rs. 88.05/-

Annexure II

STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX AND NSE NIFTY

BSE SENSEX AND SHARE PRICE

Yellow line : Mcdowell holdings Limited

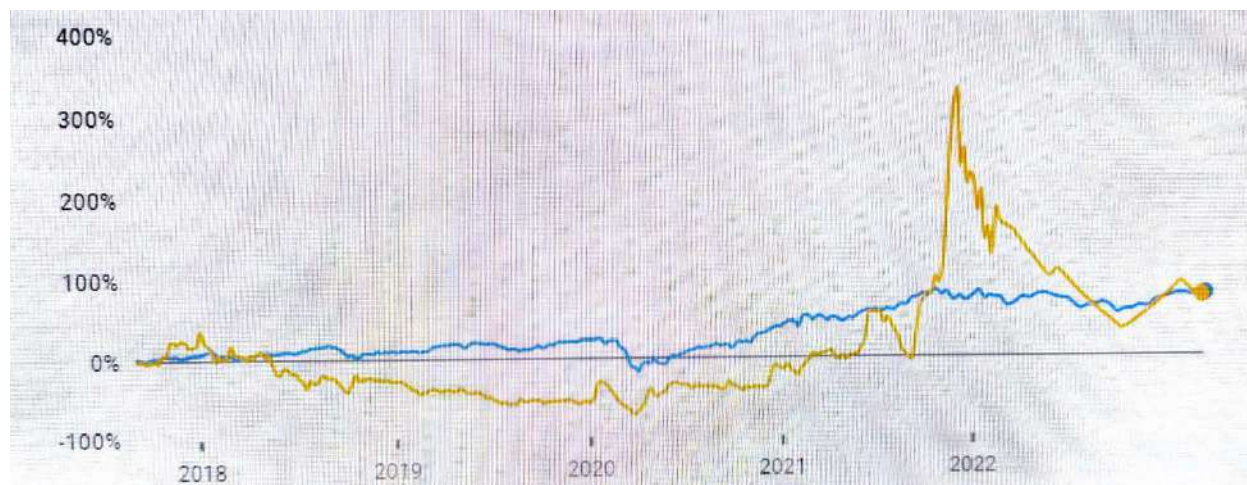
Blue Line : Sensex



NSE NIFTY AND SHARE PRICE

Yellow line : Mcdowell holdings Limited

Blue Line : Nifty



Distribution of Shareholding

The distribution of shareholding as on March 31, 2022 is given below.

Category Wise Distribution of Shareholders as on March 31, 2022

Summary statement holding of specified securities									
Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
							No.(a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	2	3,17,032	3,17,032	2.27	3,17,032	2.27	3,17,030	100.00	3,17,032
(B) Public	46,293	1,36,75,226	1,36,75,226	97.73	1,36,75,226	97.73		0.00	1,32,95,089
(C1) Shares underlying DRs				0.00		0.00		0.00	

(C2) Shares held by Employee Trust				0.00		0.00		0.00	
(C) Non Promoter -Non Public				0.00		0.00		0.00	
Grand Total	46,295	1,39,92,2 58	1,39,92,2 58	100.00	1,39,92,2 58	100. 00	3,17,0 30	2.27	1,36,12,12 1

Credit ratings

The Company has not obtained any credit ratings during the year under review.

Other Disclosures

Familiarization Programme

Your Company follows a structured orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the board meetings on business and performance, long term strategy, initiatives and risks involved.

Related Party Transactions

Transactions with related parties as per the requirements of Accounting Standards 18 issued by The Institute of Chartered Accountants of India are disclosed in the relevant Schedule of Notes to Annual Accounts.

Compliance Certificate

The Compliance Certificate to the Board of Directors pursuant to Regulation 17 (8) of the SEBI LODR could not be obtained in the absence of the Chief Executive Officer and Chief Financial Officer of the Company during the year 2021-22.

Cash Flow Statement

Cash Flow statement for the year ended March 31, 2022 is appended as a part of Financial Statement.

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics in terms of the SEBI LODR However All the Members of the Board has been suspended so no such declaration could be obtained regarding the same.

Code for Prevention of Insider Trading

The Company has adopted a Code for Prevention of Insider Trading in terms of the SEBI (Prevention of Insider Trading) Regulations, 2015 and the same is available on the Company's website www.mcdowellholdings.co.in.

The Code is applicable to all the Directors, employees and connected persons. The Code ensures prevention of dealing in shares of the Company by persons having access to price sensitive information.

Whistle Blower Policy

The Company believes in the conduct of the affairs of the Company in a fair and transparent manner by adopting high standards of professionalism, honesty, integrity and ethical behavior. It has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Chairman of the Audit Committee.

Details of compliance with mandatory requirements and adoption of the non mandatory requirements of the SEBI LODR

There are compliances which were not complied by the suspended Board of Directors during and for the FY 2021-22. However w.e.f. 8th April, 2022, Resolution Professional is trying to comply all the mandatory and event based compliances to the extent information and records available.

Determination of materiality for disclosure and Policy on Archival of Documents

The Policy for Determination of Materiality for Disclosures and Policy on Archival of Documents is available on the Company's website www.mcdowellholdings.co.in.

Non Mandatory Requirements

Shareholders Rights

The Company's half yearly results are published in English and Kannada newspapers. Hence the same are not sent to the shareholders.

Audit qualifications

With regard to audit qualification necessary explanations have been furnished in the Notes to the financial statements.

Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

Remuneration to Statutory Auditors

Resolution professional has appointed M/s. S.K. Bajpai & Co. On 31st May 2022 as the Statutory Auditors of the Company for doing statutory audit for the FY 2021-22 at the remuneration of Rs. 3,00,000/- .

Sexual Harassment

The Company is committed to provide a safe and conducive work environment to its employees and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder and there were no complaints during the year under review.

Compliance Certificate & Certificate of Non-Disqualification of Directors

As company is in CIRP and all existing Directors are suspended so there is no point to take Compliance Certificate and certificate of Non-Disqualification of Directors so Resolution Professional has not taken the same.

Management Discussion and Analysis Report

Overview – Financial Performance

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

Industry Structure & Developments

Your Company is essentially a financing/investment holding company having strategic investments in other companies, which were/are engaged in the business of Property Development and Exports, Manufacture and Sale of Beer, Chemicals & Fertilizers, etc. The profitability/revenue of the Company is linked to the performance of the investee companies which declare dividend based on their performance as well as fluctuations in the quotations on the Stock Market.

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.

Human Resources Management

The Company presently has NO Employee's as on date and hence there cannot be any significant role in the Company's development.



S. K. BAJPAI & CO.
Chartered Accountants



Independent Auditors' Report

To the Members of
McDowell Holdings Limited

REPORT ON THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

Qualified Opinion

1. We have audited the accompanying financial statements of McDowell Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Ind AS 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, of the state of affairs of the Company as at March 31, 2022, and its total comprehensive Income (comprising of Loss and other comprehensive income), changes in equity and its cash flows for the year ended on that date.



