

**McDOWELL HOLDINGS LIMITED**

Date: September 3, 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: Notice of the 17<sup>th</sup> Annual General Meeting and Annual Report for the year ended March 31, 2021**

Dear Sir,

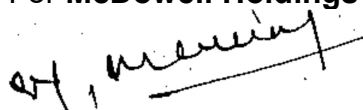
Pursuant to the provisions of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the Notice of the 17<sup>th</sup> Annual General Meeting scheduled to be held on Wednesday, September 29, 2021 at 12:00 noon IST through Video Conferencing / Other Audio Visual Means (VC).

The said notice and Annual Report are also placed on the website of the Company, i.e. [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in).

We request you to take the above information on record.

Thanking you

Yours faithfully,  
For **McDowell Holdings Limited**



**G. Sreenivas**  
**Director**

encl : a/a

# **McDOWELL HOLDINGS LIMITED**

**ANNUAL REPORT  
2020-2021**

# McDOWELL HOLDINGS LIMITED

Directors	Mr. Theerthesh B.S.	<i>Independent Director (w.e.f. November 13, 2020)</i>
	Ms. Sarvamangala Hadapada	<i>Independent Director (w.e.f. October 22, 2020)</i>
	Mr. G Sreenivas	<i>Non-Executive Director (w.e.f. November 13, 2020)</i>
	Mr. Raghuveeran Kasargod	<i>Independent Director (upto November 18, 2020)</i>
	Mr. Girsh Datar	<i>Independent Director (upto November 18, 2020)</i>
	Mr. Ajay Kumar Vijay	<i>Executive Director (upto November 18, 2020)</i>
	Ms. Tushita Patel	<i>Non-Executive Director (upto October 12, 2020)</i>
Chief Financial Officer	Mr. Arindam Ash (upto November 16, 2020)	
Statutory Auditors	M/s. BVC & Company Chartered Accountants No. 371, 1 <sup>st</sup> Floor, 8 <sup>th</sup> Main Road, Sadashivnagar, Bengaluru -560 080	
Registered Office	UB Tower, Level 12, UB City, No. 24, Vittal Mallya Road, Bengaluru -560001	
Registrar and Share Transfer Agent	Integrated Registry Management Services Private Limited CIN NO: U74900TN2015PTC101466 No. 30, Ramana Residency, 4 <sup>th</sup> Cross, Sampige Road, Malleswaram Bengaluru – 560 003	

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# Notice

## McDOWELL HOLDINGS LIMITED

CIN: L05190KA2004PLC033485

Registered Office: UB Tower, Level-12, UB City, 24, Vittal Mallya Road, Bengaluru – 560 001

E-mail: mhlinvestor@ubmail.com Website: www.mcdowellholdings.co.in

Tel.: +91 80-46686060; Fax : +91 80 2227 4890

### **NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL MEETING**

of the Members of McDowell Holdings Limited will be held on Wednesday, September 29, 2021 at 12.00 noon IST through Video Conferencing /Other Audio Visual Means (VC), to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2021 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Auditors and Directors thereon.

#### **SPECIAL BUSINESS:**

2. To consider and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149,150,152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Sarvamangala Hadapada (DIN: 08395454), who was appointed as an Additional Director (in the capacity of Independent Director) and who holds office up to the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom a notice has been received in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 2 years effective October 22, 2020.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to do all such acts, deeds and things and take all such steps as may be deemed necessary, proper or expedient in this regard.”

3. To consider and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149,150,152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Theerthesh B S (DIN:08955326), who was appointed as an Additional Director (in the capacity of Independent Director) and who holds office up to

## Notice (Contd.)

the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom a notice has been received in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 2 years effective November 13, 2020 .

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to do all such acts, deeds and things and take all such steps as may be deemed necessary, proper or expedient in this regard.”

4. To consider and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149,150,152 read with other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. G Sreenivas (DIN:07805594), who was appointed as an Additional Director (in the capacity of Non-Executive Director) and who holds office up to the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom a notice has been received in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to do all such acts, deeds and things and take all such steps as may be deemed necessary, proper or expedient in this regard.”

**By Order of the Board**

**Bengaluru**  
**August 26, 2021**

**Theerthesh B S**  
**Director**  
**(DIN: 08955326)**

### **NOTES:**

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (the Act) with respect to item nos.2 to 4 of the notice is annexed hereto and forms part of this Notice.
2. The Ministry Of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021 (collectively referred to as “MCA circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC, without the physical presence of the Members at a common venue. Hence, in compliance with the MCA circulars and the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) the AGM of the Company is being held through VC.

## Notice (Contd.)

3. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through Video Conference (VC), physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote at the AGM are requested to send a certified copy of the Board resolution/authorization letter to the Company or upload on the e-voting portal.
5. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number, mandates, nominations, power of attorney, bank details such as, name of the bank, branch details, bank account number, MICR Code, IFSC Code etc., to their Depository Participants ("DPs") in case the shares are held in electronic form and to Integrated Registry Management Services Private Limited ("Integrated"), Registrar and Share Transfer Agents of the Company in case the shares are held in physical form.
8. Members are requested to address all correspondence to Integrated.
9. There is no unclaimed dividend required to be transferred to the Investor Education and Protection Fund.
10. The Register of Members and Share Transfer Books will remain closed from Thursday, September 23, 2021 to Wednesday, September 29, 2021 (both days inclusive).
11. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations, the Company has provided a facility to its Members to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited ("CDSL") on all the resolutions set forth in this Notice. Members who have cast their votes by remote e-voting prior to the AGM may also participate in the AGM through VC but shall not be entitled to cast their vote again. The manner and process of e-voting remotely by Members is provided in the instructions for e-voting which forms part of this Notice.
12. The remote e-voting period will commence on Saturday, September 25, 2021 (IST 09:00 a.m.) and end on Tuesday, September 28, 2021 (IST 05:00 p.m.) During this period, Members of the Company, holding shares either in physical form or in

## Notice (Contd.)

dematerialized form, as on the cut-off date i.e. Wednesday, September 22, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the Member shall not be allowed to change it subsequently. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 22, 2021.

13. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
14. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. Any person who becomes a Member of the Company after sending the Notice and holding shares as on the cut-off date may refer the e-voting procedure available in the Notice of the AGM. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 17<sup>th</sup> AGM and the Annual Report 2020-21 are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ DPs. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in)., websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL, [www.evotingindia.com](http://www.evotingindia.com).
16. Members holding shares in demat mode, who have not registered their e-mail addresses are requested to register their e-mail addresses with their respective DP, and Members holding shares in physical mode are requested to update their e-mail addresses with the Company's RTA, Integrated at [bglsta@integratedindia.in](mailto:bglsta@integratedindia.in). To receive the copies of the Annual Report and other communication in electronic mode and to obtain the User ID/password for e-voting, Members may follow the below process for registration of e-mail address:
  - a. Members holding shares in physical mode - Please provide necessary details like Folio No., Name of the member, share certificate number, PAN and mobile number by email at [bglsta@integratedindia.in](mailto:bglsta@integratedindia.in).
  - b. Members holding shares in demat form - Please contact your Depository Participant and register your e-mail address as per the process advised by your DP.
17. Additional information, pursuant to Regulation 26 (4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings, in respect of the Directors seeking appointment/re-appointment at the AGM, is provided as Annexure to the Notice.
18. In case of joint holders, the joint holder who is higher in the order of names will be entitled to vote at the meeting, if not already voted through remote e-voting.

