

**McDOWELL HOLDINGS LIMITED**

Date: 26-06-2020

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 31<sup>st</sup> March, 2020 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 their meeting held today (26.06.2020) have approved inter-alia the Audited Standalone Financial Results of the Company for the quarter and year ended 31<sup>st</sup> March 2020.

Time of commencement of Board Meeting : 3.00 PM  
Time of conclusion of the Board Meeting : 4:30 PM

A copy of the Audited Financial Results of the Company together with notes thereon for the quarter and year ended 31<sup>st</sup> March, 2020 and Auditor's Report of the Statutory Auditors for the period ended 31<sup>st</sup> March, 2020 are enclosed herewith.

The above is for your information and record.

Thanking you,

Yours faithfully,  
For **McDowell Holdings Limited**



**Arindam Ash**  
**Chief Financial Officer**

Encl: as above

McDOWELL HOLDINGS LIMITED

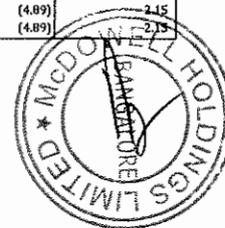
Regd. Office: UB Tower, Level 12, UB City, 24 Vittal Mallya Road, Bangalore - 560 001  
Email: mhlinvestor@ubmail.com | website: www.mcdowellholdings.co.in | CIN : L05190KA2004PLC033485

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020

Figs. In Rs.