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Basis for Qualified opinion

a. The Company's income streams are not sufficient to meet its recurring financial obligations. The Company has defaulted in repaying the inter-graduate deposits and loan taken by it. These factors have adversely affected the going concern assumptions used in the preparation of financial statements. However, for the reasons stated in note no. 34, the Company continues to prepare its financial statements on going concern basis.

Basis for Qualified Opinion

1. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

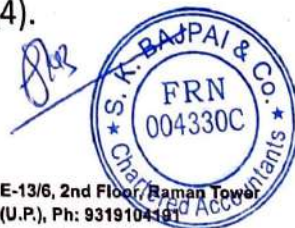
Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

a. The pledge created by the company on its 45,51,000 shares in United Breweries Limited (UBL) which has not yet been cancelled, even though no amounts are owed to the pledgee (refer Note No. 24).

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- b. 1,22,667 shares in United Breweries Limited (UBL) belonging to the company which are lying with erstwhile lenders, who claim that they have been directed by the Enforcement Directorate not to part with those shares (refer Note No. 25).
- c. The Company's investment of 16,71,344 shares in United Breweries Limited (UBL) has been unilaterally transferred from the account of the company to the Demat account of the Deputy Director, Enforcement Directorate, Mumbai on 3rd May, 2018. As per the statutory requirements the Company has intimated the Stock Exchanges (refer Note No. 26).
- d. The Company has received a Show Cause Notice dated 3rd July 2018 under the Fugitive Economic Offenders Act 2018 (FEOA). The Company has filed its objections in the designated court for FEOA. The matter is pending (refer Note No. 28).
- e. In a separate proceeding before the Court of Special Judge for Prevention of Money Laundering Act (PMLA), an individual promoter of the company has been declared as a proclaimed offender and the company's investments in UBL and UBHL have been attached. The Company in related proceedings, before the PMLA Court has placed its objections on record. The matter is pending (refer Note No. 29).
- f. The Company's demat account maintained with Stock Holding Corporation of India has been suspended for debit on the instructions of Enforcement Directorate since 29th July 2019. The Company has filed submissions with Enforcement Directorate seeking removal of this attachment. The matter is pending (refer Note No. 30).
- g. The Company's investments include 57,219 shares in Mangalore Chemicals and Fertilizers Limited (hereinafter referred to as MCF) which were frozen by the Stock Holding Corporation of India Ltd under an instruction from the Stock Exchanges, where the shares of the Company are listed. The Company has filed an appeal before the Securities Appellate Tribunal, Mumbai (SAT) and is pending in adjudication (refer Note no. 31).

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h. The position of Company Secretary, Chief Financial Officer and the Executive Director of the Company fell vacant on 10th December 2019, 16th November 2020 and on 18th November 2020 respectively and efforts to identify the successors has been delayed due to COVID 19 pandemic. Further, due to the attachment of Company's investments by the ED and the resultant financial crisis on the company, no person is willing to join the company, despite the continuous efforts of the Company (refer Note No. 36).

i. The Company is one of the Claimants in an arbitration matter against Zuari Fertilizers and Chemicals Limited (ZFCL) and Zuari Agro Chemicals Ltd. are respondents. The arbitration proceedings have been concluded on 8th May 2017, the Arbitrator has ordered all the respondents cost of Rs. 75 lakhs and in the settlement of the same Company has paid Rs. 25 lakhs on account of his share in liability in the month of January 2022. which is debited to Profit & Loss Account under the head other expense in note no. 18 as Contingent expenses.

j. The Company has not conducted the limited review for the quarter ended 31st December 2021, as Board of Directors did not had the requisite quorum.

K. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, The Company uses accrual basis of accounting for the purpose of recording transactions, however in respect of Rs. 43.70 Lakhs debited in the Profit & loss account for the year ending 31.03.2022 under the head Employee Benefit Expense related to the Previous financial year 2020-21, as provisioning was not done for such liability in the Previous year & the financial statements for the Previous financial year are also not being restated in accordance with Indian Accounting Standards.



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L. The company has revalued the investment via Other Comprehensive Income but in case of Investment in Hyderabad Electronics Instruments Limited. Company has not revalued the Investment and no actuarial valuation report has been provide to us.

Other Information

2. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report thereon. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated when we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Key audit matters

3. We have determined that there are no key audit matters to communicate in our report.



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Responsibilities of management and those charged with governance for the financial statements

4. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

5. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements



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6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

7. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

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that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
9. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

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11. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact of pending litigations if any on its financial position in its financial statements (refer note to the financial statements)



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Chartered Accountants



ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2021.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

Place: Bengaluru(Camp Office)
Date: August 31, 2022

For S.K Bajpai &Co.
Chartered Accountants
Firm Registration No 04330C

S.K.B.
CA. Sarvesh Kumar Bajpai
Partner

Membership No. 073277

UDIN: 22073277AQSCKF9795



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"ANNEXURE A" TO AUDITORS' REPORT

McDowell Holdings Limited

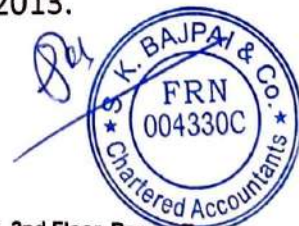
Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of McDowell Holdings Limited ("the Company") on the financial statements for the year ended 31st March 2022. We report that:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of McDowell Holdings Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



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Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting. Meaning of Internal Financial

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Controls over Financial Reporting A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external Annexure to the Independent Auditor's Report 39 McDowell Holdings purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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S. K. BAJPAI & CO.
Chartered Accountants



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bengaluru (Camp Office)

Date: August 31, 2022

For S.K Bajpai &Co.

Chartered Accountants

Firm Registration No. 04330C



CA. Sarvesh Kumar Bajpai
Partner

Membership No. 073277

UDIN:22073277AQSKF9795

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Annexure to the Independent Auditors' Report (Contd.)

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of McDowell Holdings Limited on the financial statements as of and for the year ended March 31, 2022

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company does not have any intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company did not have any immovable properties. Therefore, the provisions of clause 3(i)(c) of the companies (Auditor's Report) order, 2020 is not applicable to the company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and it does not have any intangible assets during the year.



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(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Companies(Auditor's Report) Order 2022 is not applicable.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 clause (iii) (a) to (f) of the Order are not applicable to the Company.

iv. The Company has not given loans, guarantees or securities or made investments to which the provisions of section 185 and 186 of the Companies Act, 2013 apply. Hence, paragraph 3 clause (iv) of the Order is not applicable to the Company.

v. The Company has not accepted any deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under and the directives issued by the Reserve Bank of India are applicable. Hence paragraph 3 clause (v) of the Order is not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us the provisions of sub section (1) of Section 148 of the Companies Act, 2013 with regard to maintenance of cost records are not applicable to the Company. Accordingly, paragraph 3 clause (vi) of the Order is not applicable to the Company.



