



**McDOWELL HOLDINGS LIMITED**

**Date: 14-08-2017**

The Manager  
Dept. of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street, Mumbai-400001

The Asst. Vice President  
Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block – G  
Bandra-Kurla Complex, Bandra (East)  
Mumbai-400051

**BSE Scrip Code:532852**

**NSE Symbol: MCDHOLDING**

**Sub: Un-audited Financial Results of the Company for the quarter ended 30th June, 2017 and outcome of the Board Meeting.**

Dear Sir,

Pursuant to the provisions under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at its meeting held today have approved the Un-audited Financial Results of the Company together with notes to the financial statement for the quarter ended 30th June, 2017 and took on record the Limited Review Reports of the Statutory Auditors there on. The meeting of the Board of directors concluded at 5: 15 PM today.

A copy of Un-audited Financial Results of the Company for the quarter 30th June, 2017 together with notes on financial statement and Limited Review Reports of the Statutory Auditors the on are enclosed herewith.

The above is for your information and record.

Thanking You

Yours Faithfully

For McDowell Holdings Limited

**Manoj Kumar**  
**DGM-Legal & Company Secretary**

Encl: as above



## McDowell Holdings Limited

Regd. Office: UB Tower, Level 12, UB City, 24 Vittal Mallya Road, Bangalore - 560 001  
Email: mhlinvestor@ubmail.com | website: www.mcdowellholdings.co.in | CIN : L05190KA2004PLC033485

### PART I

### Statement of Unaudited Financial Results for the Quarter Ended June 30, 2017

Rs. Lakhs

PARTICULARS	Three months ended			Year ended
	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
	Unaudited	Unaudited	Unaudited	Audited
<b>1. Income from operations</b>				
(a) Interest and Guarantee Commission	-	-	1.41	-
(b) Dividend income	-	-	-	93.41
<b>Total income from operations</b>	-	-	1.41	93.41
<b>2. Expenses</b>				
(a) Employee benefits expense	9.90	11.46	14.16	59.02
(b) Other expenses	38.14	34.28	15.09	90.37
(c) Depreciation	0.07	0.11	0.08	0.72
(d) Provision for doubtful advances (net)		975.25		492.53
<b>Total expenses</b>	48.11	1,021.10	29.33	642.64
<b>3. Loss from ordinary activities before other income, finance costs and exceptional item</b>	(48.11)	(1,021.10)	(27.92)	(549.23)
4. Other income	0.74	0.62	100.00	14.23
<b>5. Loss from ordinary activities before finance costs and exceptional item</b>	(47.38)	(1,020.48)	72.08	(535.00)
6. Finance costs	89.75	88.77	89.75	360.00
<b>7. Loss before exceptional item &amp; tax</b>	(137.12)	(1,109.24)	(17.67)	(895.00)
8. Exceptional items :				
a. Profit on sale of pledged shares	-	-	-	14,661.42
b. Advances no longer recoverable written off	-	-	-	15,877.10
<b>9. Loss before tax</b>	(137.12)	(1,109.24)	(17.67)	(2,110.69)
10. Tax expense		3.35		3.35
<b>11. Loss for the period / year</b>	(137.12)	(1,112.59)	(17.67)	(2,114.04)
12. Paid-up equity share capital (face value of ` 10/- each, fully paid up)	1,399.23	1,399.23	1,399.23	1,399.23
13. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(456.77)
<b>14. Earnings per share</b> (face value of ` 10/- each) (not annualised)				
(a) Basic & diluted (before exceptional item)	(0.98)	(7.93)	(0.13)	(6.40)
(a) Basic & diluted (after exceptional item)	(0.98)	(7.95)	(0.13)	(15.11)

**McDowell Holdings Limited**

**NOTES**

1. The accompanying Statement of Un-audited Financial Results for the quarter ended on 30th June, 2017 were reviewed and recommended by the Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on 14th August, 2017. The unaudited financial results for the quarter ended on 30<sup>th</sup> June, 2017 is subjected to limited review by the Statutory Auditor of the Company.
2. An application has been made to Reserve Bank of India for reclassification of the Company from a Non-banking Financial Company (NBFC-ND) to a Core Investment Company (CIC) to carry on the business activities as CIC. The Application is still pending disposal.
3. Two investee companies in which the Company holds strategic investments have received notice from Enforcement Directorate (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. The investee companies have written to NSDL and CDSL through their Registrar and Transfer Agent (RTA) to implement the directives of ED. The Company is considering filing a Writ in Hon'ble High Court of Karnataka in this matter.
4. The Hon'ble High Court of Karnataka on 7th February, 2017 had passed an order of winding-up of a Promoter Company. The Company also holds 52,60,002 equity shares of this Promoter Company and is assessing the impact of the winding up order on its shareholding.



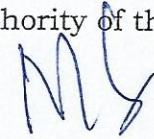
5. The Company's investments include 18,06,000 shares in United Breweries Limited which were pledged in favour of an erstwhile lender. No amount is outstanding as on date. Further, the lender has communicated to the Company that consequent to the directions given by the Enforcement Directorate, the pledged shares cannot be released. The Company is in discussion with the lender for the release of the shares.
6. Certain shares held by the Company in United Breweries Limited were pledged to certain lenders, who had invoked a portion of the shares to liquidate its dues and the balance 1,22,667 shares are lying in the Demat account of the lenders. Further, the lender has communicated to the Company that consequent to the directions given by the Enforcement Directorate, the shares and / or the excess sum recovered by them cannot be released. The Company is in discussion with the lender for the release of the shares.
7. The Company's investments include 1,71,518 shares in Mangalore Chemicals and Fertilizers Limited (MCF) which have been frozen by Stock Holding Corporation of India Ltd under the instruction from the stock exchanges. The Company is in contact with the stock exchanges to defreeze the shares.
8. The Company has dues of Rs. 23.24 crs (includes interest of Rs. 3.24 crs) to Zuari Fertilisers & Chemicals Limited (ZFCL) The Company is in negotiation with ZFCL for an extension of time for repayment and adjustment of these dues. The Company has also sought adjustment of Rs. 9.39 crores which is shown as contingent dues from MCF, a subsidiary company of ZFCL against the above amount.