## Notice (Contd.)

19. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company mentioning their name, demat account number/folio number, email id, mobile number at [mhlinvestor@ubmail.com](mailto:mhlinvestor@ubmail.com) on or before September 22, 2021. The same will be replied by the Company suitably.
20. In terms of the provisions of Section 72 of the Act, Members are entitled to make nominations in respect of the equity shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participant in case the shares are held by them in electronic form and to Integrated in case the shares are held in physical form.
21. The Board of Directors have appointed Mr. Nagesha Rao K N, Company Secretary in Practice (Membership No. 3000 and Certificate of Practice No. 12861) as the Scrutinizer to scrutinize the remote e-voting process and voting during the AGM, in a fair and transparent manner.
22. The Scrutinizer shall, after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, with a period of three days from the date of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
23. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in). and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com). The results will also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
24. As per Regulation 40 of SEBI Listing Regulations, securities of listed entities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact Integrated or the Company for any assistance in this regard.
25. Since the AGM will be held through VC, the Route Map is not annexed to this Notice.
26. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.



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In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

27. **In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.**

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li><li>3) If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li></ol>

## Notice (Contd.)

	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

## Notice (Contd.)

Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

### 28. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on "Shareholders" module.
- iii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- iv) Next enter the Image Verification as displayed and Click on Login.

## Notice (Contd.)

v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

vi) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li></ul>

29. After entering these details appropriately, click on "SUBMIT" tab.
30. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
31. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
32. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
33. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
34. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
35. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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36. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
37. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
38. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 39. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [mhlinvestor@ubmail.com](mailto:mhlinvestor@ubmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**40. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- i) The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
- ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

## Notice (Contd.)

- vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vii) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- ix) Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- x) If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### 41. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

- a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- b. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- c. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

42. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43

## **Notice (Contd.)**

### **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 2**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on October 22, 2020, had appointed Ms. Sarvamangala Hadapada (DIN: 08395454) as an Additional Director of the Company in the capacity of Independent Director with effect from October 22, 2020.

Requisite Notice under Section 160 of the Act proposing the appointment of Ms. Sarvamangala Hadapada has been received by the Company.

The Company has received a declaration from Ms. Sarvamangala Hadapada to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

Ms. Sarvamangala Hadapada is not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Ms. Sarvamangala's association would be of benefit to the Company considering her experience and expertise and she fulfils the conditions specified in the Act and SEBI Listing Regulations for her appointment, and she is independent of the management of the Company.

A copy of the draft letter of appointment of Ms. Sarvamangala Hadapada as an Independent Director setting out the terms and conditions is available for electronic inspection by the Members.

Approval of the Members is required by way of an Ordinary Resolution for appointment of Ms. Sarvamangala Hadapada.

Additional information in respect of Ms. Sarvamangala Hadapada, pursuant to the SEBI Listing Regulations and the Secretarial Standard on General Meetings is enclosed.

The Board recommends the resolution mentioned at Item No. 2 of the accompanying notice for approval of the Members.

Except for Ms. Sarvamangala, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their respective relatives is concerned or interested in the resolution mentioned at Item No. 2.

#### **Item No. 3**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on November 13, 2020 had appointed Mr. Theerthesh B S (DIN: 08955326) as an Additional Director of the Company in the capacity of Independent Director with effect from November 13, 2020.

Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Theerthesh B S has been received by the Company.

## **Notice (Contd.)**

The Company has received a declaration from Mr. Theerthesh B S to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Mr. Theerthesh B S is not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Mr. Theerthesh's association would be of benefit to the Company considering his experience and expertise and he fulfills the conditions specified in the Act and SEBI Listing Regulations for his appointment, and he is independent of the management of the Company.

A copy of the draft letter of appointment of Mr. Theerthesh B S as an Independent Director setting out the terms and conditions is available for electronic inspection by the Members.

Approval of the Members is required by way of an Ordinary Resolution for appointment of Mr. Theerthesh B S.

Additional information in respect of Mr. Theerthesh B S, pursuant to the SEBI Listing Regulations and the Secretarial Standard on General Meetings, is enclosed.

The Board recommends the resolution mentioned at Item No. 3 of the accompanying notice for approval of the Members.

Except for Mr. Theerthesh B S, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their respective relatives is concerned or interested in the resolution mentioned at Item No. 3.

### **Item No.4**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on November 13, 2020 had appointed Mr. G Sreenivas (DIN: 07805594) as an Additional Director of the Company in the capacity of Non-Executive Director with effect from November 13, 2020.

Requisite Notice under Section 160 of the Act proposing the appointment of Mr. G Sreenivas has been received by the Company.

Mr. G Sreenivas is not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Mr. G Sreenivas's association would be of benefit to the Company considering his experience and expertise and he fulfills the conditions specified in the Act and SEBI Listing Regulations for his appointment.

A copy of the draft letter of appointment of Mr. G Sreenivas as a Non-Executive Director setting out the terms and conditions is available for electronic inspection by the Members.

Approval of the Members is required by way of an Ordinary Resolution for appointment of Mr. G Sreenivas S.



## Notice (Contd.)

Additional information in respect of Mr. G Sreenivas, pursuant to the SEBI Listing Regulations and the Secretarial Standard on General Meetings, is enclosed.

The Board recommends the resolution mentioned at Item No. 4 of the accompanying notice for approval of the Members.

Except for Mr. G Sreenivas, to whom the resolution relates, none of the Directors, Key Managerial Personnel or their respective relatives is concerned or interested in the resolution mentioned at Item No. 4.

**Disclosures relating to Directors to be appointed pursuant to Regulation 26(4) and 36(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standards on General Meetings:**

<b>Name of the Director</b>	<b>Ms. Sarvamangala Hadapada</b>	<b>Mr. Theerthesh B S</b>	<b>Mr. G Sreenivas</b>
Director Identification Number (DIN)	08395454	08955326	07805594
Date of Birth	March 22, 1984	June 12, 1992	October 9, 1962
Date of First Appointment on the Board	October 22, 2020	November 13, 2020	November 13, 2020
Qualifications	MA (Economics), M.Phil (Economics)	Member of the Institute of Company Secretaries of India.and LLB	Bachelor of Science
Brief Resume / Expertise in specific field	Lecturer in Economics	Company law matters and Secretarial Practices	Human Resource and General Administration
Directorship in other Companies	A2, Talent Management Solutions Private Limited	NIL	Bangalore Beverages Limited Bestride Consultancy Private Limited Kingfisher Finvest India Limited UB Infrastructure Projects Limited
Chairperson/ Membership in Committees of the Board of Directors of the Company.	<b>Chairperson :</b> Nomination and Remuneration Committee Corporate Social Responsibility Committee <b>Member:</b> Audit Committee Stakeholders Relationship Committee	<b>Chairman:</b> Audit Committee Stakeholders Relationship Committee <b>Member:</b> Nomination and Remuneration Committee Corporate Social Responsibility Committee	<b>Member:</b> Audit Committee Nomination and Remuneration Committee Stakeholders Relationship Committee Corporate Social Responsibility Committee
Chairperson/ Membership in Committees of the Board of Directors of other Companies in which he is a director	Nil	Nil	Nil
Shareholding in McDowell Holdings Limited	Nil	Nil	Nil

## Notice (Contd.)

Name of the Director	Ms. Sarvamangala Hadapada	Mr. Theerthesh B S	Mr. G Sreenivas
Number of Board Meetings attended during the year 2020-21 as a Director	2	1	1
Relationship with Directors and Key Managerial Personnel	None	None	None

Note: The Directorships, Committee Memberships and Chairmanships do not include positions in foreign companies, private companies (which are not subsidiaries of public companies), Section 8 Companies & Limited Liability Partnership.

**By Order of the Board**

**Bengaluru  
August 26, 2021**

**Theerthesh B S  
Director  
(DIN: 08955326)**

# Report of the Directors

## TO THE MEMBERS,

The Directors have pleasure in presenting the Annual Report of the Company along with Audited Accounts for the financial year ended March 31, 2021.