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📍 **Delhi :** A-75/1 (Basement), Lajpat Nagar-1, New Delhi-110024 Ph: 011-40587502 / 41323636
📍 **Noida :** C-719, Noida One Building, B-Block, Plot No. B-8, Sector 62, Noida 201309, Ph: 851-000-3612, 0120-2975092



vii (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding as at March 31, 2022 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, following is the list of tax dues, which have not been deposited on account of disputes:

Name of the Statute	Nature of Dues	Disputed amount (Rs. lakhs)	Where dispute is pending
Income Tax Act, 1961	Income tax for the A.Y. 2014-15	141.53	Set aside to Assessing Officer

viii. According to the records of the Company examined by us and the information and explanations given to us, there are no transactions recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not defaulted in the repayment of loans of any financial institution, banks and Government.

(b) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has defaulted in the repayment of interest and principal amount of the private lenders as Company is under Corporate Insolvency Resolution Process. (Refer Annexure No. 11 of the Balance Sheet).

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- (c) The term loans were applied for the purpose for which the loans were obtained;
- (d) On the Overall examination of the Financial statements of the Company, the Company has not raised any funds on short term basis.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
- (f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- a) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly the provision of paragraph 3 clause (x)(a) of the order is not applicable.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Therefore, the compliance of section 42 to 62 of the Companies Act, 2013 is not applicable. Accordingly the provision of paragraph 3 clause (x)(b) of the order is not applicable.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3 clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv (a) The company has an internal audit system commensurate with the size and nature of its business;

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xii. In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3 clause(xii) of the Order is not applicable to the Company.

xiii. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv (a) The company has an internal audit system commensurate with the size and nature of its business;

(b) The reports of the Internal Auditors have been considered while conducting the audit.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 clause (xv) of the Order is not applicable to the Company.

xvi. The Company had obtained registration from the Reserve Bank of India, to carry on the business of a Non-Banking (Non Deposit accepting) Financial Company. On the application of the Company, the Reserve Bank of India has reclassified the Company as a Core Investment Company (CIC) (Exempt Category). Due to the transition into IND AS, the Company is in process of applying to Reserve Bank of India for a proper reclassification.

xvii. The company has incurred cash losses in the financial year 2021-2022 of Rs. 292.85 lakhs and Rs. 159.96 lakhs in the immediately preceding financial year 2020-2021.

xviii. There has been a resignation of the statutory auditors of BVC & Co. during the year under consideration and no objection has been raised by them whether professionally or otherwise.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, that we are on the opinion that material uncertainty exists as on

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S. K. BAJPAI & CO.
Chartered Accountants



the date of the audit report and also the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Also, refer point (a) of basis of qualified opinion in Independent auditor's report.

xx. There are no ongoing projects, therefore the company has not transferred the unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

xxi. The Company is not required to make Consolidated Financial Statements. Accordingly, paragraph 3 clause (xxi) of the Order is not applicable to the Company.

Place: Bengaluru(Camp Office)

Date: August 31, 2022

For S.K Bajpai &Co.

Chartered Accountants

Firm Registration No. 04330C



CA. Sarvesh Kumar Bajpai

Partner

Membership No. 073277

UDIN:22073277AQSCKF9795

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OFFICES

AGRA

NOIDA

NEW DELHI

FIROZABAD

LUCKNOW

Mcdowell Holdings Limited
Balance Sheet as at 31 March 2022

Rupees in Lakhs

Particulars	Note No	As at 31-03-2022	As at 31-03-2021
I ASSETS			
NON-CURRENT ASSETS			
(i) Property, Plant and Equipment	2	0.07	0.16
(ii) Financial Assets			
(a) Investments	3	95,600.85	79,679.10
(b) Other Financial Assets	4	4.14	4.15
SUB-TOTAL(A)		95,605.06	79,683.41
CURRENT ASSETS			
(i) Financial Assets			
(a) Cash and Cash equivalents	5	6.06	13.93
(ii) Other Current Assets	6	193.00	186.61
SUB-TOTAL(B)		199.06	200.54
TOTAL ASSETS (A+B)		95,804.12	79,883.95
Particulars	Note No	As at 31-03-2022	As at 31-03-2021
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	7	1,399.23	1,399.23
(b) Other equity	8	92,534.09	76,897.36
Total Equity		93,933.31	78,296.59
LIABILITIES			
NON-CURRENT LIABILITIES			
(i) Financial liabilities			
(a) Other financial liabilities	9	20.47	32.25
(ii) Provisions	10	-	0.66
		20.47	32.91
CURRENT LIABILITIES			
(i) Financial liabilities			
(a) Borrowings	11	1,842.11	1,437.62
(b) Trade Payables	12	1.99	2.12
(ii) Provisions	10	-	0.00
(iii) Other current liabilities	13	6.22	114.71
Total liabilities		1,850.33	1,554.45
TOTAL EQUITY AND LIABILITIES		95,804.12	79,883.95
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date.

For S K Bajpai & Co.

Chartered Accountants
Firm Registration No. 004330C

Sarvesh Kumar Bajpai
Partner
Membership No. 073277



UDIN

22073271AQSCKF9795

Place : Bengaluru
Date : August 31, 2022

For Mcdowell Holdings Limited

For MCDOWELL HOLDINGS LIMITED

Konduru Prasanth Raju
RESOLUTION PROFESSIONAL

Konduru Prasanth Raju
Resolution Professional
IBBI/IPA-002/IP-N00708/2016-2019/12200

IBBI/IPA-002/IP-N00708/2016-2019/12200

Mcdowell Holdings Limited
Statement of Profit and Loss for the year ended 31 March 2022

Rs. in Lakhs

Particulars	Note No	For The Year 31-03-2022	For The Year 31-03-2021
A INCOME			
I Revenue from operations	14	35.33	200.34
II Other Income	15	12.08	46.55
Total Income (A)		47.41	246.89
B EXPENSES			
(a) Employee benefit expense	16	56.93	184.90
(b) Finance costs	17	187.62	103.74
(c) Depreciation and amortisation expense	2	0.08	0.25
(d) Other expenses	18	87.80	71.66
Total Expenses (B)		332.43	360.55
Profit/(loss) before tax (A) - (B)		(285.03)	(113.66)
Tax Expense			
(1) Current Tax			-
(2) Deferred Tax			-
Total tax expense		(285.03)	(113.66)
Profit/(Loss) for the Period			
Other comprehensive income/Loss			
(I) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit liabilities / (asset)			-
(b) Income tax relating to item that will not be reclassified		15,921.75	21,375.92
(c) Fair value changes relating to equity instruments		15,921.75	21,375.92
Total other comprehensive income/(Loss) for the period			
Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period)		15,636.72	21,262.26
Earnings per equity share: Face value of ₹ 10 each			
(1) Basic		(2.04)	(0.81)
(2) Diluted		(2.04)	(0.81)
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date.

