



McDOWELL HOLDINGS LIMITED

Date: 14-02-2017

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 and Nine months ended 31st December 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 nine months ended 31st December, 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 nine months ended 31st December, 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 Ended December 31, 2016

PARTICULARS	Three months ended			Nine Months Ended		Year ended
	31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income from operations						
(a) Interest and Guarantee Commission	1.41	1.41	319.06	4.22	928.19	930.37
(b) Dividend income	-	93.41	-	93.41	135.53	135.63
Total income from operations	1.41	94.82	319.06	97.63	1,063.82	1,066.00
2. Expenses						
(a) Employee benefits expense	14.45	18.94	11.78	47.56	36.35	49.24
(b) Other expenses	13.97	27.03	5.22	56.09	69.90	86.65
(c) Depreciation	0.24	0.29	-	0.60	-	0.10
(d) Provision for doubtful advances	-	-	-	-	-	1,509.27
(e) Diminution in value of investment	-	-	-	-	-	1,980.74
Total expenses	28.66	46.25	17.00	104.25	106.25	3,626.00
3. Profit/(loss) from ordinary activities before other income, finance costs and exceptional item	(27.26)	48.57	302.06	(6.62)	957.57	(2,560.00)
4. Other income (includes provision no longer required)	13.62	378.50	-	492.11	-	-
5. Profit/(loss) from ordinary activities before finance costs and exceptional item	(13.64)	427.07	302.06	485.49	957.57	(2,560.00)
6. Finance costs	90.74	90.74	414.81	271.23	1,195.89	1,610.50
7. Profit/(loss) before exceptional item & tax	(104.37)	336.33	(112.76)	214.26	(238.32)	(4,170.50)
8. Exceptional items :						
a. Profit on sale of pledged shares	-	14,661.42	3,827.15	14,661.42	7,140.16	18,973.86
b. Advances no longer recoverable written off	-	15,877.10	-	15,877.10	-	16,572.78
9. Profit / (loss) before tax	(104.37)	(879.36)	3,714.39	(1,001.43)	6,901.84	(1,769.42)
10. Tax expense	-	-	-	-	-	370.00
11. Net Profit / (loss) for the period / year	(104.37)	(879.36)	3,714.39	(1,001.43)	6,901.84	(2,139.42)
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	1,399.23	1,399.23
13. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	1,794.37
14. Earnings per share (face value of ` 10/- each) (not annualised)						
(a) Basic & diluted (before exceptional item)	(0.75)	2.40	(0.81)	1.53	(1.70)	(29.81)
(a) Basic & diluted (after exceptional item)	(0.75)	(6.28)	26.55	(7.16)	49.33	(15.29)



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Statement of Unaudited Financial Results for the quarter ended December 31, 2016

Rs. Lakhs

PARTICULARS	Three months ended			Nine Months Ended		Year ended
	31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.SEGMENT REVENUE						
Investments	-	93.41	-	93.41	135.63	135.63
Financial services	1.41	1.41	319.06	4.22	928.19	930.37
	1.41	94.82	319.06	97.63	1,063.82	1,066.00
2.SEGMENT RESULTS						
Investments	(14.33)	70.28	(8.51)	41.28	82.50	67.64
Financial services	(103.66)	(112.46)	(104.25)	(319.13)	(320.84)	(748.13)
Total	(117.99)	(42.19)	(112.76)	(277.85)	(238.32)	(680.49)
Other income (includes provision no longer required)	13.62	378.50	-	492.11	-	-
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	3,827.15	14,661.42	7,140.16	18,973.86
b. Advances no longer recoverable written off	-	15,877.10	-	15,877.10	-	16,572.78
Profit / (loss) Before Tax	(104.37)	(879.36)	3,714.39	(1,001.43)	6,901.84	(1,769.42)
3. Segment Assets and Liabilities						
Assets						
Investment	3,083.47	3,083.47	5,971.05	3,083.47	5,971.05	3,592.04
Financial services	1,534.39	1,582.12	15,262.60	1,534.39	15,262.60	2,209.05
Total	4,617.86	4,665.59	21,233.65	4,617.86	21,233.65	5,801.09
Liabilities						
Investment	-	-	-	-	-	-
Financial services	2,425.69	2,369.04	8,998.82	2,425.69	8,998.82	2,607.49
Total	2,425.69	2,369.04	8,998.82	2,425.69	8,998.82	2,607.49



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Statement of Unaudited Financial Results for the quarter ended December 31, 2016

