

McDOWELL HOLDINGS LIMITED

Date: March 09, 2021

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/nine months ended December 31, 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 (March 09, 2021) have approved inter-alia the Un-Audited Financial Results of the Company for the quarter/nine months ended December 31, 2020.

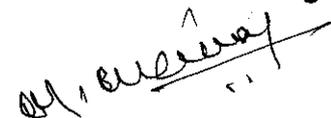
Time of commencement of Board Meeting : 2:00 P.M.
Time of conclusion of the Board Meeting : 3:00 P.M.

A copy of the Un-Audited Financial Results of the Company together with notes thereon for the quarter/nine months ended December 31, 2020 and Auditor's Report of the Statutory Auditors for the period ended December 31, 2020 are enclosed herewith.

The above is for your information and record.

Thanking you,

Yours faithfully,
For **McDowell Holdings Limited**



G.Sreenivas
Director

Encl: as above

McDOWELL HOLDINGS LIMITED

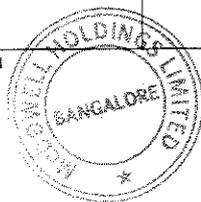
Regd. Office: UB Tower, Level 12, UB City, 24 Vittal Mallya Road, Bangalore - 560 001
 Email: mhlinvestor@ubmail.com | website: www.mcdowellholdings.co.in | CIN : L05190KA2004PLC033485

Statement of Unaudited Standalone Financial Results for the quarter ended December 31, 2020

Figs. in Rs.