For SK Bajpai & Co.
Chartered Accountants
Firm Registration No. 004330C

Sarvesh Kumar Bajpai
Partner
Membership No. 073277



UDIN 22073277A SCK P 9795

Place : Bengaluru
Date : August 31, 2022

For McDOWELL HOLDINGS LIMITED

For Mcdowell Holdings Limited

Konduru Prasanth Raju
KONDURU PRASANTH RAJU
RESOLUTION PROFESSIONAL

Konduru Prasanth Raju
Resolution Professional
IBBI/PA-002/IP-N00708/2018-2019/12200
IBBI/PA-002/IP-N00708/2018-2019/12200

Mcdowell Holdings Limited
Statement of Cash Flow for the year ended 31 March 2022

Rupees in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit before tax for the year	(285.03)	(113.66)
Adjustments for:		
Depreciation and amortisation expenses	0.08	0.25
Dividend Received	(35.33)	(120.06)
Interest Expense	187.36	103.60
Profit on sale of Shares	-	-
Profit on sale of Fixed Assets	-	-
Provision for Gratuity	(0.66)	(46.55)
Interest on Fixed Deposits	(0.06)	-
Provision no longer required written back	(7.25)	-
Provision for Diminution in the value of Investments	-	-
Operating cash flows before working capital changes	(140.89)	(176.42)
Changes in working capital:		
Financial Assets/ Liabilities		
(Increase) / Decrease in receivables	(6.38)	58.08
Increase/(decrease) in payables	(131.87)	(59.58)
Cash flow used in operations	(279.14)	(177.92)
Net Tax (Paid)/Refunds received	-	-
Net cash generated from operating activities (A)	(279.14)	(177.92)
Cash flows from investing activities		
Sale Proceeds of Investments	-	-
Dividend Received	35.33	120.05
Purchase of fixed assets	-	-
Interest on Fixed Deposits Received	0.06	-
Net Cash (used in)/generated from investing activities (B)	35.39	120.05
Cash flows from financing activities		
Repayment of Loan/RECEIPT OF LOAN	238.00	(18.00)
Interest paid	(2.13)	(1.00)
Net Cash (used in)/generated from financing activities (C)	235.87	(19.00)
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	(7.88)	(76.87)
Cash and cash equivalents at the beginning of the year	13.93	90.80
Cash and cash equivalents at the end of the year	6.06	13.93
Reconciliation of cash and cash equivalents as per the cash flow Statement		
Cash and cash equivalents as per the above comprises the following		
Balances with Bank	5.99	13.31
Cash in Hand	0.07	0.62
Balance as per statement of cash flows	6.06	13.93

As per our report of even date.

For S K Bajpai & Co.
Chartered Accountants
Firm Registration No. 004330C

Sarvesh Kumar Bajpai
Partner
Membership No. 073277

UDIN

22073277A@SCKF9795

Place : Bengaluru
Date : August 31, 2022

For Mcdowell Holdings Limited **MCDOWELL HOLDINGS LIMITED**

Konduru Prasanth Raju

Konduru Prasanth Raju
RESOLUTION PROFESSIONAL
Resolution Professional
IBBI/IPA-002/IP-N00708/2018-2019/12200
IBBI/IPA-002/IP-N00708/2018-2019/12200

2. Property Plant and Equipment

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Computers	0.06	0.14
Office Equipment	0.01	0.02
Furniture and Fixtures	0.00	-
Total	0.07	0.16

Particulars	Computers	Office Equipment	Furniture and Fixtures	Computers	Office Equipment	Furniture and Fixtures
Property Plant and Equipment						
Gross Carrying Amount						
At cost at the beginning of the year	0.61	0.08	-	0.03	0.08	33,962
Additions	-	-	-	0.58	-	-
Disposals	-	-	-	-	-	27,369
Gross Block as at March 31, 2021	0.61	0.08	-	0.61	0.08	6,593
Accumulated Depreciation						
Depreciation charge for the year	0.48	0.03	-	0.24	0.03	6,594
Eliminated on the disposal of the assets	-	-	-	-	-	-
closing accumulated depreciation as at March 31	0.48	0.05	-	0.24	0.03	6,594
Net Carrying amount as at March 31, 2021	0.14	0.02	-	0.37	0.04	-
Gross Carrying amount as at March 31, 2021	0.61	0.08	-	0.61	0.08	6,594
Additions	-	-	-	-	-	-
Disposals	0.03	-	-	-	-	-
Closing carrying amount as at March 31, 2021	0.58	0.08	-	0.61	0.08	6,594
Accumulated Depreciation						
Opening accumulated depreciation	0.48	0.05	-	0.24	0.03	6,594
Depreciation charge for the year	0.07	0.01	-	0.23	0.02	-
Eliminated on the disposal of the assets	0.02	-	-	-	-	-
closing accumulated depreciation as at March 31	0.53	0.06	-	0.48	0.05	6,594
Net Carrying amount as at March 31, 2022	0.06	0.01	-	0.14	0.02	-

3. Investments (Non-Current)		As at March 31, 2022				Rs. In Lakhs			
Particulars	Amortised Cost	Fair Value		Subtotal	Others	Total	As at March 31, 2021		Total
		Through Other Comprehensive Income	Through Profit and Loss Account				Designated at Fair Value Through Profit and Loss Account	Amortised Cost	
A1 In India									
Equity Instruments									
Manupure Chemicals & Fertilizers Limited									
UB Engineering Limited	1,087.47	-	-	1,087.47	-	1,087.47	-	-	1,087.47
United Breweries (Holdings) Limited	94,512.11	-	-	94,512.11	-	94,512.11	-	-	94,512.11
United Breweries Limited*	1.27	-	-	1.27	-	1.27	-	-	1.27
Hyderabad Electronics Instruments Limited	-	-	-	-	-	-	-	-	-
Subsidiaries									
Total (Gross)A	95,600.85	-	-	95,600.85	-	95,600.85	-	-	95,600.85
(I) Investments outside India									
(II) Investments in India									
Total (B)									
Less: Impairment loss allowance									
Total (Net)	95,600.85	-	-	95,600.85	-	95,600.85	-	-	95,600.85

Note:

*. In respect of investments in United Breweries Limited is concerned:

i. None of the shares are transferable in view of Enforcement Directorate's order to United Breweries Ltd.

ii. 7,745,000 shares are under pledge to secure the borrowing availed by a erstwhile Group Company, whose dues have been repaid in full.

iii. 18,06,000 shares are under pledge with a lender, whose dues have been repaid in full.

iv. 1,22,667 shares are held in custody of lenders pending their release.

v. 16,71,344 shares were unilaterally transferred by Enforcement Directorate in May'18. In June'21, Enforcement Directorate has transferred these shares to the Recovery Officer II of the Debt Recovery Tribunal

(Refer Notes 24, 25 and 26 for further explanation)

**. In respect of investments in United Breweries (Holdings) Limited is concerned:

i. None of the shares are transferable in view of Enforcement Directorate's order to United Breweries (Holdings) Ltd.

ii. United Breweries (Holdings) Limited has been ordered to be wound up vide High Court of Karnataka dated February 7th 2017 which has been confirmed by the Supreme Court vide order dated 26th October 2020. Owing to this, the Company has written off its investments in United Breweries (Holdings) Ltd. in Financial Year 2020-21.