Particulars	3 months ended			Year to date figures for the period ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>I. Revenue from Operations</b>					
(i). Interest Income	-	-	-	-	-
(ii). Dividend Income	-	12,57,186	-	1,26,34,686	1,49,28,828
(iii). Rental Income	-	-	-	-	-
(iv). Fees and commission Income	-	-	-	-	-
(v) Net gain on fair value changes	-	-	-	-	-
(vi) Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	-
(vii) Sale of products (including Excise Duty)	-	-	-	-	-
(viii) Service Income	1,50,00,000	-	-	1,50,00,000	-
(ix) Others	11,054	-	-	11,054	-
<b>(I) Total Revenue from operations</b>	<b>1,50,11,054</b>	<b>12,57,186</b>	<b>-</b>	<b>2,76,45,740</b>	<b>1,49,28,828</b>
<b>II. Other Income</b>					
Provision no longer required written back	12,28,500	-	51,888	9,51,71,690	51,888
Excess Gratuity Provision Written Back	26,658	-	-	-	-
Bad Advances Recovered	10,00,000	-	-	10,00,000	-
Interest on Income tax refund	275	-	4,77,552	275	4,77,552
Interest on fixed deposit	-	16,219	2,28,426	3,92,618	2,59,283
<b>(II) Total Other Income</b>	<b>22,55,433</b>	<b>16,219</b>	<b>7,57,866</b>	<b>9,65,64,583</b>	<b>7,88,723</b>
<b>III. Total Income (I+II)</b>	<b>1,72,66,487</b>	<b>12,73,405</b>	<b>7,57,866</b>	<b>12,42,10,323</b>	<b>1,57,17,551</b>
<b>IV. Expenses</b>					
(a). Finance costs	26,15,480	26,63,332	1,46,712	6,05,86,840	2,96,685
(b) Fees and commission expense	-	-	-	-	-
(c) Net loss on fair value changes	-	-	-	-	-
(d) Net loss on derecognition of financial instruments under amortised cost category	-	-	-	-	-
(e) Impairment on financial instruments	-	-	-	-	-
(f) Cost of materials consumed	-	-	-	-	-
(g) Purchases of stock-in-trade	-	-	-	-	-
(h) Changes in inventories of finished goods, stock-in-trade and work-in-progress	-	-	-	-	-
(i). Employee benefit expenses	1,09,06,694	1,73,60,919	1,00,08,926	5,62,72,835	1,96,17,609
(j). Depreciation	10,522	12,720	5,232	34,503	18,446
(k). Other expenses					
(i). Travel and communication expenses	2,82,412	4,53,650	8,34,923	22,60,479	15,40,558
(ii). Secretarial expenses	1,26,590	1,76,615	1,23,576	5,23,385	4,38,244
(iii). Printing & stationery expenses	47,593	1,75,197	12,684	8,52,310	4,97,304
(iv). Director's sitting fees	3,60,000	2,40,000	8,40,000	33,00,000	31,20,000
(v). Auditor's remuneration	1,65,000	-	1,50,000	1,65,000	1,50,000
(vi). Advertising expenses	37,120	56,840	32,480	1,89,080	1,59,036
(vii). Depository and listing fees	51,183	19,205	50,135	13,00,773	10,00,848
(viii). Legal charges	1,32,000	25,000	1,61,92,500	7,57,000	1,66,72,250
(ix). Professional charges	7,48,771	42,500	2,53,78,799	72,10,980	3,05,34,844
(x). Filing fees	32,700	13,600	25,700	1,05,500	53,220
(xi). Interest on statutory dues	-	-	-	2,055	1,69,745
(xii). Loss on transfer of shares	-	-	-	3,63,467	-
(xiii). Provision for Diminution in the value of Investments	-	-	-	10,49,37,040	-
(xiv). Insurance for Directors and Officers	5,50,000	-	-	10,53,255	-
(xv). Miscellaneous expenses	17,83,391	10,23,231	27,91,644	62,34,563	80,57,858
<b>(IV) Total Expenses</b>	<b>1,78,49,446</b>	<b>2,22,62,809</b>	<b>5,65,93,311</b>	<b>24,61,49,072</b>	<b>8,23,26,647</b>
<b>(V) Profit/Loss before Exceptional Item &amp; tax (III-IV)</b>	<b>(5,82,959)</b>	<b>(2,09,89,404)</b>	<b>(5,58,35,445)</b>	<b>(12,19,38,749)</b>	<b>(6,66,09,096)</b>
<b>(VI) Exceptional Items:</b>					
a. Profit on Sale of Investments	-	-	6,25,71,651	5,31,30,319	9,71,75,455
<b>(VII) Profit /Loss before taxation (V-VI)</b>	<b>(5,82,959)</b>	<b>(2,09,89,404)</b>	<b>67,36,206</b>	<b>(6,88,08,430)</b>	<b>3,05,66,359</b>
<b>(VIII) Tax Expense:</b>					
i. Current Tax	3,99,081	-	-	3,99,081	5,00,000
ii. Earlier Years	-	-	-	-	-
<b>(IX) Profit/(Loss) for the period / year from continuing operations (VII-VIII)</b>	<b>(1,83,878)</b>	<b>(2,09,89,404)</b>	<b>67,36,206</b>	<b>(6,84,09,349)</b>	<b>3,00,66,359</b>
<b>(X) Profit/(Loss) from discontinued operations</b>	-	-	-	-	-
<b>(XI) Tax expense of discontinued operations</b>	-	-	-	-	-
<b>(XII) Profit/(Loss) from discontinued operations (after Tax) (X-XI)</b>	-	-	-	-	-
<b>(XIII) Total Profit/(Loss) for the period (IX+XII)</b>	<b>(1,83,878)</b>	<b>(2,09,89,404)</b>	<b>67,36,206</b>	<b>(6,84,09,349)</b>	<b>3,00,66,359</b>
<b>(XIV) Other Comprehensive Income</b>					
(A) (i) Items that will not be reclassified to profit or loss	(2,25,73,52,390)	(47,84,44,194)	11,50,39,833	(3,09,94,45,792)	2,45,52,14,991
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
Subtotal (A)	(2,25,73,52,390)	(47,84,44,194)	11,50,39,833	(3,09,94,45,792)	2,45,52,14,991
(B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Subtotal (B)	-	-	-	-	-
<b>Other Comprehensive Income (A+B)</b>	<b>(2,25,73,52,390)</b>	<b>(47,84,44,194)</b>	<b>11,50,39,833</b>	<b>(3,09,94,45,792)</b>	<b>2,45,52,14,991</b>
<b>(XV) Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)</b>	<b>(2,25,75,36,268)</b>	<b>(49,94,33,590)</b>	<b>12,17,76,039</b>	<b>(3,16,78,55,141)</b>	<b>2,48,52,81,350</b>
<b>(XVI) Paid-up Equity Share Capital (face value of Rs.10/- each', fully paid up)</b>	<b>13,99,22,580</b>	<b>13,99,22,580</b>	<b>13,99,22,580</b>	<b>13,99,22,580</b>	<b>13,99,22,580</b>
<b>(XVII) Earning per share (for continuing operations)</b>					
a. Basic earning per share (Before Exceptional Items)	(0.04)	(1.50)	(0.40)	(8.71)	(4.76)
Diluted earning per share (Before Exceptional Items)	(0.04)	(1.50)	(0.40)	(8.71)	(4.76)
<b>(XVIII) Earning per share (for discontinued operations)</b>					
a. Basic earning per share (Before Exceptional Items)	-	-	-	-	-
b. Diluted earning per share (Before Exceptional Items)	-	-	-	-	-
<b>(XIX) Earning per share (for continuing &amp; discontinued operations)</b>					
a. Basic earning per share (Before Exceptional Items)	(0.04)	(1.50)	(0.40)	(8.71)	(4.76)
b. Diluted earning per share (Before Exceptional Items)	(0.04)	(1.50)	(0.40)	(8.71)	(4.76)
<b>(XX) Earning per share (for continuing operations)</b>					
a. Basic earning per share (After Exceptional Items)	(0.01)	(1.50)	0.48	(4.89)	2.15
Diluted earning per share (After Exceptional Items)	(0.01)	(1.50)	0.48	(4.89)	2.15
<b>(XXI) Earning per share (for discontinued operations)</b>					
a. Basic earning per share (After Exceptional Items)	-	-	-	-	-
b. Diluted earning per share (After Exceptional Items)	-	-	-	-	-
<b>(XXII) Earning per share (for continuing &amp; discontinued operations)</b>					
a. Basic earning per share (After Exceptional Items)	(0.01)	(1.50)	0.48	(4.89)	2.15
b. Diluted earning per share (After Exceptional Items)	(0.01)	(1.50)	0.48	(4.89)	2.15