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9. ZFCL has filed a Petition before the National Company Law Tribunal (NCLT), Bangalore, inter alia against the Company u/s 241, 242, 244, 246 and other provisions of the Companies Act, 2013, alleging mis management of the affairs of Mangalore Chemicals & Fertilisers Ltd. (MCF) and seeking certain reliefs in the form of disinvestment of UB Group's holding in MCF in their favour, and making good the purported losses arising on account of the alleged mismanagement of the affairs of MCF. The matter is pending before NCLT, Bangalore and is fixed for hearing on 24th August, 2017. The Company would be contesting the allegations levied against them.
10. The Company is one of the Claimants in an Arbitration matter against Zuari Fertilizers and Chemicals Ltd (ZFCL) and Zuari Agro Chemicals Ltd (ZACL), the respondents. The arbitration proceeds have been concluded and Arbitration Award dated 8<sup>th</sup> May 2017 . The Arbitrator has dismissed the claims and has ordered the claimants to pay to the respondents as sum of Rs. 75 lacs which is contingent in nature and hence not recognized in books. The Company has filed an appeal against the Arbitration award before the Hon'ble High Court, Bombay.
11. 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'.
12. The Company does not have a Managing Director and Chief Financial Officer. The affairs of the Company in the interregnum are monitored by Executives of the Group, with the guidance of the Group Chairman.

13. Previous year / period's figures have been regrouped, wherever necessary.
14. The qualifications in the Limited Review Report of the Statutory Auditor have been answered in the Note Nos 4,6 and 11 above.
15. The financial results and notes are available on the websites of the Stock Exchanges, viz, [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the website of the Company viz, [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in)

By Authority of the Board



**Director**

Place: Delhi

Date : August 14, 2017

**VISHNU RAM & CO.,**  
CHARTERED ACCOUNTANTS

**LIMITED REVIEW REPORT**

1. We have reviewed the accompanying statement of unaudited financial results of McDowell Holdings Limited, Bangalore, ("the Company") for the period ended June 30, 2017. This statement is the responsibility of the Company's management and it has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. Our review has been confined to the figures shown in the column headed "three months ended June 30, 2017".
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus, provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



**VISHNU RAM & CO.,**  
CHARTERED ACCOUNTANTS

4. Our report on the audited financial statements for the year ending 31<sup>st</sup> March, 2017 was qualified with regard to (i) appropriateness of preparation of financial statement on going concern basis (refer note No. 11) on account of Company's income streams not being sufficient to meet its recurring financial obligations and defaults in repaying the inter-corporate deposits taken by it. Our reservation with regard to appropriateness of preparation of financial statement on going concern basis, continues. (ii) United Breweries (Holdings) Limited, (UBHL) in which the company holds 52,60,002 shares with a carrying value of 10.49 crores has been ordered to be wound up pursuant to an order dated 07-02-2017 of the Honourable High Court of Karnataka. The decline, other than temporary, in the value of such investments as a result of this development has not been quantified and provided for in the accounts. (iii) The company has shown Rs. 0.88 crore as due from a party but the party has not confirmed the same. The possible loss on account of this development has not been recognised in the financial statements.

5. *Emphasis of the matter:*

*Attention is invited to the following:*

a. The pledge created by the company on its 18,06,000 shares in United Breweries Limited (UBL) has not yet been cancelled, even though no amounts are owed to the pledgee (refer Note no. 5).





# VISHNU RAM & CO.,

CHARTERED ACCOUNTANTS

- b. 122,667 shares in United Breweries Limited (UBL) belonging to the company are lying with an erstwhile lenders, who claims that it has been directed by the Enforcement Directorate not to part with those shares (refer Note no.6).
- c. Third party dues of Rs. 11.29 crores owed to a lender, which was secured by the pledge of company's 27,45,000 shares in United Breweries Limited has been cleared after the close of the quarter. However, the lender has not released the security having regard to directive from Enforcement Directorate.
- d. The company holds 63,45,011 shares in United Breweries Limited (UBL) (inclusive of the shares referred to in paragraphs in 6(a), 6(b) and 6(c) above) and 52,60,002 shares in United Breweries (Holdings) Limited (UBHL). Enforcement Directorate has restrained UBL and UBHL from allowing the company to sell/alienate/create any third party mortgage over these shares (refer Note no. 3).
- e. The company continues to be in default of repayment of its matured inter corporate deposit of Rs. 23.24 crores. (refer Note No.8).
6. Based on our review conducted as above and *subject to our observations in paragraphs 4 and 5 above*, we report that nothing else has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable



# VISHNU RAM & CO.,

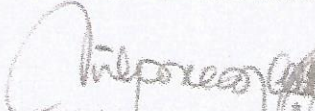
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accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed or that it contains any material misstatement.

Place: Bangalore

Date: 14<sup>th</sup> August, 2017

For Vishnu Ram & Co.,  
Chartered Accountants,

  
(S. Vishnumurthy)  
Proprietor  
Membership No. 22715  
Firm Registration No.004742S