***. In respect of investments in Mangalore Chemicals and Fertilizers Limited is concerned:

i. 57,219 shares are not transferable in view of their freezing by the depository pursuant to order by stock exchanges.

****. In respect of investments in UB Engineering Limited is concerned:

i. The Honble National Company Law Tribunal (NCLT), Mumbai on 5th December, 2017 had passed an order for Liquidation in view of the liquidation, the investments in this Company has been written off in Financial Year 2018-19

ii. Subsequently a claim for Rs. 1,63,282,187/- has been submitted before the Liquidator of UB Engineering Limited and the same has been accepted by the Liquidator

*****. In respect of investment in Hyderabad Electronics Instruments Limited

In estimating the fair value of an assets, the Company uses quoted prices and market-observable data to the extent it is available. However due to non-availability of the observable inputs in case of investments in Hyderabad Electronics Instruments Limited amounting Rs. 127,000/- no valuation is been done for the same & it is being carried at cost

MOVEMENTS IN SHAREHOLDING DURING THE YEAR		Rs. In Lakhs		
Particulars	FY 2021-22		FY 2020-21	
	No. of shares	Amount	No. of shares	Amount
Sale during the year	-	-	-	-
Mangalore Chemicals & Fertilizers Limited	-	-	-	-
Total	-	-	-	-

4: Other Financial Assets (Non-Current) Particulars	Rs. in Lakhs	Rs. in Lakhs
	As at March 31, 2022	As at March 31, 2021
Security deposits		-
Rent deposits	4.14	4.15
Other Advances	4.14	4.15
Total		

5. Cash and Bank Balances Particulars	Rs. in Lakhs	Rs. in Lakhs
	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents	0.07	0.62
Cash on hand	5.99	13.31
Balances with Banks	6.06	13.93
Total		

6. Other Current Assets Particulars	Rs. in Lakhs	Rs. in Lakhs
	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	-	1.69
Balance with Government authorities	41.52	36.97
TDS Asset and advance tax	48.67	45.13
Others	102.82	102.82
Total	193.00	186.61

7. Equity Share Capital		Rs. In lakhs	
Particulars	As at March 31, 2022	As at March 31, 2021	
Equity Share Capital			
Authorised Share capital:			
15,000,000 (March 31, 2021: 15,000,000) Equity shares of Rs. 10 each	1,500.00	1,500.00	
Issued and subscribed capital comprises:			
13,992,258 (March 31, 2021: 13,992,258) Equity shares of Rs. 10 each	1,399.23	1,399.23	
Total issued, subscribed and fully paid-up share capital	1,399.23	1,399.23	

(f) Movements in equity share capital
Equity share capital

Particulars	As on March 31, 2022		As on March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	139.92	1,399.23	139.92	1,399.23
Add: shares issued during the year				
Balance outstanding as at the end of the year	139.92	1,399.23	139.92	1,399.23

(ii) Rights, preferences and restrictions attached to the 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, 2013.

Particulars	As on March 31, 2022		As on March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10 each fully paid Kingfisher Finvest India Limited *				
Acacia Partners LP	7.76	5.55	7.76	5.55

* The entire holdings of Kingfisher Finvest India Limited (Promoter) in the Company has been transferred from its demat account to the demat account of the Deputy Director, Directorate of Enforcement, Mumbai. We are given to understand that the said transfer has been affected under Rule 4 (f) of the Prevention of Money Laundering (Taking possession of attached and frozen Properties Confirmed by the Adjudicating Authority) Rule, 2013. Further, in June 2021, The Enforcement Directorate transferred these shares to the Recovery Officer II of Debt Recovery Tribunal
(Refer Note 26 for further explanation)

8. Other Equity

Particulars	Share Application Money Pending Allotment	Statutory Reserve	Reserves and Surplus				Retained Earnings	Total
			Securities Premium	General Reserve				
Balance as at April 01, 2020		282.47	1,566.49	3,148.15		50,637.99	55,635.10	
Add: Profit/(loss) for the year					(113.66)			
Add: other comprehensive Income for the year		282.47	1,566.49	3,148.15	21,375.92			
Total Comprehensive Income for the year		282.47	1,566.49	3,148.15	71,900.25		76,897.36	
Appropriation to statutory reserve								
Add: Movement in share option outstanding balance		282.47	1,566.49	3,148.15	71,900.25		76,897.36	
Balance at March 31 2021		282.47	1,566.49	3,148.15		71,900.25	76,897.36	
Balance as at April 01, 2021						(285.03)		
Add: Profit/(loss) for the year					15,921.75			
Add: other comprehensive Income for the year		282.47	1,566.49	3,148.15	87,536.97		92,534.09	
Balance at March 31 2022		282.47	1,566.49	3,148.15		87,536.97	92,534.09	

Securities Premium Reserve :
Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013

9. Other Financial Liabilities (Non-Current)

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Other Payable	20.47	32.25
Total	20.47	32.25

10. Provisions

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Gratuity	-	0.66
Total		0.66
Current		
Gratuity	-	0.00
Income Tax	-	-
Total		0.00

11. Borrowings (Current Liabilities)

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Term Loans:-inter corporate borrowings		
Zuari Agro Chemicals Limited		568.14
PE Data		10.00
PIXIE ENTERPRISES PVT LTD	48.00	
PIXIE ENTERPRISES PVT LTD	25.00	
PIXIE ENTERPRISES PVT LTD	25.00	
SUNSTAR HOTELS AND ESTATES PVT LTD	1,480.01	
SUNSTAR HOTELS AND ESTATES PVT LTD	150.00	
Accrued Interest:-		
Zuari Agro Chemicals Limited		857.91
PE Data		1.57
PIXIE ENTERPRISES PVT LTD	2.39	
PIXIE ENTERPRISES PVT LTD	0.97	
PIXIE ENTERPRISES PVT LTD	0.71	
SUNSTAR HOTELS AND ESTATES PVT LTD	10.85	
SUNSTAR HOTELS AND ESTATES PVT LTD	99.19	
Total	1,842.11	1,437.62