Particulars	For the quarter ended			For the 9 months ended		For the year ended
	31-12-2020	30-09-2020	31-12-2019	31-12-2020	31-12-2019	31-03-2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I. Revenue from Operations						
(i). Interest Income	-	-	-	-	-	-
(ii). Dividend Income	6,28,593	1,13,77,500	12,57,186	1,20,06,093	1,26,34,686	1,26,34,686
(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)	-	-	-	-	-	1,50,00,000
(viii). Service Income	-	13,22,222	-	80,28,154	-	11,054
(ix). Others	-	-	-	-	-	-
(I) Total Revenue from operations	6,28,593	1,26,99,722	12,57,186	2,00,34,247	1,26,34,686	2,76,45,740
II. Other income						
Provision no longer required written back	-	-	-	-	9,39,43,190	9,51,71,690
Excess Gratuity Provision Written Back	-	2,71,602	-	-	-	10,00,000
Bad Advances Recovered	-	-	-	-	-	275
Interest on Income tax refund	-	-	-	-	-	3,92,618
Interest on fixed deposit	-	-	16,219	-	3,92,618	3,92,618
(II) Total Other Income	-	2,71,602	16,219	-	9,43,35,808	9,65,64,583
III. Total Income (I+II)	6,28,593	1,29,71,324	12,73,405	2,00,34,247	10,69,70,494	12,42,10,323
IV. Expenses						
(a). Finance costs	25,91,957	26,23,449	26,63,332	78,17,229	5,79,71,360	6,05,86,840
(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	40,99,613	46,42,778	1,73,60,919	1,80,75,916	4,53,92,809	5,62,72,835
(j). Depreciation	6,269	6,269	12,720	18,807	23,982	34,503
(k). Other expenses						
(i). Travel and communication expenses	1,04,748	93,542	4,53,650	2,61,293	19,78,067	22,60,479
(ii). Secretarial expenses	94,180	87,071	1,76,615	2,83,904	3,98,550	5,23,385
(iii). Printing & stationery expenses	33,572	73,207	1,75,197	1,10,559	8,04,724	8,52,317
(iv). Director's sitting fees	3,40,000	5,40,000	2,40,000	14,80,000	29,40,000	33,00,000
(v). Auditor's remuneration	-	-	-	-	-	1,65,000
(vi). Advertising expenses	18,360	34,800	56,840	90,280	1,51,960	1,89,080
(vii). Depository and listing fees	1,58,687	2,90,000	19,205	9,56,142	12,49,590	13,00,773
(viii). Legal charges	1,75,000	45,000	67,500	2,20,000	6,67,500	7,57,000
(ix). Professional charges	1,50,143	59,111	-	2,49,254	64,19,709	72,10,980
(x). Filing fees	7,200	-	13,600	7,200	72,800	1,05,500
(xi). Interest on statutory dues	-	33	-	1,332	267	2,055
(xii). Loss on transfer of shares	-	-	-	-	3,63,467	3,63,467
(xiii). Provision for Diminution in the value of Investments	-	-	-	-	10,49,37,040	10,49,37,040
(xiv). Insurance	-	-	-	6,30,506	-	10,53,255
(xv). Miscellaneous expenses	5,45,655	4,13,238	10,23,231	18,45,474	49,54,119	62,34,563
(IV) Total Expenses	83,25,384	89,08,498	2,22,62,809	3,20,47,896	22,83,25,944	24,61,49,072
(V) Profit/Loss before Exceptional item & tax (III-IV)	(76,96,791)	40,62,826	(2,09,89,404)	(1,20,13,649)	(12,13,55,450)	(12,19,38,749)
(VI) Exceptional items:						
a. Profit on Sale of Investments	-	-	5,31,30,319	-	5,31,30,319	5,31,30,319
(VII) Profit /Loss before taxation (V-VI)	(76,96,791)	40,62,826	3,21,40,915	(1,20,13,649)	(6,82,25,131)	(6,88,08,430)
(VIII) Tax Expense:						
i. Current Tax	-	-	-	-	-	3,99,081
ii. Earlier Years	-	-	-	-	-	-
(IX) Profit/(loss) for the period / year from continuing operations (VII-VIII)	(76,96,791)	40,62,826	3,21,40,915	(1,20,13,649)	(6,82,25,131)	(6,84,09,349)
(X) Profit/(Loss) from discontinued operations	-	-	-	-	-	-
(XI) Tax expense of discontinued operations	-	-	-	-	-	-
(XII) Profit/(Loss) from discontinued operations (after Tax) (X-XI)	(76,96,791)	40,62,826	3,21,40,915	(1,20,13,649)	(6,82,25,131)	(6,84,09,349)
(XIII) Total Profit/(Loss) for the period (IX+XII)	(76,96,791)	40,62,826	3,21,40,915	(1,20,13,649)	(6,82,25,131)	(6,84,09,349)
(XIV) Other Comprehensive Income						
(A) (i) Items that will not be reclassified to profit or loss	1,48,93,25,905	(54,00,72,209)	4,45,96,923	1,72,49,81,029	(79,32,56,696)	(3,09,94,45,792)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
Subtotal (A)	1,48,93,25,905	(54,00,72,209)	4,45,96,923	1,72,49,81,029	(79,32,56,696)	(3,09,94,45,792)
(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)	-	-	-	-	-	-
Other Comprehensive Income (A+B)	1,48,93,25,905	(54,00,72,209)	4,45,96,923	1,72,49,81,029	(79,32,56,696)	(3,09,94,45,792)
(XV) Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)	1,48,16,29,115	(53,60,09,383)	7,67,37,838	1,71,29,67,380	(86,14,81,827)	(3,16,78,55,141)
(XVI) Paid-up Equity Share Capital (face value of Rs.10/- each*, fully paid up)	13,99,22,580	13,99,22,580	13,99,22,580	13,99,22,580	13,99,22,580	13,99,22,580
(XVII) Earning per share (for continuing operations)						
a. Basic earning per share (Before Exceptional Items)	(0.55)	0.29	(1.50)	(0.86)	(8.67)	(8.71)
b. Diluted earning per share (Before Exceptional Items)	(0.55)	0.29	(1.50)	(0.86)	(8.67)	(8.71)
(XVIII) Earning per share (for discontinued operations)						
a. Basic earning per share (Before Exceptional Items)	-	-	-	-	-	-
b. Diluted earning per share (Before Exceptional Items)	-	-	-	-	-	-
(XIX) Earning per share (for continuing & discontinued operations)						
a. Basic earning per share (Before Exceptional Items)	(0.55)	0.29	(1.50)	(0.86)	(8.67)	(8.71)
b. Diluted earning per share (Before Exceptional Items)	(0.55)	0.29	(1.50)	(0.86)	(8.67)	(8.71)
(XX) Earning per share (for continuing operations)						
a. Basic earning per share (After Exceptional Items)	(0.55)	0.29	2.30	(0.31)	(4.88)	(4.89)
b. Diluted earning per share (After Exceptional Items)	(0.55)	0.29	2.30	(0.31)	(4.88)	(4.89)
(XXI) Earning per share (for discontinued operations)						
a. Basic earning per share (After Exceptional Items)	-	-	-	-	-	-
b. Diluted earning per share (After Exceptional Items)	-	-	-	-	-	-
(XXII) Earning per share (for continuing & discontinued operations)						
a. Basic earning per share (After Exceptional Items)	(0.55)	0.29	2.30	(0.31)	(4.88)	(4.89)
b. Diluted earning per share (After Exceptional Items)	(0.55)	0.29	2.30	(0.31)	(4.88)	(4.89)

