



McDOWELL HOLDINGS LIMITED

Date: 17-05-2018

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: Audited Financial Results of the Company for the year ended 31st March 2018 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 Audited Financial Results of the Company together with notes to the financial statement for the quarter and year ended 31st March, 2018 and took on record the Audit Reports of the Statutory Auditors there on.

A copy of Audited Financial Results of the Company for the quarter and year ended 31st March, 2018 together with notes on financial statement and Audit Reports of the Statutory Auditors are enclosed herewith.

The Auditors have issued their Report with modified (qualified) opinion on the Financial Statements for the year ended March 31, 2018. Statement on impact of audit qualification for the year ended 31st March, 2018 as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 is enclosed. The Board Meeting commenced at 03:30 PM and concluded at 7: 15 PM.

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 Audited Financial Results for the Quarter and Year Ended March 31, 2018

PARTICULARS	Three months ended			Year ended	Year ended
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	Unaudited	Unaudited	Unaudited	Audited	Audited
1. Income from operations					
Dividend income	0.00	100.69	-	100.69	93.41
2. Other income	2.08	0.10	0.62	3.27	14.23
Total income from operations	2.08	100.79	0.62	103.96	107.64
3. Expenses					
(a) Employee benefits expense	14.59	17.44	11.46	60.68	59.02
(b) Finance Costs	-	-	88.77	89.75	360.00
(c) Other expenses	21.45	35.50	34.28	114.08	90.37
(d) Depreciation	0.07	0.07	0.11	0.29	0.72
(e) Provision for doubtful advances (net)	-	-	975.25	-	492.53
Total expenses	36.10	53.01	1,109.87	264.80	1,002.64
4. (Loss) before exceptional item & tax	(34.02)	47.78	(1,109.25)	(160.84)	(895.00)
5. Exceptional items :					
a. Profit on sale of pledged shares	-	-	-	-	14,661.42
b. Advances no longer recoverable written off	-	-	-	-	15,877.10
6. (Loss) before tax	(34.02)	47.78	(1,109.25)	(160.84)	(2,110.69)
7. Tax expense	(0.10)	-	3.35	(0.10)	3.35
8. (Loss) for the period / year	(33.93)	47.78	(1,112.60)	(160.74)	(2,114.04)
9. 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	1,399.23
10. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-
11. Earnings per share (face value of ` 10/- each) (not annualised)					
(a) Basic & diluted (before exceptional item)	(0.24)	0.34	(7.95)	(1.15)	(6.40)
(a) Basic & diluted (after exceptional item)	(0.24)	0.34	(7.95)	(1.15)	(15.11)



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Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2018

Rs. Lakhs

PARTICULARS	Three months ended			Year ended	Year ended
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	Unaudited	Unaudited	Unaudited	Audited	Audited
1.SEGMENT REVENUE					
Investments	-	100.69	-	100.69	93.41
Financial services	-	-	-	-	-
	-	100.69	-	100.69	93.41
2.SEGMENT RESULTS					
Investments	(18.05)	74.19	(22.92)	13.17	18.36
Financial services	(18.05)	(26.51)	(111.69)	(177.28)	(435.05)
Total	(36.10)	47.68	(134.62)	(164.11)	(416.69)
Other income	2.08	0.10	(482.10)	3.27	14.23
Provision for doubtful advances (net)	-	-	492.53	-	492.53
Diminution in value of investment	-	-	-	-	-
Exceptional items :					
a. Profit on sale of pledged shares	-	-	-	-	14,661.42
b. Advances no longer recoverable written off	-	-	-	-	15,877.10
Loss Before Tax	(34.02)	47.78	(1,109.25)	(160.85)	(2,110.69)
3. CAPITAL EMPLOYED					
Investments	3,083.47	3,083.47	3,083.47	3,083.47	3,083.47
Financial services	(2,177.10)	(2,130.22)	(2,003.90)	(2,164.65)	(2,003.90)
Total	906.37	953.25	1,079.57	918.83	1,079.57
3. Segment Assets and Liabilities					
Assets					
Investment	3,083.47	3,083.47	3,083.47	3,083.47	3,083.47
Financial services	317.69	365.10	418.36	330.14	418.36
Total	3,401.16	3,448.57	3,501.84	3,413.62	3,501.84
Liabilities					
Investment	-	-	-	-	-
Financial services	2,494.79	2,495.32	2,422.27	2,494.79	2,422.27
Total	2,494.79	2,495.32	2,422.27	2,494.79	2,422.27



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STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Rs. Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
I. Equity and Liabilities		
1. Shareholders' Funds:		
a. Share Capital	1,399.23	1,399.23
b. Reserves and Surplus	(480.40)	(319.65)
2. Current Liabilities		
a. Long-term borrowings		
b. Other long term Liabilities		
2. Current Liabilities		
a. Short-term borrowings	2,000.00	2,000.00
b. Other Current Liabilities	347.73	275.18
c. Short term provision	147.06	147.09
	3,413.62	3,501.85
II. Assets		
1. Non-current Assets		
a. Tangible assets	0.54	0.83
b. Non Current Investments	3,083.47	3,083.47
2. Current Assets		
a. Trade Receivables	-	-
b. Cash and Cash Equivalents	30.63	116.07
c. Short term Loans and Advances	183.26	184.11
d. Other current assets	115.72	117.37
	3,413.62	3,501.85