12. Trade Payables (Current Liabilities)

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables		
-outstanding dues of micro enterprises and small enterprises		-
-outstanding dues of creditors other than micro enterprises and small enterprises	1.99	2.12
Total	1.99	2.12

13. Other Current Liabilities

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Employee Benefits payable	0.12	110.52
Statutory due payable	3.40	-
Directors Sitting Fees Payable		2.70
Audit Fees payable	2.70	1.49
Professional tax Payable	0.00	-
Advance Received from Customers		-
Total	6.22	114.71

14. Revenue from Operations

Particulars	Rs. in Lakhs	
	2021-22	2020-21
Operating Revenue		
Dividend Income	35.33	120.06
Consultancy Services	-	80.28
	(i) 35.33	200.34
Other operating revenues		
Profit on Sale of Investments	-	-
	(ii) -	-
Total Revenue from Operations (i+ii)	35.33	200.34

15. Other Income

Particulars	Rs. in Lakhs	
	2021-22	2020-21
Interest on Fixed Deposits	0.06	-
GST Refund	4.10	-
Miscellaneous Income	0.01	-
Provision No Longer Required - Written Back	7.25	-
Excess Gratuity Provision Written Back	0.66	46.55
Total Other Income	12.08	46.55

16. Employee benefit expenses

Particulars	Rs. in Lakhs	
	2021-22	2020-21
Salaries, Wages and bonus	56.25	177.00
Contribution to provident funds and other funds	0.68	7.90
Gratuity	-	-
Total employee benefit expenses	56.93	184.90

17. Finance Cost

Particulars	Rs. in Lakhs	
	2021-22	2020-21
Bank Charges	0.05	0.05
Interest expenses	187.36	103.60
Interest on delayed payment of statutory dues	0.21	0.09
Total Finance Cost	187.62	103.74

18. Other Expenses

Particulars	Rs. in Lakhs	
	2021-22	2020-21
Auditor's Remuneration (Refer Note I below)	3.00	1.65
Advertisements	0.78	1.15
Directors Sitting Fees	5.40	16.60
Legal Charges	1.00	2.20
Professional fees	32.57	4.20
CONTINGENT EXPENSES (Refer Note # 32)	25.00	-
Insurance	1.54	6.31
Printing & Stationery	0.30	1.31
Rates and Taxes	0.77	9.09
Rent	-	3.60
Repairs and maintenance	0.36	0.42
Telephone and communication charges	0.23	1.83
Travel and Conveyance	0.24	1.45
Loss on discarded asset	0.01	-
Secretarial Expenses	10.13	9.84
Miscellaneous Expenses	6.47	12.01
Total Other Expenses	87.80	71.66

Note I: Auditors Remuneration

Particulars	Rs. in Lakhs	
	2021-22	2020-21
(i) Payments to the auditors comprises (net of GST input credit)		
Audit services	3.00	1.40
Limited Review & Certification of Corporate Governance		0.25
Total	3.00	1.65

Notes to the Financial Statements for the year ended 31st March, 2022

COMPANY BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Company Background

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 April 1, 2005.

The Company had obtained registration from the Reserve Bank of India, to carry on the business of a Non-Banking (Non Deposit accepting) Financial Company. On the application of the Company, the Reserve Bank of India has reclassified the Company as a Core Investment Company (CIC) (Exempt Category). Due to the transition into IND AS, the Company is in process of applying to Reserve Bank of India for a proper reclassification.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ("financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], amended thereto and other relevant provisions of the Companies Act 2013 (the Act).

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(b) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) Leases

The company has elected not to recognise right-of-use assets and lease liabilities as stated in IND AS 116 for short term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases in which significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(d) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(e) Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked / restricted for specific purposes.

(f) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Value

The carrying cost of the quoted investment as on the balance sheet date is as under:

Company	: Mangalore Chemicals & Fertilizers Limited
No of shares	: 1,257,186
Cost / share	: Rs. 86.50
Value of investment	: 1,087.47 Lakhs
Symbol	: MANGCHEFER

Company	: United Breweries Limited
No of shares	: 6,345,011
Cost / share	: Rs. 1,489.50
Value of investment	: 94,512.11 Lakhs
Symbol	: UBL
https://www.nseindia.com/get-quotes/	

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Equity investments (other than Investments in subsidiaries)

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue

to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain or loss in the statement of profit and loss.

(iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(v) De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Purchase and sale of investment are accounted at trade date.

(g) Dividend Income

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

(h) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(i) Financial liabilities**i. Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

iii. Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

iv. Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(k) Property, plant and equipment (including Capital Work In Progress)

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Nature of Asset	Estimated useful life
1. Computer	3 years
2. Furniture and Fixtures	10 years

Depreciation rate used by the Company are in line with those specified under Schedule II of the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

Transition to Ind-AS

On transition to IND AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2018 measured as per the previous GAAP and use that carrying value as deemed cost of the property, plant and equipment.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(n) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

Particulars	Rs. in Lakhs	
	FY 2021-22	FY 2020-21
Demand raised by Income tax authorities for AY 2014-15 against which the Company has preferred appeals	141.53	141.53

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

The obligations are presented as current liabilities in the balance sheet since the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

The Company uses the accrual basis of accounting for the purpose of recording transactions. However, in respect of variable Employee Benefits pertaining to any year/s, the same is considered and accounted as and when it becomes due and payable in the subsequent accounting year/s.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity, and
- (b) Defined contribution plans such as provident fund

Gratuity obligations

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible Indian employees of McDowell Holdings Ltd. The Gratuity Plan provides a lump-sum payment to vested employees at the time retirement, death, incapacitation or termination of employment. The amount so paid is based on the respective employee's salary and the tenure of employment with the Company.

The value of Provision of Gratuity as at 1st April 2021 stood at the level of Rs. 66,401.00 as per the actuarial valuation done by Universal Actuaries and Benefits Consultants dated 9th August 2021. However, as on the Balance Sheet date, there were no employees in the Company. The Company had discharged the final settlement to all its Employees and as such no gratuity needed to be provided nor paid, therefore the liability created earlier stands reversed

(i) Defined contribution plans**Provident fund**

The Company makes Provident Fund contributions to publicly administered funds as per local regulations. Such contribution to the provident fund for all employees, are charged to the profit and loss.

(a) Contributed equity**Equity shares are classified as equity.**

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividends

Provision is made for the amount of any dividend declared including dividend distribution tax, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(c) Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(d) Segment Reporting

The Company has been continuing as NBFC - CIG (exempted category) and an unregistered CIC.

Operating segments identified by the Company comprise as under

NIL

The Company is not reporting the operations in an individual segment for internal

(e) Related Party Disclosure

The transactions with related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the yearend are unsecured and interest free other than fixed deposits and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment for receivables. Other variable employee benefits will be considered as and when it is due and payable.