\*Earnings per share for the interim periods are not annualised



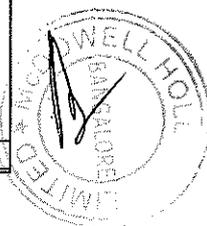
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Statement of Standalone Assets and Liabilities

Figs in Rs.

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Unaudited	Audited
<b>ASSETS</b>		
<b>1 Financial Assets</b>		
(a) Cash and cash equivalents	90,80,062	4,17,98,734
(b) Bank balances other than Cash and Cash equivalents above	-	-
(c) Derivative financial instruments	-	-
(d) Receivables	-	-
(I) Trade Receivables	-	-
(II) Other Receivables	-	-
(e) Loans and advances	-	-
(f) Investments	5,83,03,18,055	9,04,06,62,197
(g) Other financial assets	67,40,495	29,07,480
<b>2 Non Financial assets</b>		
(a) Inventories	-	-
(b) Current tax assets (Net)	-	-
(c) Deferred tax Assets (Net)	-	-
(d) Investment Property	-	-
(e) Biological assets other than bearer plants	-	-
(f) Property, Plant and Equipment	40,899	44,455
(g) Capital work-in-progress	-	-
(h) Intangible assets under development	-	-
(i) Goodwill	-	-
(j) Other Intangible assets	-	-
(k) Other non-financial assets	1,81,43,188	4,34,19,252
<b>Total Assets</b>	<b>5,86,43,22,699</b>	<b>9,12,88,32,119</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>1 Financial Liabilities</b>		
(a) Derivative financial instruments	-	-
(b) Payables	-	-
(I) Trade Payables	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(II) Other Payables	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,91,732	-
(c) Debt Securities	-	-
(d) Borrowings (Other than Debt Securities)	13,63,38,577	23,94,00,003
(e) Deposits	-	-
(f) Subordinated Liabilities	-	-
(g) Other financial liabilities (Interest accrued and due)	36,32,253	15,71,432
<b>2 Non- Financial Liabilities</b>		
(a) Current tax liabilities (Net)	-	-
(b) Provisions	47,21,210	1,47,06,028
(c) Deferred tax liabilities (Net)	-	-
(d) Other non-financial liabilities (other current liabilities)	1,56,06,042	18,66,631
<b>3 Equity</b>		
(a) Equity Share capital	13,99,22,580	13,99,22,580
(b) Other equity	5,56,35,10,303	8,73,13,65,445
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>5,86,43,22,699</b>	<b>9,12,88,32,119</b>