The summary of the financial results of the Company for the financial year ended March 31, 2021 is as under:

Particulars	For the Financial Year Ended	
	31.03.2021 (Rs. Lakhs)	31.03.2020 (Rs. Lakhs)
Income	<b>246.89</b>	1773.41
Less : Expenditure	<b>360.55</b>	2461.49
Profit/(Loss) before Tax	<b>(113.66)</b>	(688.08)
Tax Expense	-	3.99
Profit/(Loss) after Tax	<b>(113.66)</b>	(684.09)

## Dividend

In view of the losses, no dividend has been recommended for the financial year ended March 31, 2021.

## Operations of the Company

The total income of the Company during the financial year under review was Rs. 246.89 lakhs as against Rs.1773.41 lakhs in the previous financial year. The decrease in income was primarily due to reduction in profit on sale of investments, lower dividends received, reduction in provision no longer required written back and drop in service income. The total expenditure during the year was Rs.360.55 lakhs as against Rs.2461.49 in the previous financial year. The decrease in expenditure was due to reduction in employee costs, finance costs, professional expenses and provisions. The net loss during the year was Rs.113.66 lakhs as against a loss of Rs.684.09 lakhs in the previous year.

The spread of the Covid-19 pandemic has brought economic activity to a near standstill in the first half of FY 2020-21. India's (FY 2020-21) GDP is estimated to have contracted by 7.7% Y-o-Y and it has taken a dramatic toll on lives and livelihoods. With continued uncertainty, it is evident that the post- pandemic existence will be unavoidably different. The pandemic has also impacted the company's efforts towards finding a resolution for the exigent issues prevailing upon it. Despite the challenging situation, the company is working towards finding a solution.

## Market Value of Company's investment

The Company's net worth, taking into account the market value of the Company's investments, would be more than adequate to meet its liabilities and to continue its operations in future.

## Report of the Directors (Contd.)

### Future Prospects

Your Company is in the category of NBFC CIC (exempted) and it continues to hold strategic investments in different companies. The dividend distribution by the investee companies contributes to the Company's revenue. However, the Company vide letter dated August 3, 2021 has sought advice from RBI regarding applicability of NBFC rules / application for grant of Certification for becoming CIC-NDSI in view of company's assets being valued at market rate on application of IND AS.

Your Company has entered into advisory and consultancy services which under the existing circumstances, can be carried on advantageously along with the existing activities of the Company to augment the revenue of the Company. In order to strengthen the prospects of the Company, your Directors/Management continue to evaluate options to enter into additional activities but the attachment of the Company's investments by the Regulators has affected the cash flow position of the Company and the process of evaluating options has been adversely affected. The Company nevertheless would continue to evaluate future business options based on the changing business and external environment.

### Directors and Key Managerial Personnel

Ms. Sarvamangala Hadapada (DIN - 08395454) was appointed as an Additional Director in the category of Non-Executive Independent Woman Director w.e.f October 22, 2020. The Nomination and Remuneration Committee has recommended the appointment of Ms. Sarvamangala Hadapada as Independent Director. The appointment is subject to the approval of the Shareholders.

Mr. G. Sreenivas (DIN - 07805594) was appointed as an Additional Director in the category of Non-Executive Director w.e.f November 13, 2020. The Nomination and Remuneration Committee has recommended the appointment of Mr. G. Sreenivas as a Non- Executive Director. The appointment is subject to the approval of the Shareholders.

Mr. Theerthesh B.S. (DIN - 08955326) was appointed as an Addition Director in the Category of Non-Executive Independent Director w.e.f November 13, 2020. The Nomination and Remuneration Committee has recommended the appointment of Mr. Theerthesh B.S. as Independent Director. The appointment is subject to the approval of the Shareholders.

Ms. Tushita Patel, a Non-Executive Woman Director, Mr. Raghuveeran Kasargod and Mr. Girish Datar both being Non-Executive Independent Directors of the Company resigned as a Director of the Company w.e.f October 12, 2020 and November 18, 2020 respectively.

The Board of Directors places on record their appreciation for the contribution by Ms. Tushita Patel, Mr. Raghuveeran Kasargod and Mr. Girish Datar during their tenure as Non-Executive Woman Director and as Independent Directors of the Company respectively.

Mr. Ajay Kumar Vijay, Executive Director of the Company resigned w.e.f November 18, 2020. The Board of Directors places on record their appreciation for the contribution by Mr. Ajay Kumar Vijay during his tenure as an Executive Director of the Company.

Mr. Arindam Ash, the Chief Financial Officer and Key Managerial Personnel of the Company resigned from the services of the Company w.e.f. November 16, 2020 and efforts are continuing to identify a successor. The Board of Directors places on record their appreciation for the contribution by Mr. Arindam Ash during his tenure as Chief Executive Officer of the Company.

## Report of the Directors (Contd.)

Mr. Manoj Kumar, Company Secretary, Compliance Officer and Key Managerial Personnel resigned from the services of the Company w.e.f. December 10, 2019 and efforts are continuing to identify a successor.

The affairs of the Company are conducted under the overall supervision and guidance of the Board of Directors of the Company.

None of the Directors of the Company are disqualified under Section 164 (2) of the Companies Act, 2013. Your Directors have made necessary disclosures as required under the provisions of the Companies Act, 2013.

### **Directors' Responsibility Statement**

The Board of Directors of the Company hereby state that:

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;
- (d) the Annual Accounts have been prepared on a going concern basis;
- (e) Internal Financial Controls have been laid down to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **Statutory Auditors**

#### *(a) Appointment of Statutory Auditors:*

The Members of the Company had appointed M/s. BVC & Co., Chartered Accountants, (Firm Registration No. 008154S) as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the Thirteenth Annual General Meeting to the conclusion of the Eighteenth Annual General Meeting of the Company. The Auditors have confirmed that they continue to fulfill the criteria for appointment as Auditor of the Company as prescribed under the Act and the Rules framed thereunder.

#### *(b) Auditor's Qualifications and Board responses:*

Certain issues relating to Company's income stream and its effect on the going concern aspects, is the subject matter of Qualification in the Audit Report. This Qualification has been explained in Note no. 34 of the financial statements.

# Report of the Directors (Contd.)

## Corporate Governance & Management Discussion and Analysis Reports

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) a Report on Corporate Governance and Management Discussion and Analysis Report are attached to this Report.

The Auditor's Certificate confirming compliance of conditions of Corporate Governance is appended to this report. CEO/CFO Certificate as required under Regulation 17 of the SEBI LODR could not be signed in absence of a CEO/CFO of the Company..

## DISCLOSURES

### Board and its Committees

The details of the meetings of the Board and its Committees held during the financial year, the composition of the board and all of its committees are given in the Report on Corporate Governance. All the recommendations made by the Audit Committee and Nomination and Remuneration Committee from time to time were accepted by the Board.

### Declarations by Independent Directors

The Company has received declarations from the Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and listing regulations.

### Performance Evaluation of the Board and it's Committees

The details of annual evaluation made by the Board of its own performance and that of its committees, individual Directors individually and performance criteria for Independent Directors laid down by the Nomination and Remuneration Committee are enclosed as **Annexure – A** to this Report. The policy for performance evaluation of the Independent Directors and Board of Directors is available on the Company's website [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in).

### Details of remuneration to Directors

During the year under review, remuneration was paid to the Executive Director. The Non-Executive Directors were paid sitting fee for attending the committee and board meetings and reimbursement of actual travel expenses, boarding and lodging, conveyance and incidental expenses incurred in attending such meetings.

### Particulars of Employees and Related Disclosures

Disclosures with respect to the remuneration of Directors and Employees as required under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure D** to this Report.

The Company had not offered any shares to its employees or Key Managerial Personnel under any scheme of Employees Stock Option and has also not issued any sweat equity at any time.