Key Management Personnel - Nil

Other Related Parties:

Sarvamangala Hadapada - Independent Director (till 25th November 2021)
 Sreenivasan Govindaraj - Non - Executive and Non - Independent Director (till 25th November 2021)
 Sriramareddy Theertesh - Independent Director (till 25th November 2021)

(i) Transactions during the year :

Name	Particulars	Rs. In Lakhs	
		FY 2021-22	FY 2020-21
Key Management Personnel	Payment of remuneration for employment	-	9.49
Directors	Sitting Fees	5.40	16.60

(ii) Balances at the year-end :

Name	Particulars	Rs. In Lakhs	
		FY 2021-22	FY 2020-21
Key Management Personnel	Payment of remuneration for employment	-	32.24
Directors	Sitting Fees	-	2.70

NOTE 20: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates are:

- Estimation of fair value of Employee's Share Based Payments
- Fair value of financial instruments
- Provisions and other contingent liabilities
- Provision for tax expenses
- Residual value and useful life of property, plant and equipment

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

NOTE 21: The Hon'ble High Court of Karnataka on 7th February 2017 had passed an order of winding-up on a Promoter Company being United Breweries (Holdings) Ltd. (hereinafter referred to "UBHL"), in which the Company also holds 52,60,002 equity shares. As understood, UBHL had filed an appeal against the said winding up order before the Hon'ble Divisional Bench of High Court of Karnataka The Hon'ble High Court of Karnataka vide order dated 6th March 2020 dismissed this appeal of UBHL. Thereafter, UBHL had filed a Special Leave Petition challenging the order dated 6th March, 2020. The aforementioned Special Leave Petition filed by UBHL was dismissed by an Order dated 26th October, 2020 passed by the Hon'ble Supreme Court of India confirming UBHL's winding up. Meanwhile, the Stock Exchanges have also delisted the shares of UBHL. Considering all these facts, the Company had written off the investments in UBHL (which was previously provided for).

NOTE 22: The Official Liquidator (OL) of UBHL vide an advertisement dated 28th September, 2020 (published in the Times of India (Bangalore Edition) on 30th September 2020) has asked for furnishing of claims by the creditors of UBHL on or before 29th October 2020. Pursuant to the same, the Company has on 27th October 2020 filed its claim of Rs.329.52 crores against UBHL with the OL. The Company has followed up with the OL (including writing a letter in June 2021) for release of the claim. The matter is pending therein

Note 23: Two investee companies being United Breweries Limited (hereinafter referred to "UBL") and UBHL in which the Company holds strategic investments have received orders in May 2016 from Enforcement Directorate (hereinafter referred to as "ED") directing them not to allow the Company to sell / alienate / create third party mortgage rights in any manner on the shares of such investee companies. These investee companies have thereafter written to NSDL and CDSL through their Registrar and Transfer Agent (RTA) to implement the directives of ED.

NOTE 24: The Company's investments include 45,51,000 shares in UBL lying in its demat account which were pledged in favour of erstwhile lenders. As per Company records, as on date no dues are outstanding to these lenders but the pledge on these shares have not been released by them, pursuant to the directions of ED.

NOTE 25: Further, 1,22,667 shares of UBL, (being the balance pledged shares), consequent to invocation by the erstwhile lenders and after liquidation of their dues, are lying in the demat accounts of the said lenders. The Company understands from these lenders that pursuant to the directions of ED, these shares, dividend thereon and also the excess sum recovered by the lenders will not be released by the lenders. The Company has written to the lenders in June and August 2021 to release the dividends and the excess amount retained, who have replied, maintaining their stand that they will act upon ED's directions to release

NOTE 26: The Company's investment of 16,71,344 shares in UBL was unilaterally transferred from the demat account of the Company to the demat account of the Deputy Director, ED, Mumbai on 3rd May, 2018. As per the statutory requirements the Company had intimated the Stock Exchanges. With respect to the same, the Company came to know vide newspaper articles dated 30th May 2021 and 7th June 2021 that pursuant to orders passed by the PMLA court, the ED had transferred 4,13,15,690 UBL shares to the Recovery officer of the DRT for the purpose of sale. The company has written to the ED on 15th June 2021 seeking clarity on its shareholding of 16,71,344 UBL shares. Further, UBL has disclosed to the Stock Exchanges that Heineken N.V. has acquired 3,96,44,346 UBL shares on 23rd June 2021. Further, DRT vide an Order dated 14.06.21 has cancelled the sale of 16,71,344 UBL shares while transferring it back to ED on 11.06.21

The Company also received a letter dated 2nd September 2021 from the ED intimating that 16,71,344 UBL shares belonging to the Company has been transferred to DRT by ED pursuant to the Hon'ble Special Court's order dated 31.12.19 /4.1.20.

The Company vide its letter dated 14th September 2021 sought a clarification from ED, which vide its letter dated 7th October 2021 asked the Company to take up the matter with Recovery Officer-II, DRT. The Company again vide letter dated 17th November 2021 clarified to ED regarding the said shares, who vide its letter dated 25th November 2021 forwarded the Company's letter to DRT for their consideration. The matter is pending.

NOTE 27: On 3rd May 2018, the Deputy Director, ED, Mumbai had transferred a total of 22,00,360 shares of the Company, held by three Promoters, to the ED's demat account from the demat accounts of the respective Promoters. The ED under the PMLA has also attached 2 shares of the Company held by an individual Promoter. The Company has been given to understand now that these Promoters have filed appeals before the Appellate Tribunal under the PMLA against the attachment of its shares in the Company and the appeals are pending. Further, as understood from the letter dated 17th June 2021 of the RTA to the Company, these shares have been transferred by ED to the Recovery Officer of DRT on 4th June 2021. Further, a total of 25,17,189 shares (which total includes the above 22,00,159 shares) of the Company held by two Promoters (included in three Promoters above) has also been attached by an order of attachment dated 21st June 2018 passed by the Recovery Officer, Debt Recovery Tribunal, Bangalore.

NOTE 28: The Company had received a Show Cause Notice dated 3rd July 2018 under the Fugitive Economic Offenders Act 2018 (hereinafter referred to as "FEOA") to show cause why the Company's investments in UBL and UBHL should not be confiscated. The Company has filed its objections in the designated court for FEOA, Mumbai. The matter is still pending in Court.

NOTE 29: In a separate proceeding before the Court of Special Judge for Prevention of Money Laundering Act, 2002 (hereinafter referred to as "PMLA"), an individual promoter of the Company has been declared as a proclaimed offender. Pursuant to this declaration, the Company's investments in UBL and UBHL have been attached under the PMLA. In related proceedings, before the PMLA Court the Company had placed its objections on record. The PMLA Court vide order dated 31st December 2019 lifted the attachment on assets in the name of the individual promoter

NOTE 30: The Company's demat account maintained with Stock Holding Corporation of India has been suspended for debit on the instructions of ED since 29th July 2019. The Company has filed submissions with ED seeking removal of this attachment. Thereafter ED had issued summons pursuant to which details were submitted and a statement has also been given. Further hearings were held by the Enforcement Directorate in which clarification have been submitted and the matter is pending.