*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 December, 2020	As at 31st March, 2020
	Unaudited	Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	29,06,276	90,80,062
(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	7,55,52,99,084	5,83,03,18,055
(g) Other financial assets	46,54,360	67,40,495
2 Non Financial assets		
(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	22,091	40,899
(g) Capital work-in-progress	-	-
(h) Intangible assets under development	-	-
(i) Goodwill	-	-
(j) Other Intangible assets	-	-
(k) Other non-financial assets	1,86,53,927	1,81,43,188
Total Assets	7,58,15,35,739	5,86,43,22,699
LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
(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	49,140	-
(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)	14,15,73,666	13,63,38,577
(e) Deposits	-	-
(f) Subordinated Liabilities	-	-
(g) Other financial liabilities	36,14,090	36,32,253
2 Non- Financial Liabilities		
(a) Current tax liabilities (Net)	-	-
(b) Provisions	47,32,877	47,21,210
(c) Deferred tax liabilities (Net)	-	-
(d) Other non-financial liabilities (other current liabilities)	1,51,65,702	1,56,06,043
3 Equity		
(a) Equity Share capital	13,99,22,580	13,99,22,580
(b) Other equity	7,27,64,77,684	5,56,35,10,303
TOTAL - EQUITY AND LIABILITIES	7,58,15,35,739	5,86,43,22,699



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Un-audited Standalone Cash flow statement for half yearly ended September 30, 2020

Figs. in Rs.

	30-09-2020	31-03-2020
	Unaudited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit/(loss) before tax	(1,20,13,649)	(6,88,08,430)
Adjustments for :		
Depreciation	18,807	34,503
Dividend income	(1,20,06,093)	(1,26,34,686)
Interest income	-	(3,92,618)
Interest Expense	78,17,229	6,05,86,840
Profit on sale of Fixed Assets	-	(11,054)
Profit on sale of investments	-	(5,31,30,319)
Provision for Gratuity	11,667	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)
	<u>(41,58,390)</u>	<u>89,39,226</u>
Operating profit before working capital changes	(1,61,72,039)	(5,98,69,204)
Changes in working capital:		
Financial Assets/liabilities:		
(Increase) / Decrease in receivables	15,75,396	35,92,842
Increase/(decrease) in payables	(17,83,236)	1,47,44,382
Cash generated from operations	(1,63,79,879)	(4,15,31,980)
Direct taxes paid	-	(3,99,081)
Net cash generated / (used) in operations	(1,63,79,879)	(4,11,32,899)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale value of Investments	-	-
Dividend Received	1,20,06,093	1,26,34,686
(Purchase) / Sale of Fixed Assets	-	(58,315)
Interest income	-	3,92,618
Net cash generated/(used) in investing activities	1,20,06,093	1,29,68,989
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of loan	(18,00,000)	(42,00,000)
Interest Expenses	-	(3,54,763)
Net cash generated/ (used) in financing activities	(18,00,000)	(45,54,763)
Net increase in cash and cash equivalents	(61,73,786)	(3,27,18,673)
Cash and cash equivalents at the beginning of the year	90,80,062	4,17,98,734
Closing balance of cash and cash equivalents	29,06,276	90,80,062
Cash and cash equivalents comprises of :		
Cash on hand	1,58,810	10,734
Balance with banks	27,47,466	90,69,328
	<u>29,06,276</u>	<u>90,80,062</u>