# Report of the Directors (Contd.)

## Deposits

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter-V, (Acceptance of Deposits by Companies) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## Corporate Social Responsibility (CSR)

The Company has constituted a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013. Since the average net profit of the Company for the preceding three financial years was negative, there was no necessity for the Company to carry out any CSR spending for the period under review.

## Secretarial Audit

### *(a) Secretarial Audit Report*

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Mr. K N Nagesha Rao (C.P.No.12861/Membership No. FCS 3000, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report furnished by Auditor in the format prescribed is enclosed as **Annexure - E** to this report.

### *(b) Qualifications and Board responses*

The Board responses to the qualifications of the Secretarial Audit are as under:

- (i) Consequent to the resignation of the Company Secretary from the services of the Company w.e.f. December 10, 2019, the Company engaged HR placement agencies and head-hunters to fill up the post. Due to the attachment of the Company's investments and also the freezing of the Company's demat account by the Enforcement Directorate ( in connection with their investigation against Kingfisher Airlines Limited, Dr. Vijay Mallya / Ors) the generation of funds to pay salary, dues and other administrative expenses have been adversely affected. In view of these facts, the candidates identified by the Placement Agency did not agree to join the Company. Apart from these candidates, few more candidates also disagreed to join on the same grounds. The Company is continuing in its efforts to fill the vacancy.
- (ii) The Chief Financial Officer and executive director of the Company resigned from the services of the Company w.e.f. November 16, 2020 and November 18, 2020 respectively. Due to the attachment of the Company's investments and also the freezing of the Company's demat account by the Enforcement Directorate ( in connection with their investigation against Kingfisher Airlines Limited, Dr. Vijay Mallya / Ors) the generation of funds to pay salary, dues and other administrative expenses have been adversely affected. In view of these facts, the candidates disagreed to join on the Company. The Company is continuing its efforts to fill the vacancy.

## Internal Control System

The Company has a robust system of internal control, the effectiveness of which is tested by the process of internal audit under the supervision of Audit Committee. Your Company

## Report of the Directors (Contd.)

through internal audit under the supervision of the Audit Committee reviews the risk management process, risk mitigation plans and risk reporting.

The adequacy and effectiveness of Internal Financial Controls have been endorsed by the Internal Auditor and the Statutory Auditors. The report of the Independent Statutory Auditors in the annexure to their Audit Report does not contain any adverse observations.

### **Vigil Mechanism**

The Company has implemented a vigil mechanism to provide a framework for the Company's employees and Directors to promote responsible and secure whistle blowing. It protects the employees who raise concern about serious irregularities within the Company, if any. A brief summary of the vigil mechanism implemented by the Company is set out in **Annexure - B** to this report.

Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year under review. The Whistle Blower Policy is available in the Company website, [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in).

### **Share Capital**

The Authorised Share Capital of the Company stands at Rs.15,00,00,000 comprising of 150,00,000 equity share of Rs.10 each and the issued, subscribed and paid up capital of the Company as on March 31, 2021 remain unchanged at Rs.13,99,22,580 comprising of 1,39,92,258 equity shares of Rs.10 each.

### **Depository System**

The trading in the equity shares of your Company is under compulsory dematerialisation mode. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail the facility of dematerialisation of the Company's shares. Moreover, transfer of shares of the Company by physical means has been barred from April 1, 2019 pursuant to SEBI's Notification dated December 3, 2018.

### **Listing Requirements**

Your Company's Equity Shares are listed on the BSE Limited and National Stock Exchange of India Limited. The listing fees have been paid to both the Stock Exchanges for the year 2021-2022.

### **Annual Return**

As required under sub-section (3) of Section 92 of the Act as amended by the Companies (Amendment) Act, 2017, the Company has placed a copy of the Annual Return in Form MGT-7 on its website [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in) through the link <http://mcdowellholdings.co.in/investors/others>.



# **Report of the Directors (Contd.)**

## **Nomination and Remuneration Policy**

The Board on the recommendation of the Nomination and Remuneration Committee has laid down a policy for the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company. The same is set out in **Annexure - C** to this report.

## **Particulars of Loans, Guarantees or investments**

Details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given in Note 4 & 12 of the Notes to the Financial Statements.

## **Subsidiary, Associates and Joint Ventures**

The Company does not have any Subsidiary, Associates and Joint Ventures.

## **Related Party Transactions**

During the year under review, all contracts/arrangements entered by your Company with related parties, were on an arm's length basis and in the ordinary course of business, and did not consummate material transactions with any related party as defined in the Act. All related party transactions, entered for the year under review, have been approved by the Audit Committee, wherever applicable.

Transactions with related parties as per the requirements of Accounting Standards 18 issued by The Institute of Chartered Accountants of India are disclosed in the relevant Schedule of Notes to Annual Accounts. The Policy for Related Party Transactions is available on the Company's website: [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in).

## **Familiarisation Programme for Independent Directors**

The details of programmes for familiarisation of the Independent Directors, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the Company's website: [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in).

## **Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo**

The provisions under Section 134 of the Companies Act, 2013 and rules made there under relating to energy conservation, technology absorption do not apply to the Company, as the Company is not engaged in the manufacturing activities. There were no foreign exchange earnings or outgo during the year under review.

## **Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Report of the Directors (Contd.)

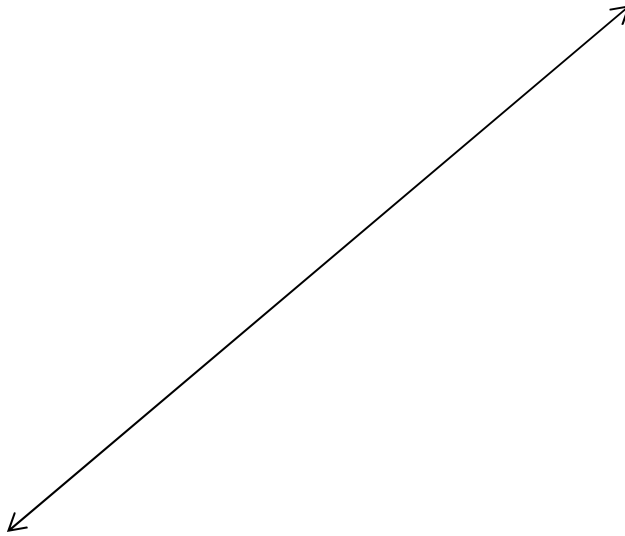
### Acknowledgement

Your Directors wish to acknowledge the co-operation and support extended by the employees and the shareholders of the Company.

**By Order of the Board**

**Bengaluru  
August 26,2021**

**Theerthesh B.S.  
Chairman  
(DIN: 08955326)**



# Annexure to Report of the Directors

## ANNEXURE – A

### PERFORMANCE EVALUATION PROCESS & CRITERIA

The Nomination and Remuneration Committee (N & R Committee) of Board of Directors has formulated criteria and questionnaires to evaluate the performance of Board, its committees and Individual Directors including the Independent Directors. Further, the Independent Directors at their separate meeting have formulated the criteria and questionnaire to evaluate the performance of Non Independent Directors and the Chairman of the Board.

The formal annual evaluation has been carried out in the manner given below:

- Based on the questionnaire and feedback, the performance of every Director was evaluated in the meeting of the Nomination and Remuneration Committee.
- The Independent Directors at their separate meeting have carried out annual evaluation on the performance of Non Independent Directors, Board as a whole and performance of the Chairman of the Company.
- As stipulated under the Code for Independent Directors, the Board of Directors have carried out the performance evaluation of each Independent Directors by circulating the questionnaires to the other Board members, excluding the Director being evaluated.