NOTE 31: The Company's investments include 57,219 shares in Mangalore Chemicals and Fertilizers Limited (hereinafter referred to as "MCF") which were frozen by the Stock Holding Corporation of India Limited under an instruction from the Stock Exchanges, where the shares of the Company are listed. The Company has filed an appeal before the Securities Appellate Tribunal, Mumbai (hereinafter referred to as "SAT") which is pending adjudication.

NOTE 32: The Company is one of the claimants in an arbitration matter against Zuari Fertilisers & Chemicals Limited (hereinafter referred to as "ZFCL") ZFCL and Zuari Agro Chemicals Ltd (hereinafter referred to as "ZACL"), the respondents. The arbitration proceedings have been concluded and vide the Arbitration Award dated 8th May 2017, the Arbitrator has dismissed the Company's claims and has ordered all the claimants to pay to the respondents costs of a total sum of Rs. 75 lakhs. The appeal filed by the Company against the Arbitration Award before the Hon'ble High Court, Bombay was disposed of in January 2020. The Company has filed an appeal against the aforesaid order before a Division Bench of the Hon'ble High Court, Bombay which is pending. Thereafter in January 2022, the Company has settled this Arbitration directly with ZACL, by making a payment of Rs. 25 Lakhs towards to its share of costs and accordingly this matter stands closed.

NOTE 33: Regarding the dues to ZACL, the Company had entered into a Settlement Agreement dated 17th June, 2019 (herein after referred to as "SA") with ZACL finalizing the quantum of its dues. Prior to this, ZACL had instituted Insolvency proceedings and other associated proceedings for recovery of their dues from the Company. The SA was executed to bring an end to these litigations in various Courts. Pursuant to the SA, the dues of ZACL were partly paid. Alongwith interest the amount outstanding to ZACL as on 31st March 2021 was Rs.14.25 crores only, which was payable within 18 months from the date of SA and non-payment within this period gave a right to ZACL to re-initiate the Insolvency proceedings against the Company. On execution of this SA, all the related proceedings in City Civil Court, Hon'ble Supreme Court, Hon'ble High Court of Karnataka and NCLT (insolvency proceedings) were withdrawn by both the parties. The assets of the Company (being its investments) which could have yielded revenue / income are attached by authorities and are the subject matter of litigations. The continuity of COVID-19 pandemic / lockdowns led to a delay in these matters. The Company was under financial constraints and could only pay a meagre amount of ZACL dues.

The Company's request for extension of time for repayment was not acceded to by ZACL, who sought for payment of the dues. In November 2021, vide a tripartite agreement between ZACL, the Company and Another company (hereinafter referred to as the "Entity"), the total outstanding dues of Rs.14.80 crs of ZACL (upto October 2021) was paid to ZACL by the Entity, in discharge of the liability of the Company to ZACL. Post this payment, the Entity got established as a creditor of the Company. Vide a legal notice in

December 2021, the Entity sought for the repayment of its dues. The Company sought for 6 months' time to make the repayment.

In January 2022, the Entity filed an Application under section 7 of the Insolvency and Bankruptcy Code 2016 against the Company. The NCLT, Bangalore allowed the application and vide order dated 8th April 2022 initiated the Corporate Insolvency Process (CIRP) and appointed an Interim Resolution Professional (IRP).

Certain shareholders have appealed against the NCLT, Bangalore order in NCLAT, Chennai and the same is pending. Some of these shareholders also filed an appeal in the Supreme Court in this matter. The Hon'ble Supreme Court on 22nd July 2022 held that no orders are required to be passed in this appeal and disposed of the same.

NOTE 34: The Company's net worth taking into account the market value of its investments, would be more than adequate to meet all its liabilities and to continue to operate in the future. Accordingly, the Company continues to present its financial statements on the principles applicable to 'going concern'. (Though the Company's cash flows are strained). Exigent circumstances are prevailing upon the company where upon its investments which could generate income has been attached and frozen by the ED. Under these circumstances, the company is finding it difficult to meet its expenses. The required data to ED has been submitted alongwith the fact that the company is unconnected and independent company which has been unnecessarily drawn in to the investigation being carried out in the matter of Kingfisher Airlines Ltd / Dr Vijay Mallya. Till date, the investments have not been de-frozen. The Company's efforts are directed towards resolving these issues.

Note 35: Subsequent to assuming the office, the Interim Resolution Professional (IRP) has appointed a Company Secretary w.e.f 24th May 2022 and a Chief Financial Officer w.e.f 31st May 2022 which have been duly intimated to the Stock Exchanges.

Note 36: The Stock Exchanges have levied fines on the company for non-compliances of Regulations 6(1), 17(1), 33 of SEBI (LODR) Regulations 2015. The Company has regularly submitted for waiver of fines explaining the extraneous situation which has arisen due to the attachment of Company's investments by the ED on which the Company had no control. The Stock Exchanges have sought for compliances before any waiver and the matter is pending therein

NOTE 37: Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Note 38: The limited review for quarter ended 31st December 2021, could not be conducted as the Board of Directors did not have the requisite quorum.

Note 39: GST liability amounting to Rs. 28,66,482/- pertaining to previous financial years relating to Reverse Charge payment was discharged in the current Financial year

NOTE 40: Remuneration to Auditors:

Rs. in Lakhs

Particulars	2021-22	2020-21
Statutory Audit	3.00	1.40
Limited Review & Certification of Corporate Governance Certificate fees	-	0.25

NOTE 41: Details of dues to Micro, Small and Medium Enterprises

Particulars	31 March 2022	31 March 2021
The Principal amount remaining unpaid at the end of the year	Nil	Nil
The Interest Amount remaining unpaid at the end of the year	Nil	Nil
Balance of MSME parties at the end of the year	Nil	Nil

NOTE 42: Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees in Lakhs as per the requirement of Schedule III, unless otherwise stated.

The accompanying notes are an integral part of the Financial Statements
As per our report of even date

For S K Bajpai & Co.
Chartered Accountants
Firm Registration No. 004330C



Sarvesh Kumar Bajpai
Partner
Membership No. 073277
UDIN 22073277A&SCKA9795

For McDowell Holdings Limited
For McDOWELL HOLDINGS LIMITED

Konduru Prasanth Raju

KONDURU PRASANTH RAJU
RESOLUTION PROFESSIONAL
IBBI/IPA-002/IP-NO0708/2018-2019/12200

Konduru Prasanth Raju
Resolution Professional
IBBI/IPA-002/IP-NO0708/2018-2019/12200

Place : Bengaluru (Camp Office)
Date : August 31, 2022