McDowell Holdings Limited

NOTES

1. The accompanying Statement of Audited Financial Results for the year ended 31st March, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 17th May, 2018 and has been audited by the Statutory Auditor of the Company.
2. On the application of the Company the Reserve Bank of India has reclassified the Company as a Core Investment Company (CIC).
3. Two investee companies in which the Company holds strategic investments have received an order 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. The investee companies have written to NSDL and CDSL through their Registrar and Transfer Agent to implement the directives of ED. The Company is in the process of taking appropriate steps in consulting with the lawyers to deal with the matter.
4. The Hon'ble High Court of Karnataka on 7th February, 2017 had passed an order of winding-up of a Promoter Company, in which the Company also holds 52,60,002 equity shares. The impact of the winding up order on the shareholding in this Promoter Company is being assessed, pending the appeal filed in the Hon'ble High Court of Karnataka by the Promoter Company.
5. The Company's investments include 45,51,000 shares in United Breweries Limited (hereinafter referred to as UBL) which were pledged in favour of erstwhile lenders. As on date no dues are outstanding to these lenders but the pledge on these shares have not been released. The lenders have communicated to the Company that consequent to the order of Enforcement Directorate the pledge on these shares cannot be released. The Company is in the process of taking appropriate steps in consulting with the lawyers to deal with the matter.



6. 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 lenders have communicated to the Company that consequent to the order of Enforcement Directorate these shares, dividend thereon and the excess sum recovered by them cannot be released. The Company is in the process of taking appropriate steps in consulting with the lawyers to deal with the matter.
7. The Company's investments include 1,71,518 shares in Mangalore Chemicals and Fertilizers Limited (hereinafter referred to as MCF) which have been frozen by Stock Holding Corporation of India Ltd under an instruction from the National Stock Exchange (NSE), where the shares of the Company are listed. The Company has made a representation before NSE & Securities and Exchange Board of India (SEBI) for defreezing the said shares.
8. The Company has dues of Rs. 23.24 crores (includes interest of Rs. 3.24 crores) as on 30th June, 2017 to Zuari Fertilisers & Chemicals Limited (hereinafter referred to as ZFCL). The Company has sought adjustment of Rs. 9.39 crores (which is shown as contingent dues from Mangalore Chemicals & Fertilisers Limited, a subsidiary company of ZFCL) against the above dues. ZFCL has also filed a petition in NCLT (note no.11). In view of the pendency of this NCLT matter and the fact that the Company has sought adjustment of Rs. 9.39 crores, the interest on the principal amount of Rs. 20 crores shall be accounted on the basis of the outcome of the said NCLT matter.
9. Zuari Fertilisers & Chemicals Limited has filed a Petition before the National Company Law Tribunal (NCLT), Bangalore, inter alia against McDowell Holdings Limited u/s 241, 242, 244, 246 and other provisions of Companies Act, 2013, alleging mismanagement of the affairs of Mangalore Chemicals & Fertilizers 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 25th May, 2018.



10. The Company is one of the Claimants in an Arbitration matter against ZFCL and Zuari Agro Chemicals Ltd (hereinafter referred to as ZACL), the respondents. The arbitration proceeds have been concluded and vide the Arbitration Award dated 8th May 2017, the Arbitrator has dismissed the Company's claims and has ordered the claimants to pay to the respondents a sum of Rs. 75 lakhs. The appeal filed by the Company against the Arbitration award before the Hon'ble High Court, Bombay is pending and thus the said amount is treated as contingent in nature.
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. The Company has appointed a Chief Financial Officer on 23rd March 2018. The affairs of the Company in the interregnum are monitored by executives of the Group, under the guidance of the Group Chairman.
13. The Hon'ble National Company Law Tribunal (NCLT), Mumbai on 5th December, 2017 had passed an order for Liquidation of a Promotee Company, in which the Company also holds 4,52,243 equity shares. The impact of the order on the shareholding in this Promotee Company is being assessed.

Events occurring after the date of the Balance sheet

14. The company's investment of 16,71,344 shares in United Breweries Limited has been unilaterally transferred from the Demat account of the company to the Demat account of the Deputy Director, Enforcement Directorate, Mumbai on 3rd May, 2018. On the same day, a total of 5,99,640 shares in the company held by three Promoters has also been transferred from their respective Demat account to the Demat account of the Deputy Director, Enforcement Directorate, Mumbai. The company is consulting the lawyers for the next course of action.



15. Previous year / periods figures have been regrouped wherever necessary.

16. The qualifications in the Limited Review Report of the Statutory Auditor are answered in the Note Nos 4, 11 and 13 above.