Some of the key criteria for performance evaluation are as follows:

#### **Evaluation of Non Independent Directors:**

- Attendance and participation at Board and Committee meetings.
- Level of familiarity and compliance with the codes and policies.
- Familiarity with all the spheres of the activities of the Company.
- Level of participation in developing Business Strategies.
- Quality of relationship with other members of the Board.

#### **Evaluation of Independent Directors: (in addition to the criteria for Non Independent Directors)**

- Ability to exercise responsibilities in a bona fide manner.
- Level of Contribution in implementing best Corporate Governance practice.
- Independent Judgment during Board's deliberation on strategy, performance, risk management etc.

## **Annexure to Report of the Directors (Contd.)**

### **ANNEXURE – B**

#### **VIGIL MECHANISM**

- A) Employees and Directors can make Protected Disclosure a letter addressed to the Ethics Counsellor or to the Chairman of the Audit Committee.
  - B) Name of the Whistle Blower need not be disclosed to the Whistle Officer/Committee.
  - C) The Ethics Counsellor / Chairman of the Audit Committee shall after end of investigation make a detailed written record of the Protected Disclosure.
  - D) The Ethics Counsellor / Chairman of the Audit Committee shall finalize and submit the report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
  - E) On submission of report, the Ethics Counsellor / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Ethics Counsellor / Chairman of the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
  - F) Notwithstanding the above, the Whistle Blower shall have direct access to the Chairman of the Audit Committee in exceptional cases.
- 

### **ANNEXURE – C**

#### **NOMINATION AND REMUNERATION POLICY OF THE COMPANY**

##### **Part A – Policy on appointment of Directors**

For the Board of a Company to be effective and efficient, it should comprise of individuals who have professional qualifications and proven experience in their respective fields of specialization.

The Nomination and Remuneration Committee evaluates the Directors and recommends the Board for their appointment/ reappointment and ensures optimum composition of Board. While recommending appointment of an Individual as a Director on the Board, the committee has to consider the following factors:

- Diversity of the Board
- Qualification and positive attributes
- Independence of Directors (in the case of Independent Directors)

##### **Diversity of Board**

The Committee shall take into consideration the following to ensure Board diversity:

- Optimum composition of Executive Directors and Non-Executive Directors on the Board;

## **Annexure to Report of the Directors (Contd.)**

- Professional experience and expertise in different areas of specialization;
- Diversity criteria including, but not limited to gender, age, ethnicity, race, religion, culture and geographic background;
- Academic qualification, functional expertise, personal skills and qualities.

The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

### **Qualification and positive attributes**

The Committee may also assess the following criteria:

- Financially literate, which means he/she possess the ability to read and understand basic financial statements i.e. balance sheet, statement of profit and loss, and statement of cash flow.
- Possess high levels of personal, professional integrity.
- Have appropriate knowledge/experience about the industry and the Company, or ability to acquire required knowledge and understanding.
- Able to provide guidance to the Board in matters of business, finance, strategy and corporate governance.
- Able to analytically look into the issues placed before the Board and provide strategies to solve them.
- Possess better communication skills and ability to work harmoniously with fellow Directors and Management.
- Willingness to devote the required time, including being available to attend Board and Committee meetings.

### **Independence of Directors (only in the case of Independent Directors)**

Any relationship between the Company and Directors other than in the normal course will affect the Independence of Directors in many ways. The Committee shall assure that the candidate proposed for the position of Independent Director meets the minimum criteria for Independence set out under Section 149 of the Companies Act, 2013. It shall also assess if the candidate would be able to meet the standards mentioned in the code for Independent Directors under the Companies Act, 2013.

### **Part B – Policy on Remuneration to Board of Directors, Key Managerial Personnel and other Employees Introduction**

With the view to attract and retain qualified industry professionals for the Board and Management in order to achieve its strategic goals this policy is designed for adopting the highest standards of good corporate governance. The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis and is in consonance with the existing industry practices.

## **Annexure to Report of the Directors (Contd.)**

This policy is now framed to ensure that the requirements of Section 178 of the Companies Act, 2013 is met and it intends to define general guidelines for the Company's pay to the Board of Directors, Key Managerial Personnel and Senior Management and other employees.

### **Remuneration of Directors**

The Board of McDowell Holdings Limited comprises of three categories of Directors viz., Whole-time Director, Non-Executive Director and Non-Executive Independent Directors.

The Remuneration to Whole-Time Director and Non - Executive Directors are governed by the provisions of Companies Act, 2013 and the rules framed thereunder and the notifications issued by the Ministry of Corporate Affairs from time to time.

### **Non-Executive Directors**

The Non-Executive Directors including Non-Executive Independent Directors are eligible for fixed amount of sitting fees for attending meetings of the Board of Directors and its Committees as allowed under the Companies Act, 2013.

### **Reimbursement of expenses**

All expenses incurred by the Board of Directors for attending the meetings and events of the Company are reimbursed at actual basis.

### **Remuneration to Key Managerial Personnel and Senior Management Personnel**

The remuneration structure to the Key Managerial Personnel and Senior Management Personnel shall include the following components:

- (i) Basic Pay
- (ii) Variable Pay
- (iii) Perquisites and Allowances
- (iv) Retiral benefits
- (v) Performance Evaluation Payment

It is to be ensured that Key Managerial Personnel (KMP) and Senior Management Personnel are paid as per the trend prevalent in the similar industry, nature and size of business and the risks and responsibilities associated for holding such position. The level and components of remuneration is reasonable and sufficient to attract and retain the KMPs and Senior Management.

The Annual Plan and Objectives for Key Managerial Personnel and Senior Management Personnel shall be reviewed by the Nomination and Remuneration Committee and Performance Evaluation Payment will be approved by the Committee based on the achievements against the Annual Plan and Objective.

## Annexure to Report of the Directors (Contd.)

### ANNEXURE – D

#### Information pursuant to Section 197 of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer during the financial year 2020-21, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:

Sl. No.	Name of Director/Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration of each Director/ Key Managerial Personnel
1.	Mr. Ajay Kumar Vijay (upto 18.11.2020)	Executive Director	9.64	-
2.	Ms. Tushita Patel (upto 12.11.2020)	Non-Executive Director	-	-
3.	Mr. Raghuveeran Kasargod (upto 18.11.2020)	Independent Non-Executive Director	-	-
4.	Mr. Girish Datar (upto 18.11.2020)	Independent Non-Executive Director	-	-
5.	Ms. Sarvamangala Hadapada (w.e.f 22.10.2020)	Independent Non-Executive Director	-	-
6.	Mr. G Sreenivas (w.e.f. 13.11.2020)	Non-Executive Director	-	-
7.	Mr. Theerthesh B S (w.e.f. 13.11.2020)	Independent Non-Executive Director	-	-
8.	Mr. Arindam Ash (upto 16.11.2020)	Chief Financial Officer	-	-

Note:(a) The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.(b) Percentage increase in remuneration is as per the policy of the Company and as approved by the Nomination and Remuneration Committee of the Company during the financial year 2020-21.