A. A. A.

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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	Quarter Ended			For the 9 months ended		Year Ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
Segment Revenue						
a. NBFC	6,28,593	1,13,77,500	12,57,186	1,20,06,093	1,26,34,686	1,26,34,686
b. Others	-	13,22,222	-	80,28,154	-	1,50,00,000
Total Revenue	6,28,593	1,26,99,722	12,57,186	2,00,34,247	1,26,34,686	2,76,34,686
Segment Results						
a. NBFC	2,16,132	1,09,65,039	(2,09,89,404)	1,09,46,404	(6,82,25,131)	(7,09,30,896)
b. Others	(79,12,923)	(69,02,213)	-	(2,29,60,053)	-	21,22,466
Profit Before tax	(76,96,791)	40,62,826	(2,09,89,404)	(1,20,13,649)	(6,82,25,131)	(6,88,08,430)
Segment Assets						
a. NBFC	7,58,15,35,739	6,09,49,51,215	8,26,98,35,935	7,58,15,35,739	8,26,98,35,935	5,86,43,22,699
b. Others	-	-	-	-	-	-
Total	7,58,15,35,739	6,09,49,51,215	8,26,98,35,935	7,58,15,35,739	8,26,98,35,935	5,86,43,22,699
Segment Liabilities						
a. NBFC	16,51,35,475	16,01,80,066	16,75,37,229	16,51,35,475	16,75,37,229	15,45,33,883
b. Others	-	-	-	-	-	63,55,932
Total	16,51,35,475	16,01,80,066	16,75,37,229	16,51,35,475	16,75,37,229	16,08,89,815
Capital Employed (Segment Assets-Segment Liabilities)						
a. NBFC	7,41,64,00,264	5,93,47,71,149	8,10,22,98,706	7,41,64,00,264	8,10,22,98,706	5,70,97,88,816
b. Others	-	-	-	-	-	(63,55,932)
Total	7,41,64,00,264	5,93,47,71,149	8,10,22,98,706	7,41,64,00,264	8,10,22,98,706	5,70,34,32,884

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



P. Sreenivas

McDowell Holdings Limited

NOTES

1. The accompanying Statement of Un-audited Financial Results for the quarter ended on 31st December 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 9th March 2021. The Unaudited Financial Results for the quarter ended on 31st December, 2020 is subjected to limited review by the Statutory Auditor of the Company.
2. The aforesaid unaudited financial results are reported as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).
3. The Hon'ble High Court of Karnataka on 7th 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. As understood, UBHL had filed an appeal against the said winding up order before the Hon'ble Divisional Bench of High Court of Karnataka. The Hon'ble High Court of Karnataka vide order dated 6th March 2020 dismissed this appeal of UBHL. Thereafter, UBHL had filed a Special Leave Petition challenging the order dated 6th March, 2020. The aforementioned Special Leave Petition filed by UBHL was dismissed by an Order dated 26th October, 2020 passed by the Hon'ble Supreme Court of India confirming UBHL's winding up. Meanwhile, the Stock Exchanges have also delisted the shares of UBHL. Considering all these facts, the Company has now written off the investments in UBHL (which was previously provided for).
4. Further, the Official Liquidator of UBHL vide an advertisement dated 28th September, 2020 (published in the Times of India (Bangalore Edition) on 30th September 2020) has asked for furnishing of claims by the creditors of UBHL on or before 29th October 2020. Pursuant to the same, the Company has on 27th October 2020 filed its claim of Rs.329.52 crores against UBHL with the Official Liquidator of UBHL.
5. 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.

G. K. Srinivas



6. The Company's investments include 45,51,000 shares in UBL which were pledged in favour of erstwhile lenders. As per Company records, 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.
7. 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 also the excess sum recovered by the lenders will not be released by the lenders.
8. 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, ED, Mumbai on 3rd May, 2018. As per the statutory requirements the Company has intimated the Stock Exchanges.
9. The Company has received a Show Cause Notice dated 3rd July 2018 under the Fugitive Economic Offenders Act 2018 (hereinafter referred to as "FEOA") to show cause why the Company's investments in UBL and UBHL should not be confiscated. The Company has filed its objections in the designated court for FEOA, Mumbai. The matter is still pending in Court.
10. In a separate proceeding before the Court of Special Judge for Prevention of Money Laundering Act, 2002 (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 had placed its objections on record. The PMLA Court vide order dated 31st 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.
11. The Company's demat account maintained with Stock Holding Corporation of India has been suspended for debit on the instructions of ED since 29th 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 also been given. Further hearings were held by the Enforcement Directorate in which clarification have been submitted and the matter is pending..
12. On 3rd May 2018, the Deputy Director, ED, Mumbai had transferred a total of 22,00,360 shares in the Company, held by three Promoters, to the ED's demat account from the demat accounts of the respective Promoters. The ED under the PMLA has also attached 2 shares of the Company held by an individual Promoter. The Company has been given to understand now that these Promoters have filed appeals before the Appellate Tribunal under the PMLA against the attachment of its shares in the Company and the appeals are pending.