17. The financial results and notes are also available on the websites of the Stocks Exchanges, viz, www.bseindia.com and www.nseindia.com and also on the website of the Company viz, www.mcdowellholdings.co.in

By Authority of the Board


Chairman



Place: Bangalore

Date : May 17, 2018



BVC & Co.
Chartered Accountants

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Web : www.bvcglobal.com

Head Office : No. 371, 1st Floor, 8th Main Road,
Sadashivanagar, Bangalore - 560 080
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Karavali Junction NH-66, Udupi-576103
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INDEPENDENT AUDITOR'S REPORT

(Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Board of Directors of
McDOWELL HOLDINGS LIMITED.

1. We have audited the Statement of Financial Results ('the Statement') of **McDOWELL HOLDINGS LIMITED** ('the Company') for the year ended 31st March, 2018, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31st March, 2018 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

This Statement has been prepared by the Company on the basis of the financial statements and reviewed quarterly financial results up to the end of the third quarter, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company. Our responsibility is to express an opinion on this Statement based on our audit of the financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our qualified opinion.
3. *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-corporate deposits taken by it. These factors have adversely affected the going concern assumptions used*



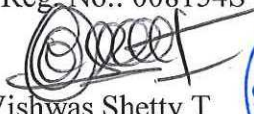


in the preparation of financial statements. However, for the reasons stated in note no. 11, the Company continues to prepare its financial statements on going concern basis.

- b. *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 (refer Note No. 4)*
- c. *UB Engineering Limited in which company holds 4,52,243 shares with a book value of Rs. 1.90 crores has been ordered for liquidation pursuant to an order dated 05-12-2017 of the Honourable National Company Law Tribunal (NCLT), Mumbai. 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 (refer note no. 13).*
4. In our opinion and to the best of our information and according to the explanations given to us, these financial results:
- (a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in this regards
- (b) *except for the effects of the matter described in the paragraph 3 above, give a true and fair view of the net loss and other financial information for the year ended 31st March 2018.*
5. Further as mentioned above, we report that the figures for the quarter ended March 31, 2018 represents the derived figures between the audited figures in respect of financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017 being the date of the end of the third quarter of the current financial year, which were subjected to limited review as stated in paragraph 1 above as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Bangalore
Date : 17-05-2018

For B V C & Co.,
Chartered Accountants,
Firm Reg. No.: 008154S


CA Vishwas Shetty T
Partner
Membership No.218619



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ANNEXURE - I

Amounts in Rs. Lakhs

Statement on Impact of Audit Qualification for the Year Ended March 31, 2018
[see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl.No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjustment for Audit Qualifications	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	103.96	-	104
	2	Total Expenditure *	264.71	1,239	1,504
	3	Exceptional item	-	-	-
	4	Net Profit / (Loss)	(160.74)	(1,239)	(1,400)
	5	Earnings Per Share		-	
		a. Basic / Diluted earning per share (before exceptional item)	(1.15)	-	(15.25)
		b. Basic / Diluted earning per share (after exceptional item)	(1.15)	-	(10.01)
	6	Total Assets	3,414	(1,239)	2,174
	7	Total Liabilities	2,495	-	2,495
	8	Net Worth	919	(1,239)	(321)
	9	Any other financial item(s) (as felt appropriate by the management)			
		* Expenditure includes the following :			
		a. Provision for doubtful advances and receivables	-	-	-
		b. Advances no longer recoverable	-	-	-

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

i. The Company's income streams are not sufficient to meet its recurring financial obligations. The Company has defaulted in repaying the inter-corporate deposits taken by it. These factors have adversely affected the going concern assumptions used in the preparation of financial statements.

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. UB Engineering Limited in which company holds 4,52,243 shares with a book value of Rs. 1.90 crores has been ordered for liquidation pursuant to an order dated 05-12-2017 of the Honourable National Company Law Tribunal (NCLT), Mumbai. 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

b. Type of Audit Qualification : **All three are Qualified Opinion**

c. Frequency of qualification :

1. Point a (i) - Repetitive since FY 2013-14
2. Point a (ii) - Repetitive since FY 2016-17
3. Point a (iii) - First time FY 2017-18

d. For Audit Qualification(s) where the Impact is quantified by the auditor, Management's views:

Management View:

For Qualification a (ii) above : **The Company is yet to assess the impact of the winding up order.**

For Qualification a (iii) above : **The Company is yet to assess the impact of the winding up order.**

e. For Audit Qualification(s) where the Impact is not quantified by the auditor: -

(i) Management's estimation on the Impact of audit qualification:

For Qualification (i) above : **Not ascertained**

(ii) If management is unable to estimate the Impact, reasons for the same: - **Not Applicable**

(iii) Auditors' Comments on (i) or (ii) above:



III. Signatories:

- Audit Committee Chairman :
M S Kapur
- Director
Nitin Kochhar
- Director :
Tushita Patel
- Statutory Auditor:
Vishwas Shetty T
Partner, B V C & Co.

MS

Shetty
Tushita Patel

Vishwas Shetty T

Place : Bengaluru
Date : May 17, 2018