2. The percentage increase in the median remuneration of Employees for the financial year was Nil.
3. The Company has 1 permanent Employee on the rolls of Company as on March 31, 2021.
4. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was Nil over the previous financial year which is in line with the industry benchmark and cost of living index and the average remuneration of the managerial personnel for the same financial year increased by Nil.
5. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**By Order of the Board**

**Bengaluru  
August 26,2021**

**Theerthesh B.S.  
Chairman  
(DIN: 08955326)**

# **Annexure to Report of the Directors (Contd.)**

## **ANNEXURE – E**

**Secretarial Audit Report  
For the Financial Year ended 31st March 2021  
[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule No. 9 of the Companies (Appointment and Remuneration  
of Managerial Personnel) Rules, 2014]**

To the Members of **McDowell Holdings Limited**

1. I conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by McDowell Holdings Limited with CIN : L05190KA2004PLC033485 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
2. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, and subject to my separate letter attached hereto as the Annexure, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2021 according to the provisions of:
  - (a) The Companies Act, 2013 (the Act) and the Rules made there under;
  - (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008



## **Annexure to Report of the Directors (Contd.)**

- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with client. [Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the Financial Year];
  - vi. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (f) Indian Copyright Act, 1957
- (g) The Patents Act, 1970
- (h) The Trade Marks Act, 1999
4. I have also examined compliance with the Listing Agreements entered into by the Company and compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
6. I further report that, there were no events / actions in pursuance of :
- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and
  - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.
- requiring compliance thereof by the Company during the Audit period.
7. I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.
8. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the qualifications mentioned in paragraph 10 below.
9. Subject to the qualifications mentioned in paragraph 10, I further report as below:
- 9.1 that, -
- (a) adequate advance notices for Board and Committee meetings were issued to Directors during the year; such notices accompanied detailed notes on agenda items

## Annexure to Report of the Directors (Contd.)

and draft minutes of respective meetings; the Company adopts a system to enable Directors to seek and obtain required information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

(b) the Company followed proper Board processes in convening and conduct of Meetings Members and Directors; the Company has maintained proper Books to record Proceedings of General Meetings of Members, Minutes of Meetings of Board and Committee of Directors; resolutions passed by e-voting, if any, are recorded in the Minutes Book of General Meetings.

(c) I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. *However, the Company could strengthen its organization to improve systems and processes.*

9.2 that, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

9.3 There were no instances of:

- (i) Public, Preferential Issue of Shares or Debentures or Sweat Equity.
- (ii) redemption buy-back of securities;
- (iii) major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013;
- (iv) merger, amalgamation, reconstruction etc.;
- (v) foreign technical collaborations.

10. Qualification:

**10.1 The Company could not comply with Section 203 of the Companies Act, 2013 and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 since the Company did not fill up during the Financial Year the vacancy of Company Secretary/Compliance Officer caused during the Financial Year 2019-20.**

**10.2 The Company could not fill up the vacancy of two Key Managerial Personnel caused during the Financial Year, namely, the Chief Executive Officer and the Chief Financial Officer (non-compliance of provisions of Section 203 of the Companies Act, 2013)**

Bengaluru  
10th August, 2021  
UDIN No. F003000C000765971  
Peer Review Unique ID No.I2014KR1122000

**K N Nagesha Rao**  
**Practising Company Secretary**  
**FCS 3000 CP 12861**

## Annexure to Report of the Directors (Contd.)

### The Annexure to the Secretarial Audit Report for the Financial Year 2020-21

To the Members of **McDowell Holdings Limited**

Maintenance of Secretarial records and compliance of the provisions of corporate My Secretarial Audit Report of even date is to be read along with this letter.

1. and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records and compliance based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I obtained the management representation on the compliances of laws, rules and regulations as well on happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Bengaluru  
10th August, 2021  
UDIN No. F003000C000765971  
**Peer Review Unique ID No.I2014KR1122000**

***K N Nagesha Rao***  
***Practising Company Secretary***  
***FCS 3000 CP 12861***

# Corporate Governance Report

## Company's Philosophy on Corporate Governance

Your Company believes in upholding high standards of Corporate Governance in its operations and ensuring adherence to ethical and moral standards. The philosophy of your Company on Corporate Governance envisages, inter alia, attainment of accountability and equity in all its actions and enhancement of shareholder value keeping in view the needs and interests of other stakeholders.

## Board of Directors

### a) Composition of the Board

- i. As on March 31, 2021, the Company had two Independent Non-Executive Directors, one of which is a Non-Executive Woman Director. Mr. Theerthesh B S was appointed as an Independent Non-Executive Director w.e.f. November 13, 2020. He is a practicing Advocate and a qualified Company Secretary having experience over 7 years in the field of Company law, Labour Law, Competition Law and secretarial compliances. The Chairman of the Board is an Independent Non-Executive Director.

Ms. Sarvamangala Hadapada was appointed as a Non-Executive Independent Woman Director on the Board of the Company w.e.f. October 22, 2020. Ms. Sarvamangala Hadapada, with a Masters in Economics, M.Phil, B.Ed has over 3 years experience in the field of education and is currently working as a lecturer and is an active member of the Lions Club.

Mr. G Sreenivas was appointed as a Non-Executive Director on the Board of the Company w.e.f. November 13, 2020. Mr. G Sreenivas, a Science Graduate has over 25 years of experience in the field of Human Resource management and general administration.

- ii. As mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), none of the Directors on the Board is a Member of more than seven committees or Chairman of more than five committees or Director/Independent Director in more than seven listed company as specified under the SEBI LODR across all the companies in which he/she is a Director.
- iii. None of the Directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Companies Act, 2013 ("the Act").
- iv. In terms of Regulation 25(8) of SEBI LODR, Independent Directors have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that all the Independent Directors meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI LODR and that they are independent of the management.
- v. Independent Directors have also confirmed that in terms of the provisions of Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have included their names in the data bank maintained by the Indian Institute of Corporate Affairs.

## Corporate Governance Report (Contd.)

- vi. The information as required in terms of SEBI LODR is being regularly placed before the Board. The Board also reviews the declaration on compliance with all laws applicable to the Company on a quarterly basis,

### b) Number of Board Meetings

During the year under review, six board meetings were held on June 15, 2020, June 26, 2020, August 20, 2020, October 22, 2020, November 13, 2020 and March 9, 2021. Necessary quorum was present in all the meetings and the gap between two consecutive meetings did not exceed 120 days except for the meeting held on March 9, 2021.

### c) Directors' attendance record and details of Directorships/Committee positions held

The names and categories of the Directors on the Board, their attendance at the board meetings held during the year 2020-21 and at the last Annual General Meeting names and details of their Directorships/Committee positions held as at March 31, 2021 are given below:

Name of Director	Category	No. of Board Meetings attended during 2020-21	Attendance at last AGM held on 29.9.2020	No. of Directorships in other Companies (including the Company)		No. of committee positions held (other than the Company)		Directorships in other listed entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Mr. Ajay Kumar Vijay <sup>1</sup>	Executive Director	5	Yes	-	1	-	-	-
Ms. Tushita Patel <sup>2</sup>	Non-Executive Director	3	Yes	-	1	-	-	-
Mr. Raghuvveeran Kasargod <sup>3</sup>	Independent Non-Executive Director	5	Yes	1	-	-	-	-
Mr. Girish Datar <sup>4</sup>	Independent Non-Executive Director	4	Yes	-	1	-	-	-
Ms. Sarvamangala Hadapada <sup>5</sup>	Independent Non-Executive Director	2	No	-	1	-	-	-
Mr. Sreenivas <sup>6</sup>	Non-Executive Director	1	No	-	1	-	-	-
Mr. Theerthesh B S <sup>7</sup>	Independent Non-Executive Director	1	No	1	-	-	-	-

<sup>1</sup> - upto 18.11.2020; <sup>2</sup> - upto 12.10.2020; <sup>3</sup> - upto 18.11.2020; <sup>4</sup> - upto 18.11.2020; <sup>5</sup> - w.e.f 22.10.2020; <sup>6</sup> - w.e.f 13.11.2020; <sup>7</sup> - w.e.f 13.11.2020.