g. Meera



Further, a total of 25,17,189 shares (which total includes the above 22,00,159 shares) in the Company held by two Promoters (included in three above) has also been attached by an order of attachment dated 21st June 2018 passed by the Recovery Officer, Debt Recovery Tribunal, Bangalore .

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 (hereinafter referred to as "SAT") which is pending adjudication.
14. The Company is one of the claimants in an arbitration matter against Zuari Fertilisers & Chemicals Limited (hereinafter referred to as "ZFCL") ZFCL and Zuari Agro Chemicals Ltd (hereinafter referred to as "ZACL"), the respondents. The arbitration proceedings have been concluded and vide the Arbitration Award dated 8th May 2017, the Arbitrator has dismissed the Company's claims and has ordered all the claimants to pay to the respondents costs of 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 which is delayed due to Covid-19 pandemic. Thus this amount is treated as contingent in nature.
15. The Company has entered into a Settlement Agreement dated 17th 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 31st December 2020 is Rs.14.04 crores only. The interest is accruing @18% per annum.

As per the SA, this balance 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.

Q1, correct



On execution of this SA, all the related proceedings in City Civil Court, Hon'ble Supreme Court, Hon'ble 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.

The Company vide its letter dated 15th December 2020 appraised ZACL of the current situation and requested ZACL to extend the time limit for repayment for a further period of 1 year from the time limit granted as per the SA. ZACL vide letter dated 16th December 2020 informed that the time limit as per SA is 18th December 2020 and requested the Company to pay the dues. Further, ZACL vide letter dated 20th January 2021 informed the Company that in view of Company's request they are extending the time limit till 16th June 2021 provided the Company makes a payment of Rs.10 lakhs towards the outstanding dues. The Company vide letter dated 18th February 2021 informed ZACL of its continuing financial crisis due to which it could pay Rs.11lakh only.

16. 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).

Exigent circumstances are prevailing upon the company where upon its investments which could generate income has been attached and frozen by the ED. Under these circumstances, the company is unable to pay salaries from May'2020. The required data to ED has been submitted alongwith the fact that the company is unconnected and independent company which has been unnecessarily drawn in to the investigation. being carried out in the matter of Kingfisher Airlines Ltd / Dr Vijay Mallya. Till date, the investments have not been de-frozen.

17. The National Stock Exchange on 28th October 2020 intimated the Company about a complaint/query/request filed by an investor regarding the disclosures of the Company. In consultation and under advise of its counsels, the Company vide its reply dated 2nd November 2020 has clarified its position to the National Stock Exchange. Subsequently NSE has sought further clarification which has been duly replied – last being on 12th February 2021.
18. The position of Company Secretary of the Company fell vacant on 10th December 2019 and efforts are being made to identify a successor. This process has been further delayed due to COVID 19 pandemic. Due to the attachment of Company's investments by the ED and the resultant financial crisis on the company, no person is willing to join the company as Company Secretary, despite the continuous efforts of the Company.
19. The position of the Chief Financial Officer and the Executive Director fell vacant on 16th November 2020 and on 18th November 2020 respectively. The Company is trying to identify successors.

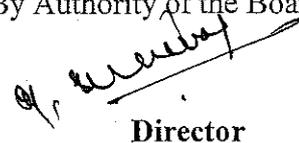
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Due to the attachment of Company's investments by the ED and the resultant financial crisis on the company, no person is willing to join the company as Chief Financial Officer / Executive Director, despite the continuous efforts of the Company.

