



## McDOWELL HOLDINGS LIMITED

Date: 10-11-2016

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 and half year ended 30th September, 2016 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 and half year ended 30th September, 2016 and took on record the Limited Review Reports of the Statutory Auditors there on.

A copy of Un-audited Financial Results of the Company for the quarter and half year ended 30th September, 2016 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

*Rs. Lakhs (except Per share data)*

### Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2016

PARTICULARS	Three months ended			Six Months Ended		Year ended
	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	31-Mar-16
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Income from operations</b>						
(a) Interest and Guarantee Commission	1.41	1.41	306.23	2.82	609.13	930.37
(b) Dividend income	93.41		135.63	93.41	135.63	135.63
<b>Total income from operations</b>	<b>94.82</b>	<b>1.41</b>	<b>441.86</b>	<b>96.23</b>	<b>744.76</b>	<b>1,066.00</b>
<b>2. Expenses</b>						
(a) Employee benefits expense	18.94	14.16	14.15	33.10	24.57	49.24
(b) Other expenses	27.03	15.09	28.60	42.12	64.67	86.65
(c) Depreciation	0.29	0.08	-	0.37	-	0.10
(d) Provision for doubtful advances	-	-	-	-	-	1,509.27
(e) Diminution in value of investment	-	-	-	-	-	1,980.74
<b>Total expenses</b>	<b>46.25</b>	<b>29.33</b>	<b>42.74</b>	<b>75.59</b>	<b>89.24</b>	<b>3,626.00</b>
<b>3. Profit/(loss) from ordinary activities before other income, finance costs and exceptional item</b>	<b>48.57</b>	<b>(27.92)</b>	<b>399.12</b>	<b>20.65</b>	<b>655.52</b>	<b>(2,560.00)</b>
<b>4. Other income (provision no longer required)</b>	<b>378.50</b>	<b>100.00</b>	<b>-</b>	<b>478.50</b>	<b>-</b>	<b>-</b>
<b>5. Profit/(loss) from ordinary activities before finance costs and exceptional item</b>	<b>427.07</b>	<b>72.08</b>	<b>399.12</b>	<b>499.14</b>	<b>655.52</b>	<b>(2,560.00)</b>
<b>6. Finance costs</b>	<b>90.74</b>	<b>89.75</b>	<b>399.76</b>	<b>180.49</b>	<b>781.08</b>	<b>1,610.50</b>
<b>7. Profit/(loss) before exceptional item &amp; tax</b>	<b>336.33</b>	<b>(17.67)</b>	<b>(0.64)</b>	<b>318.65</b>	<b>(125.56)</b>	<b>(4,170.50)</b>
<b>8. Exceptional items :</b>						
a. Profit on sale of pledged shares	14,661.42	-	3,313.00	14,661.42	3,313.00	18,973.86
b. Advances no longer recoverable written off	15,877.10	-	-	15,877.10	-	16,572.78
<b>9. Profit / (loss) before tax</b>	<b>(879.36)</b>	<b>(17.67)</b>	<b>3,312.36</b>	<b>(897.04)</b>	<b>3,187.45</b>	<b>(1,769.42)</b>
<b>10. Tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370.00</b>
<b>11. Net Profit / (loss) for the period / year</b>	<b>(879.36)</b>	<b>(17.67)</b>	<b>3,312.36</b>	<b>(897.04)</b>	<b>3,187.45</b>	<b>(2,139.42)</b>
<b>12. Paid-up equity share capital (face value of ` 10/- each, fully paid up)</b>	<b>1,399.23</b>	<b>1,399.23</b>	<b>1,399.23</b>	<b>1,399.23</b>	<b>1,399.23</b>	<b>1,399.23</b>
<b>13. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,794.37</b>
<b>14. Earnings per share (face value of ` 10/- each) (not annualised)</b>						
(a) Basic & diluted (before exceptional item)	2.40	(0.13)	(0.00)	2.28	(0.90)	(29.81)
(a) Basic & diluted (after exceptional item)	(6.28)	(0.13)	23.67	(6.41)	22.78	(15.29)



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Statement of Unaudited Financial Results for the quarter and half year ended September 30, 2016

Rs. Lakhs

PARTICULARS	Three months ended			Six Months Ended		Year ended
	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	31-Mar-16
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1.SEGMENT REVENUE</b>						
Investments	93.41	-	135.63	93.41	135.63	135.63
Financial services	1.41	1.41	306.23	2.82	609.13	930.37
	<b>94.82</b>	<b>1.41</b>	<b>441.86</b>	<b>96.23</b>	<b>744.76</b>	<b>1,066.00</b>
<b>2.SEGMENT RESULTS</b>						
Investments	70.28	(14.66)	114.26	55.61	91.01	67.64
Financial services	(112.46)	(103.01)	(114.90)	(215.47)	(216.57)	(748.13)
<b>Total</b>	<b>(42.19)</b>	<b>(117.67)</b>	<b>(0.64)</b>	<b>(159.86)</b>	<b>(125.56)</b>	<b>(680.49)</b>
Other income (provision no longer required)	378.50	100.00	-	478.50		-
Provision for doubtful advances	-	-	-	-		1,509.27
Diminution in value of investment	-	-	-	-		1,980.74
Exceptional items :						
a. Profit on sale of pledged shares	14,661.42	-	3,313.00	14,661.42	3,313.00	18,973.86
b. Advances no longer recoverable written off	15,877.10	-	-	15,877.10		16,572.78
<b>Profit / (loss) Before Tax</b>	<b>(879.36)</b>	<b>(17.67)</b>	<b>3,312.36</b>	<b>(897.04)</b>	<b>3,187.45</b>	<b>(1,769.42)</b>
<b>3. Segment Assets and Liabilities</b>						
<b>Assets</b>						
Investment	3,083.47	3,592.04	6,084.84	3,083.47	6,084.84	3,592.04
Financial services	1,582.12	2,207.19	11,126.70	1,582.12	11,126.70	2,209.05
<b>Total</b>	<b>4,665.59</b>	<b>5,799.23</b>	<b>17,211.54</b>	<b>4,665.59</b>	<b>17,211.54</b>	<b>5,801.09</b>
<b>Liabilities</b>						
Investment	-	-	-	-	-	-
Financial services	2,369.04	2,623.30	8,690.98	2,369.04	8,690.98	2,607.49
<b>Total</b>	<b>2,369.04</b>	<b>2,623.30</b>	<b>8,690.98</b>	<b>2,369.04</b>	<b>8,690.98</b>	<b>2,607.49</b>