## Corporate Governance Report (Contd.)

### Note:

1. Mr. Girish Datar, was appointed as an Independent Director w.e.f. June 15, 2020. Due to his resignation w.e.f. November 18, 2020 he ceased to hold office as a Director of the Company.
2. Mr. Ajay Kumar Vijay, a whole Time Director of the Company resigned as a Director of the Company w.e.f. November 18, 2020.
3. Ms. Tushita Patel, a Non executive director of the Company resigned from her post w.e.f October 12, 2020.
4. Mr. Raghuveeran Kasargod an Independent Non Executive Director resigned from his post w.e.f November 18, 2020.
5. Ms. Sarvamangala Hadapada, was appointed as Independent Non Executive director w.e.f. October 22, 2020.
6. Mr. Govinadraj Sreenivasan was appointed as Non Executive director w.e.f. November 13, 2020.
7. Mr. Theerthesh B.S. was appointed as Independent Non Executive director w.e.f. November 13, 2020.
8. The above details are in respect of their directorships only in companies incorporated in India and do not include directorships in private limited companies, companies incorporated under Section 8 of Companies Act, 2013, chambers, committees and federations.
9. In accordance with the SEBI LODR Membership/chairmanship of audit committee and stakeholder relationship committee in all public limited companies (excluding the Company) have been considered.
10. The Company has not had any pecuniary relationship and transaction with any of the Non-Executive Directors, other than payment of sitting fees, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

### **c) Directors with pecuniary relationship or business transaction with the Company**

The details of remuneration including sitting fees paid to the directors have been furnished in this report.

### **d) Number of shares and convertible instruments held by Non-Executive Directors**

None of the Non-Executive Directors hold any shares in the Company.

## Corporate Governance Report (Contd.)

### e) Skills/Expertise/Competence of Board of Directors

The Board has identified the following skills/expertise/competencies for the effective functioning of the Company which are currently available with the Board.

Strategy and Planning	Experience in reviewing and guiding corporate strategy, annual budgets and business plans and overseeing major capital expenditures and acquisitions.
Governance	Experience in developing governance practices, protecting the interests of stakeholders and building long-term effective stakeholder engagements.
Financial	Ability to understand the (a) financial statements; (b) accounting principles used for preparation of the financial statements; (c) internal controls; and (d) procedures for financial reporting.
Leadership	Experience in understanding the organizational processes, strategic planning and risk management. Ability to effectively represent the vision, mission and values of the Company with the key stakeholders.

All the Directors possess the competencies identified above and required for the functioning of the business of the Company.

### f) Meeting of Independent Directors

During the year under review, without the presence of the Executive Director and the Management representatives, two meetings of the Independent Directors were held on October 14, 2020 and November 27, 2020.

The Independent Directors, inter-alia:

- reviewed the performance of Non-Independent Directors, Board as a whole;
- reviewed the performance of Chairman of the Company taking into account the views of Executive and Non- Executive Directors and
- assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

### Committees of the Board

The Board of Directors has constituted five Committees viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Committee of Directors.

## Corporate Governance Report (Contd.)

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are given below.

### Audit Committee

The terms of reference powers and role of the Audit Committee meet the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR.

As on March 31, 2021 the composition of the Audit Committee is as follows:

Name	Designation	Category
Mr. Threethesh B S <sup>1</sup>	Chairman	Independent Non-Executive Director
Ms. Sarvamangala Hadapada <sup>2</sup>	Member	Independent Director
Mr. Raghuveeran Kasargod <sup>3</sup>	Chairman	Independent Non-Executive Director
Ms. Tushita Patel <sup>4</sup>	Member	Non-Executive Director
Mr. Girish Datar <sup>5</sup>	Member	Independent Director
Mr. G Sreenivas <sup>6</sup>	Member	Non-Executive Director

<sup>1</sup> w.e.f 19.11.2020; <sup>2</sup> w.e.f 22.10.2020; <sup>3</sup> upto 18.11.2020 ; <sup>4</sup> upto 12.10.2020; <sup>5</sup> upto 18.11.2020; <sup>6</sup> w.e.f. 13.11.2020.

Mr. Threethesh B S, Independent Director was appointed as Chairman of the Audit Committee w.e.f. November 19, 2020 in the place of Mr. Raghuveeran Kasargod, who resigned as a Director of the Company w.e.f November 18, 2020.

Upon resignation of Mr. Ajay Kumar Vijay, Whole Time Director, Mr. Girish Datar was inducted as a Member w.e.f. June 15, 2020 and The Committee was reconstituted in compliance with the requirements of SEBI LODR and the present composition of the Audit Committee is as follows:

Name	Designation	Category
Mr. Threethesh B S	Chairman	Independent Non-Executive Director
Ms. Sarvamangala Hadapada	Member	Independent Director
Mr. G Sreenivas	Member	Non-Executive Director

All the Members of the Audit Committee are financially literate and have accounting or related financial management expertise.

The Committee, inter alia, has reviewed the financial statements for the year ended March 31, 2021 and recommended its adoption. In addition, the Committee has also reviewed the unaudited financial results for the quarter ended June 30, 2020, September 30, 2020 and December 31, 2020 which were subject to limited review by the Statutory Auditors of the Company and the Audited Financial Results for the year ended March 31, 2021. The Statutory and Internal Auditors of Company were invited to attend the Audit Committee meetings. The Chief Financial Officer was present at meetings of the Audit Committee held



## Corporate Governance Report (Contd.)

before his resignation w.e.f November 16, 2020. The Company at present do not have any Company Secretary to acts as the Secretary of the Audit Committee.

Mr. Raghuveeran Kasagod, the then Chairman of the Audit Committee was present at the last Annual General Meeting held on September 29, 2020.

### Meeting and Attendance details

During the year under review, four meetings of the Audit Committee were held on June 26, 2020, August 20, 2020, November 13, 2020 and March 9, 2021. The quorum was present in all the meetings and the gap between two meetings was as per the provisions of Companies Act, 2013 and sebi LODR.

The composition and attendance of Members at the meetings of the Audit Committee held during 2020-21 were as follows:

Name	Designation	Category	Meetings attended during 2020-21
Mr. Mr. Theerthesh B.S. <sup>1</sup>	Chairman	Independent Director	1
Mr. Govinadraj Sreenivasan <sup>2</sup>	Member	Non-Executive Director	1
Mr. Raghuveeran Kasargod <sup>3</sup>	Chairman	Independent Non-Executive Director	3
Ms. Tushita Patel <sup>4</sup>	Member	Non-Executive Director	2
Mr. Girish Datar <sup>5</sup>	Member	Independent Director	3
Ms. Sarvamangala Hadapada <sup>6</sup>	Member	Non-Executive Director	2

<sup>1</sup> w.e.f 19.11.2020; <sup>2</sup> w.e.f. 13.11.2020; <sup>3</sup> upto 18.11.2020 ; <sup>4</sup> upto 12.11.2020; <sup>5</sup> w.e.f. 15.06.2020 upto 18.11.2020; <sup>6</sup> w.e.f. 22.10.2020

### Nomination and Remuneration Committee

The terms of reference and role of the Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR.

The role of the Committee is inter alia, to consider and recommend persons who are qualified for Board positions, evaluate Director's performance, persons who are qualified to be Senior Management, formulate the criteria for determining qualifications, positive attributes and independence of a director and devising a policy on Board diversity. The Board has based on the recommendation of the Committee approved Policy on Nomination & Remuneration of Directors, KMP and Senior Managerial Personnel which has been placed on the website of the Company: [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in)

## Corporate Governance Report (Contd.)

As on March 31, 2021 the composition of the Nomination and Remuneration Committee is as follows:

Name	Designation	Category
Mr. Girish Datar <sup>1</sup>	Chairman	Independent Director
Mr. Raghuveeran Kasargod <sup>2</sup>	Member	Independent Non-Executive Director
Ms. Tushita Patel <sup>3</sup>	Member	Non-Executive Director
Ms. Sarvamangala Hadapada <sup>4</sup>	Chairman	Independent Director
Mr. Threethesh B S <sup>5</sup>	Member	Independent Director
Mr. G Sreenivas <sup>6</sup>	Member	Non-Executive Director

<sup>1</sup> upto 18.11.2020; <sup>2</sup> upto 18.11.2020; <sup>3</sup> upto 12.10.2020; <sup>4</sup> w.e.f. 19.11.2020; <sup>5</sup> w.e.f 13.11.2020; <sup>6</sup>w.e.f 13.11.2020

Upon resignation of Mr. Girish Datar an independent director from the board, Ms. Sarvamangala Hadapada was appointed as Chairman of the committee w.e.f. November 19, 2020.