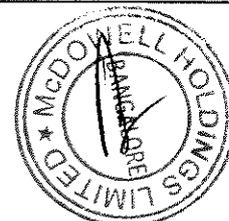
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**Audited Standalone Cash flow statement for the year ended March 31, 2020**

Figs. in Rs.

	31-03-2020	31-03-2019
	Unaudited	Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/(loss) before tax	(6,88,08,430)	3,05,66,359
Adjustments for :		
Depreciation	34,503	18,446
Dividend income	(1,26,34,686)	(1,49,28,828)
Interest income	(3,92,618)	(2,59,283)
Interest Expense	6,05,86,840	2,96,685
Profit on sale of Fixed Assets	(11,054)	-
Profit on sale of investments	(5,31,30,319)	(9,71,75,455)
Provision for Gratuity	47,21,210	-
Provision for Diminution in the value of Investments	10,49,37,040	-
Provision no longer required written back	(9,51,71,690)	-
	<b>89,39,226</b>	<b>(11,20,48,435)</b>
<b>Operating profit before working capital changes</b>	<b>(5,98,69,204)</b>	<b>(8,14,82,076)</b>
<b>Changes in working capital:</b>		
<b>Financial Assets/liabilities:</b>		
(Increase) / Decrease in receivables	35,92,843	(1,64,28,614)
Increase/(decrease) in payables	1,47,44,382	80,65,199
<b>Cash generated from operations</b>	<b>(4,15,31,979)</b>	<b>(8,98,45,491)</b>
Direct taxes paid	<b>(3,99,081)</b>	<b>(5,00,000)</b>
<b>Net cash generated / (used) in operations</b>	<b>(4,11,32,898)</b>	<b>(9,03,45,491)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale value of Investments		11,41,99,516
Dividend Received	1,26,34,686	1,49,28,828
(Purchase) / Sale of Fixed Assets	(58,315)	(9,259)
Interest income	3,92,618	2,59,283
<b>Net cash generated/(used) in investing activities</b>	<b>1,29,68,989</b>	<b>12,93,78,368</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of loan	(42,00,000)	-
Interest Expenses	(3,54,763)	(2,96,685)
<b>Net cash generated/ (used) in financing activities</b>	<b>(45,54,763)</b>	<b>(2,96,685)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(3,27,18,672)</b>	<b>3,87,36,192</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,17,98,734</b>	<b>30,62,541</b>
<b>Closing balance of cash and cash equivalents</b>	<b>90,80,062</b>	<b>4,17,98,734</b>
<b>Cash and cash equivalents comprises of :</b>		
Cash on hand	10,734	6,318
Balance with banks	90,69,328	4,17,92,416
	<b>90,80,062</b>	<b>4,17,98,734</b>



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**Annexure 1**

**Segment wise Revenue, results and capital employed for Financial results under regulation 33 of the listing regulations 2013**