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 Statement of Unaudited Financial Results for the quarter and half year ended September 30, 2016

Rs. Lakhs

STANDALONE STATEMENT OF ASSETS AND LIABILITIES			
Particulars	As at September 30, 2016		As at March 31, 2016
	Unaudited		Audited
<b>I. Equity and Liabilities</b>			
<b>1.Shareholders' Funds:</b>			
a. Share Capital	1,399.23		1,399.23
b. Reserves and Surplus	897.33		1,794.37
<b>2. Current Liabilities</b>			
a. Long-term borrowings	-		-
b. Other long term Liabilities	-		-
<b>2. Current Liabilities</b>			
a. Short-term borrowings	2,000.00		2,000.00
b. Other Current Liabilities	143.78		105.09
c. Short term provision	225.26		502.40
	<b>4,665.60</b>		<b>5,801.09</b>
<b>II. Assets</b>			
<b>1. Non-current Assets</b>			
a. Tangible assets	0.53		0.39
b. Non Current Investments	3,083.47		3,592.04
<b>2. Current Assets</b>			
a. Trade Receivables	49.96		46.73
b. Cash and Cash Equivalent	83.55		14.78
c. Short term Loans and Advances	396.42		396.42
d. Other current assets	1,051.67		1,750.73
	<b>4,665.60</b>		<b>5,801.09</b>

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**McDowell Holdings Limited**

**NOTES**

1. The accompanying Statement of Un-audited Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 10<sup>th</sup> November, 2016. It is reviewed by the Statutory Auditor of the Company.
2. The Company had given a Corporate Guarantee and pledged securities in favour of a Lender to secure the borrowing of a Group Company and an erstwhile Group Company. The said lender had invoked the Corporate Guarantee and demanded repayment of loans. During this quarter, the Lender has invoked and sold the pledged securities and the proceeds thereof amounting to Rs. 151.55 crs and the cash margin of Rs. 7.22 crs has been utilized by the Lender to liquidate the loan of the Group Company. The Company has written off the same in the books. As regards the borrowing of the erstwhile Group Company, the Company continues to treat Rs. 33.87 crores as contingent in nature.
3. 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 pending disposal.
4. 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

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companies have written to NSDL and CDSL through its RTA to implement the directives of ED.

5. The Company is carrying 77,452 shares of United Breweries Limited as its investments. These were pledged to a lender, who had invoked a larger number of shares to liquidate its dues. The above-referred balance shares (out of the total invoked shares) are lying in the demat account of the lender. The Company is in discussion with the lender for the release of the shares.
6. The Company has dues of Rs. 20 crores to Zuari Fertilisers & Chemicals Limited (along with interest thereon). The lender has sought for the repayment. The Company is in negotiation for renewal of the dues.
7. The Company's net worth taking into account the market value of its balance 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'.
8. The Company does not have a Managing Director and a 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.
9. Previous year/periods figures have been regrouped wherever necessary.
10. The qualifications in the Limited Review Report of the Statutory Auditor are answered in the Note Nos 2 and 7 above.

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11. The financial results and notes are also 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

Place : Bangalore

Date : November 10, 2016



N Srinivasan

**Director**

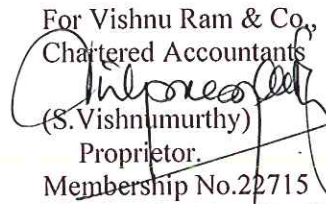
# VISHNU RAM & CO.,

CHARTERED ACCOUNTANTS

## LIMITED REVIEW REPORT

1. We have reviewed the accompanying statement of unaudited financial results of McDowell Holdings Limited, Bangalore for the period ended September 30, 2016. This statement is the responsibility of the Company's management and 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 September 30, 2016" and "for the six months ended September 30, 2016".
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.
4. *In our report on the audited financial statements for the year ending 31.03.2016, we had qualified our report with regard to (i) invocation of the company's corporate guarantee by a lender to whom they were given to secure its lending to certain third parties (Ref note no. 2) and (ii) appropriateness of preparation of financial statements on going concern basis (Ref note no. 7). During the quarter, the lender referred to above has invoked the pledge on the shares offered as securities and has disposed them of. It has appropriated the sale proceeds to the extent of Rs. 151.55 crore and cash margin of Rs. 7.22 crore against the borrowing due from the borrower. The company has written off such amounts as irrecoverable (Ref note no. 2).*
5. *Attention is invited to Note no. 5 regarding 77,452 shares of United Breweries Limited lying with and held in the name of a third party.*
6. Attention is invited to note no 6 regarding non-payment of dues on due date..
7. Based on our review conducted as above and *subject to our observations in paragraphs 4 to 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 accounting standards and other recognised 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 : 10-11-2016

For Vishnu Ram & Co.,  
Chartered Accountants  
  
(S. Vishnumurthy)  
Proprietor.  
Membership No. 22715  
Firm Registration No. 004742S