20. The Stock Exchanges has sought clarifications from the Company on non-appointment of a Company secretary, last being on 22nd February 2021 and also on Corporate Governance Reports, last being on 15th February 2021. In consultation and under advice of its counsels, the Company has filed its reply explaining the reasons.
21. 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 Organization. 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. Further, in Bangalore where the Company is situated, there was another lockdown from 8p.m. 14th July 2020 to 5.am. 22nd July 2020. 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 in the initial days of lockdown in March 2020 The dynamic nature of the pandemic situation and its future developments may have an impact on the carrying value of the investments held by the Company in future.
22. Previous year / periods figures have been regrouped wherever necessary.
23. The qualification in the Audit Report of the Statutory Auditor is answered in the Note No. 16 above.
24. 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


Director

Place: Bengaluru
Date : March 9, 2021





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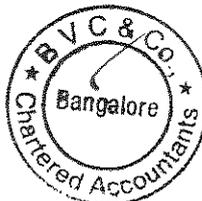
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LIMITED REVIEW REPORT

1. We have reviewed the accompanying statement of **Unaudited Financial Results of McDowell Holdings Limited, Bangalore, ("the Company")** for the period ended December 31, 2020. 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. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related unaudited interim financial statements which has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit.
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. *Basis for qualified opinion*
 - (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. However, for the reasons stated in note no. 16, the Company continues to prepare its financial statements on going concern basis.*





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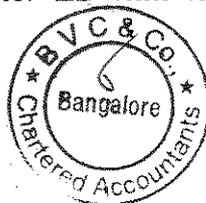
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5. *Emphasis of the matter*

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 not to part with those shares. (refer Note no. 6)*
- b. *122,667 shares in United Breweries Limited (UBL) belonging to the Company are lying with erstwhile lenders, who have conveyed that it has been directed by the Enforcement Directorate not to part with those shares. (refer Note no.7)*
- 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. 8)*
- d. *The Company has received a Show Cause Notice dated 3rd July 2018 under the Fugitive Economic Offenders Act 2018 (hereinafter referred to as "FEOA") to show cause why the Company's investments in UBL and UBHL should not be confiscated. The Company has filed its objections in the designated court for FEOA, Mumbai. The matter is still pending in Court. (refer Note No. 9)*
- 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. (refer Note No. 10)*
- 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. Thereafter ED had issued summons pursuant to which*





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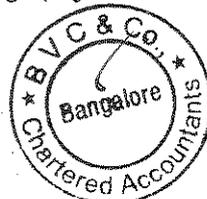
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details were submitted and a statement has been given. (refer Note No. 11)

- 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)*
- h. The Company has defaulted on amount due to Zuari Agro Chemicals Limited (ZACL) as per settlement agreement dated 17/06/2019. Total amount outstanding as on 31/12/2020 is Rs. 14.04 crores. The Company vide its letter dated 15th December 2020 appraised ZACL of the current situation and requested ZACL to extend the time limit for repayment for a further period of 1 year from the time limit granted as per the SA. ZACL vide letter dated 16th December 2020 informed that the time limit as per SA is 18th December 2020 and requested the Company to pay the dues. Further, ZACL vide letter dated 20th January 2021 informed the Company that in view of Company's request they are extending the time limit till 16th June 2021 provided the Company makes a payment of Rs.10 lakhs towards the outstanding dues. The Company vide letter dated 18th February 2021 informed ZACL of its continuing financial crisis due to which it could pay Rs.1lakh only. (refer Note No. 15)*
- i. The position of Company Secretary of the Company fell vacant on 10th December 2019 and efforts are being made to identify a successor. This process has been further delayed due to COVID 19 pandemic. Due to the attachment of Company's investments by the ED and the resultant financial crisis on the company, no person is willing to join the company as Company Secretary, despite the continuous efforts of the Company. (refer Note No. 18)*
- j. The position of the Chief Financial Officer and the Executive Director fell vacant on 16th November 2020 and on 18th November 2020 respectively. The Company is trying to identify successors. Due to the attachment of Company's investments by the ED and the resultant financial crisis on the company, no person is willing to join the company as Chief Financial Officer / Executive Director, despite the continuous efforts of the Company. (refer Note No. 19)*





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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 unaudited financial results prepared in accordance with the requirements of Ind AS 34 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.

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


CA Vishwas Shetty T
Partner
Membership No: 218619



UDIN: 21218619AAAA445929

Place: Bangalore
Date: 9th March, 2021