Particulars	Figs. in Rs.	
	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Segment Revenue</b>		
a. NBFC	1,26,34,686	1,49,28,828
b. Others	1,50,00,000	-
<b>Total Revenue</b>	<b>2,76,34,686</b>	<b>1,49,28,828</b>
<b>Segment Results</b>		
a. NBFC	(7,09,30,896)	3,05,66,359
b. Others	21,22,466	-
<b>Profit Before tax</b>	<b>(6,88,08,430)</b>	<b>3,05,66,359</b>
<b>Segment Assets</b>		
a. NBFC	5,86,43,22,699	9,12,88,32,119
b. Others	-	-
<b>Total</b>	<b>5,86,43,22,699</b>	<b>9,12,88,32,119</b>
<b>Segment Liabilities</b>		
a. NBFC	15,45,33,883	25,75,44,094
b. Others	63,55,932	-
<b>Total</b>	<b>16,08,89,815</b>	<b>25,75,44,094</b>
<b>Capital Employed (Segment Assets-Segment Liabilities)</b>		
a. NBFC	5,70,97,88,816	8,87,12,88,025
b. Others	(63,55,932)	-
<b>Total</b>	<b>5,70,34,32,884</b>	<b>8,87,12,88,025</b>

NBFC segment includes income from investments and expenses relates to interest expenses, employee benefit expenses, statutory and other administrative expenses

Others includes consultancy services



## McDowell Holdings Limited

### NOTES

1. The accompanying Statement of audited Financial Results for the quarter ended on 31<sup>st</sup> March 2020 have been reviewed and recommended by the Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on 26<sup>th</sup> June 2020 and has been audited by the Statutory Auditor of the Company.
2. The Company has adopted Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended till date from 1<sup>st</sup> April 2019 and the effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder (collectively referred to as “the Previous GAAP”).
3. The quarterly financial results are reported pursuant to the option made available as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and read with circular dated July 5, 2016.
4. In accordance with Ind AS 101 – ‘First time adoption of Ind AS’ reconciliation between standalone financial results, as previously reported (under previously applicable Indian GAAP) and Ind AS for the quarter ended on March 31, 2020 is as under

Particulars	Rs. Lakhs For the Quarter ended March 31, 2020 (audited)
<b>Net Profit or loss as per Previous GAAP (Indian GAAP)</b>	<b>(1.84)</b>
<b>Adjustment increasing / (decreasing) net profit after tax as reported under Previous GAAP</b>	0.00
Impact on account of Fair valuation of Financial Instruments	0.00
Impact on account of Fair valuation of stock options as per Ind AS 102	0.00
Deferred tax on GAAP differences	0.00
<b>Net Profit / Loss as per Ind AS</b>	<b>(1.84)</b>
Other comprehensive income, net of income tax	(22573.52)
<b>Total comprehensive income for the period</b>	<b>(22575.36)</b>

5. The Hon’ble High Court of Karnataka on 7<sup>th</sup> 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. The Company understands that UBHL had filed an appeal against the said winding up order before the Divisional Bench of High Court of Karnataka which vide order dated 6<sup>th</sup> March 2020 disposed of this appeal.



Further, the Stock Exchanges have also delisted the shares of UBHL. Considering all these facts, the company has provided for diminution in the value of its investments in UBHL.

6. 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 to implement the directives of ED.
7. The Company's investments include 45,51,000 shares in 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 by them pursuant to the directions of ED.
8. 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 the excess sum recovered by the lenders will not be released by the lenders.
9. The Company's investment of 16,71,344 shares in UBL has been unilaterally transferred from the demat account of the Company to the demat account of the Deputy Director, Enforcement Directorate, Mumbai on 3<sup>rd</sup> May, 2018. As per the statutory requirements the Company has intimated the Stock Exchanges.
10. The Company has received a Show Cause Notice dated 3<sup>rd</sup> July 2018 under the Fugitive Economic Offenders Act 2018 (FEOA) whereby the Company's investments in UBL and UBHL were show caused to be confiscated. The Company has filed its objections in the designated court for FEOA, Mumbai. The matter is still pending in Court.
11. In a separate proceeding before the Court of Special Judge for Prevention of Money Laundering Act (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 has placed its objections on record. The PMLA Court vide order dated 31<sup>st</sup> December 2019 lifted the attachment on assets in the name of the individual promoter. The Company is in consultation with the lawyers on this issue.