Rs. Lakhs

STANDALONE STATEMENT OF ASSETS AND LIABILITIES			
Particulars	As at December 31, 2016		As at March 31, 2016
	Unaudited		Audited
I. Equity and Liabilities			
1. Shareholders' Funds:			
a. Share Capital	1,399.23		1,399.23
b. Reserves and Surplus	792.95		1,794.37
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	200.42		105.09
c. Short term provision	225.26		502.40
	4,617.86		5,801.09
II. Assets			
1. Non-current Assets			
a. Tangible assets	0.29		0.39
b. Non Current Investments	3,083.47		3,592.04
2. Current Assets			
a. Trade Receivables	51.58		46.73
b. Cash and Cash Equivalents	160.75		14.78
c. Short term Loans and Advances	266.73		396.42
d. Other current assets	1,055.04		1,750.73
	4,617.86		5,801.09



McDowell Holdings Limited

NOTES

1. The accompanying Statement of Un-audited Financial Results for the period ended 31st December, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14th February, 2017. 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 the previous quarter, the Lender had 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 were 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 the outstanding of Rs. 33.87 crs 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 companies have written to NSDL and CDSL through their RTA to implement the directives of ED.
5. The Hon'ble High Court of Karnataka on 7th February, 2017 had passed an order of winding-up on United Breweries (Holdings) Limited (UBHL) a promoter Company. The Company also holds 52,60,002 equity shares in the paid up capital of UBHL and is assessing the impact of the winding up on its shareholding.
6. The Company's investment 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 but the lender has not released the pledge on the said shares. The Company is in discussion with the lender to release the pledge on these shares.
7. Certain shares held by the Company in United Breweries Limited were pledged to a Lender, who had invoked a portion of the shares to liquidate its dues and the balance 77,452 shares (out of the total invoked shares) are lying in the demat account of the said Lender. The Company is in discussion with the lender for the release of the shares.



8. The Company has dues of Rs. 21.63 crs (including interest) to Zuari Fertilisers & Chemicals Limited. The Company is in negotiation with the lender for an extension of time for repayment and adjustment of these dues.
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 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 mis management of the affairs of MCF. The matter is pending before NCLT, Bangalore and is fixed for hearing on March 8, 2017. The Company would be contesting the allegations levied against them.
10. 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'.
11. 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.



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

13. The qualifications in the Limited Review Report of the Statutory Auditor are answered in the Note Nos 2,5 and 10 above.

14. 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



Tushita Patel

Tushita Patel
Director

Place: Bangalore

Date : February 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 December 31, 2016. 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 December 31, 2016" and "for the nine months ended December 31, 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.



VISHNU RAM & CO.,
CHARTERED ACCOUNTANTS

4. *Our report on the audited financial statements for the year ending 31st March, 2016 was qualified with regard to (i) invocation of the company's corporate guarantee by a lender to whom it was given to secure its lending to certain third parties (refer Note no.2) and (ii) appropriateness of preparation of financial statement on going concern basis (refer note No.10). On account of defaults by one of those third parties, the lender has recovered the dues by disposing of the shares pledged by the company, in addition to appropriating the cash margin provided by the company. The total amount thus recovered was Rs. 158.77 crores. This has been written off by the company as being doubtful of recovery from the borrowing third party (refer note no.2). These transactions took place during the quarter ending 30th September, 2016 and has duly been reported in our limited review report on the un-audited financial results for the said quarter. Our reservation with regard to appropriateness of preparation of financial statement on going concern basis, continues.*
5. *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 is yet to be quantified and provided for, in the accounts (refer Note No. 5).*



VISHNU RAM & CO.,
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6. *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 pledge (refer Note no. 6) .*
- b. *77,452 shares in United Breweries Limited (UBL) belonging to the company are lying with an erstwhile lender, who claims that it has been directed by the Enforcement Directorate not to part with those shares (refer Note no. 7).*
- c. *27,45,000 shares in United Breweries Limited stands pledged in favour of a lender to secure third party dues of Rs. 33.87 crores (refer Note no. 2).*
- 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. 4).*
- e. *The company continues to be in default of repayment of its matured inter corporate deposit of Rs. 21.63 crores. (refer Note No. 8).*



VISHNU RAM & CO.,
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7. 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 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: 14th February, 2017

For Vishnu Ram & Co.,
Chartered Accountants,


(S. Vishnumurthy)
Proprietor



Membership No. 22715
Firm Registration No.004742S