12. The Company's demat account maintained with Stock Holding Corporation of India has been suspended for debit on the instructions of ED since 29<sup>th</sup> 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 been given. The matter is pending.
13. 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 (SAT) which is pending adjudication.
14. Zuari Fertilisers & Chemicals Limited (hereinafter referred to as ZFCL) had filed a Company Petition before the National Company Law Tribunal (NCLT), Bangalore, inter alia against the Company u/s 241, 242, 244, 246 and other provisions of Companies Act, 2013, alleging mismanagement of the affairs of 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. On 19.8.19, NCLT on request of ZFCL disposed of the petition as withdrawn with a liberty to file a fresh petition.
15. The Company is one of the claimants in an arbitration matter against ZFCL and Zuari Agro Chemicals Ltd (ZACL), the respondents. The arbitration proceedings have been concluded and vide the Arbitration Award dated 8<sup>th</sup> May 2017, the Arbitrator has dismissed the Company's claims and has ordered all the claimants to pay to the respondents 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 and the Company is in the process of filing an appeal against the said order before the Division Bench of the Hon'ble High Court, Bombay. Thus this amount is treated as contingent in nature.
16. The Company has entered into a Settlement Agreement dated 17<sup>th</sup> June, 2019 (herein after referred to as "SA") with ZACL wherein, the Company's dues to ZACL was finalised at Rs.18.97 crores (this includes interest of Rs.8.36 crores and Principal of Rs.10.61 crores). 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 the Insolvency proceedings, as well as other associated proceedings by/against the Company in various Courts. Pursuant to the SA, the dues of ZACL have been partly paid (Rs. 5.91 crores) by transfer of 11,85,151 nos. of MCF shares held by the Company to ZACL. Pursuant to this adjustment, and after further application of interest the amount outstanding to ZACL as on 31<sup>st</sup> March 2020 is Rs.13.35 crores only. The interest is accruing @18% per annum.



As per the SA, the balance due is payable within 18 months from the date of SA and non-payment within this period gives a right to ZACL to re-initiate the Insolvency proceedings against the Company.

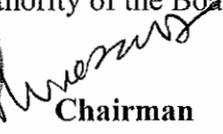
On execution of this SA, all the related proceedings in City Civil Court, Supreme Court, High Court of Karnataka and NCLT (insolvency proceedings) have been withdrawn by both the parties, and currently no proceedings are pending against the Company in this regard.

17. On 3<sup>rd</sup> May 2018, the Deputy Director, Enforcement Directorate, Mumbai had transferred a total of 22,00,360 shares in the Company, held by three Promoters, to their demat account from the respective Promoters demat accounts. Thereafter, a total of 25,17,189 shares (which includes the above 22,00,160 shares) in the Company held by two Promoters (included in three above) has also been attached by an order of attachment of shares by the Recovery Officer, Debt Recovery Tribunal, Bangalore on 21<sup>st</sup> June 2018.
18. 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)
19. The position of Company Secretary of the Company fell vacant on 10<sup>th</sup> December 2019 and efforts are being made to identify a successor. This process has been further delayed due to COVID 19 pandemic.
20. The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organisation. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 46 days up till May 31, 2020 across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the results of the Company will depend on future developments, which are incapable of assessment at this point in time, including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company.

The Company substantively holds investments in other companies. On the Company, there is no material impact of COVID-19 other than the fall in the market value of its investments. The dynamic nature of the pandemic situation and its future developments, there will continue to have an impact on the carrying value of the investments held by the Company.



21. Previous year / periods figures have been regrouped wherever necessary.
22. The qualification in the Audit Report of the Statutory Auditor is answered in the Note No. 18 above.
23. The financial results and notes are also available on the websites of the Stocks 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  
  
Chairman

Place: Bengaluru  
Date : June 26, 2020

**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

**ANNEXURE - I**

*Amounts in Rs. Lakhs*

**Statement on Impact of Audit Qualification for the Year Ended March 31, 2020**

[see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl.No	Particulars	Unaudited Figures (as reported before adjusting for qualifications)	Adjustment for Audit Qualifications	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	1,242.10	-	1,242.10
	2	Total Expenditure	2,461.49	-	2,461.49
	3	Exceptional Item	531.30	-	531.30
	4	Net Profit / (Loss)	(684.09)	-	(684.09)
	5	Earnings Per Share		-	
	a.	Basic / Diluted earning per share (before exceptional item)	(8.71)	-	(8.71)
	b.	Basic / Diluted earning per share (after exceptional item)	(4.89)	-	(4.89)
	6	Total Assets	58,643	-	58,643
	7	Total Liabilities	1,609	-	1,609
	8	Net Worth	57,034	-	57,034
	9	Any other financial item(s) (as felt appropriate by the management)		-	

**II. Audit Qualification (each audit qualification separately):**

a. Details of Audit Qualification:

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.

b. Type of Audit Qualification : **Qualified Opinion**

c. Frequency of qualification : Repetitive since FY 2013-14

d. For Audit Qualification(s) where the Impact is quantified by the auditor, Management's views: NOT APPLICABLE

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

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

(ii) If management is unable to estimate the Impact, reasons for the same:

**For Qualification above : 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'.**

(iii) Auditors' Comments on above:

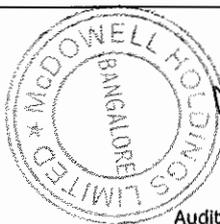
**The Qualification is reiterated.**

**III. Signatories:**

**For B V C & Co.,  
Chartered Accountants  
Firm Registration No.008154S**

Statutory Auditor:  
**Vishwas Shetty T**  
Partner, B V C & Co.  
Membership No. 218619

Place : Bengaluru  
Date : June 26, 2020



Audit Committee Chairman:  
**Raghuveeran K**

DIN : 00231382

Director & Chief Executive Officer :

**Ajay Kumar Vijay**  
DIN: 02599167

Director :  
**Girish Datar**

DIN:0008756491

Director :  
**Tushita Patel**

DIN: 07017591

**Arindam Ash**  
Chief Financial Officer



**BVC & Co.**  
Chartered Accountants

E-mail : info@bvcglobal.com  
Web : www.bvcglobal.com

**Head Office** : No. 371, 1st Floor, 8th Main Road,  
Sadashivanagar, Bangalore - 560 080  
Ph. : 080 - 23612855 / 2856  
**Branch Office** : 1st Floor, Akashganga Complex, Near  
Karavali Junction NH-66, Udupi-576103  
Ph. : 0820-2526563

## 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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020 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

- (i) *The Company's income streams are not sufficient to meet its recurring financial obligations. This has affected the going concern assumptions used in the preparation of financial statements. However, for the reasons stated in note no. 18, the Company continues to prepare its financial statements on going concern basis.*

### 4. Emphasis of the matter:

*Attention is invited to the following:*

- a. *The pledge created by the Company on its 45,51,000 shares in United Breweries Limited (UBL) in favour of erstwhile lenders has not yet been cancelled even though no amounts are owed to the pledgee because the Enforcement Directorate has directed the pledgee to not to part with those shares (refer Note no. 7).*
- b. *122,667 shares in United Breweries Limited (UBL) belonging to the Company are lying with erstwhile lenders, who have conveyed that they have been directed by the Enforcement Directorate not to part with those shares (refer Note no.8).*
- c. *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. As per the statutory requirements the Company has intimated the Stock Exchange. (refer Note No. 9)*
- d. *The Company has received a show cause notice dated 3rd July 2018 under the Fugitive Economic Offenders Ordinance Act 2018 (FEOA). The Company has filed its objections in the designated court for FEOA. The matter is pending. (refer Note No. 10)*
- 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. 11)

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. 12)

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 adjudication. (refer Note No. 13)

5. In our opinion and to the best of our information and according to the explanations given to us, these financial results:

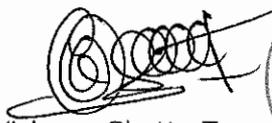
(a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in this regards

(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 31<sup>st</sup> March 2020.

6. Further as mentioned above, we report that the figures for the quarter ended March 31, 2020 represents the derived figures between the audited figures in respect of financial year ended March 31, 2020 and the published year-to-date figures up to December 31, 2019 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 : 26-06-2020

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

  
CA Vishwas Shetty T  
Partner  
Membership No.218619



UDIN - 20218619 AAAADE7290