After resignation of Ms. Tushita Patel and Mr. Raghuveeran Kasargod on October 12, 2020 and November 18, 2020 respectively Mr. Threethesh B S and Mr. G Sreenivas were appointed as member of the committee w.e.f November 13, 2020.

The Committee was reconstituted during the year in compliance with the requirements of Regulation 19 of SEBI LODR and the present composition of the Nomination and Remuneration Committee is as follows:

Name	Designation	Category
Ms. Sarvamangala Hadapada	Chairman	Independent Director
Mr. Threethesh B S	Member	Independent Director
Mr. G Sreenivas	Member	Non-Executive Director

### Meeting and Attendance details

During the year under review, four meetings of the Nomination and Remuneration Committee were held on June 15, 2020, August 20, 2020, October 9, 2020 and November 13, 2020.

## Corporate Governance Report (Contd.)

The composition and attendance of Members of the Nomination and Remuneration Committee meetings held during 2020-21 were as follows:

Name	Designation	Category	Meetings attended during 2020-21
Mr. Girish Datar <sup>1</sup>	Chairman	Independent Director	4
Mr. Raghuveeran Kasargod <sup>2</sup>	Member	Independent Non-Executive Director	4
Ms. Tushita Patel <sup>3</sup>	Member	Non-Executive Director	3
Ms. Sarvamangala Hadapada <sup>4</sup>	Chairman	Independent Director	1
Mr. Threethesh B S <sup>5</sup>	Member	Independent Director	0
Mr. G Sreenivas <sup>6</sup>	Member	Non-Executive Director	0

<sup>1</sup> upto 18.11.2020; <sup>2</sup> upto 18.11.2020; <sup>3</sup> upto 12.10.2020; <sup>4</sup> w.e.f. 19.11.2020; <sup>5</sup> w.e.f 13.11.2020; <sup>6</sup>w.e.f 13.11.2020

### Remuneration of Directors

#### (i) Details of remuneration paid to the Executive Director during the year under review is given below:

The Members at the Annual General Meeting held on September 26, 2019 approved the terms of appointment of Mr. Ajay Kumar Vijay as the Whole Time Director and Key Managerial Personnel designated as the Executive Director and Chief Executive Officer of the Company for the period of three years with effect from May 9, 2019 to May 8, 2022.

The remuneration paid (upto 18.11.2020) during the financial year 2020-21 to Mr. Ajay Kumar Vijay is furnished hereunder:

Salary	Perquisites, allowances, and benefits	Performance linked incentive	Contribution to Provident and Superannuation Fund	Total *
1020000	1529825		275400	2825225

*\*employed for part of the year*

#### Notes:

1. The above figures do not include provision for gratuity, premium paid for health insurance.
2. The Company does not have any stock option schemes for its employees/directors.

## Corporate Governance Report (Contd.)

### (ii) Details of sitting fees paid to Non-Executive Directors for the year under review are as under:

At present, the Non-Executive Directors do not draw any remuneration from the Company. Sitting Fees are paid to Non-Executive Directors for attending Board/Committee Meetings. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance and incidental expenses, incurred for attending such meetings.

The details of sitting fees paid to the Non-Executive Directors during the year under review are as under:

Name of the Director	Sitting fees (Rs.)
Mr. Girish Datar (upto 18.11.2020)	Rs. 4,30,000/-
Mr. Raghuveeran Kasargod (upto 18.11.2020)	Rs. 5,50,000/-
Ms. Tushita Patel (upto 12.10.2020)	Rs. 4,20,000/-
Ms. Sarvamangala Hadapada (w.e.f. 22.10.2020)	Rs. 1,30,000/-
Mr. Threethesh B S (w.e.f 13.11.2020)	Rs. 70,000/-
Mr. G Sreenivas (w.e.f 13.11.2020)	Rs. 60,000/-

During the year under review, the Non-Executive Directors had no pecuniary relationship or transactions with the Company other than sitting fees for attending meetings of the Board/Committees of the Company.

### Stakeholders Relationship Committee

The terms of reference of the Stakeholders Relationship Committee meet the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR.

The Stakeholders Relationship Committee reviews all matters connected with transfers of shares, transmission, dematerialization, rematerialization, split and consolidation and complaints received from shareholders and other statutory bodies. The Company's Registrars and Share Transfer Agent viz., Integrated Registry Management Services Private Ltd., Bengaluru, have adequate infrastructure to process the above mentioned activities.

As on March 31, 2021 the composition of the Stakeholders Relationship Committee is as follows:

Name	Designation	Category
Mr. Raghuveeran Kasargod <sup>1</sup>	Chairman	Independent Non-Executive Director
Mr. Girish Datar <sup>2</sup>	Member	Independent Director
Ms. Tushita Patel <sup>3</sup>	Member	Non-Executive Director
Mr. Threethesh B S <sup>4</sup>	Chairman	Independent Director
Ms. Sarvamangala Hadapada <sup>5</sup>	Member	Independent Director
Mr. G Sreenivas <sup>6</sup>	Member	Non-Executive Director

<sup>1</sup> upto 18.11.2020; <sup>2</sup> upto 18.11.2020; <sup>3</sup> upto 12.10.2020; <sup>4</sup> w.e.f. 13.11.2020; <sup>5</sup> w.e.f 22.10.2020; <sup>6</sup> w.e.f 13.11.2020

## Corporate Governance Report (Contd.)

Mr. Threethesh B S, Independent Director was appointed as Chairman of the Committee w.e.f. November 13, 2020 in the place of Mr. Raghuveeran Kasargod, who ceased to be a Director of the Company due to his resignation.

During the year Ms.Tushita Patel and Mr. Girish Datar resigned from their office on October 12, 2020 and November 18, 2020 respectively and Ms.Sarvamangala Hadapada and Mr. G Sreenivas were appointed on the as member of the committee on October 22, 2020 and November 13, 2020 respectively.

The Committee was reconstituted on June 15, 2020 and Mr. Girish Datar was inducted as a Member of the Committee and the present composition of the Stakeholders Relationship Committee is as follows:

Name	Designation	Category
Mr. Threethesh B S	Chairman	Independent Director
Ms. Sarvamangala Hadapada	Member	Independent Director
Mr. G Sreenivas	Member	Non-Executive Director

Mr. Raghuveeran Kasargod, the Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting held on September 29, 2020.

### Meeting and Attendance details

During the year under review, three meetings of the Stakeholders Relationship Committee were held on October 9, 2020 and March 9, 2021.

The composition and attendance of Members at the meetings of the Stakeholders Relationship Committee held during 2020-21 were as follows:

Name	Designation	Category	Meetings attended during 2020-21
Mr. Raghuveeran Kasargod <sup>1</sup>	Chairman	Independent Non-Executive Director	1
Mr. Girish Datar <sup>2</sup>	Member	Independent Director	1
Ms.Tushita Patel <sup>3</sup>	Member	Non-Executive Director	1
Mr. Threethesh B S <sup>4</sup>	Chairman	Independent Director	1
Ms.Sarvamangala Hadapada <sup>5</sup>	Member	Independent Director	1
Mr. G Sreenivas <sup>6</sup>	Member	Non-Executive Director	1

<sup>1</sup> upto 18.11.2020; <sup>2</sup> upto 18.11.2020; <sup>3</sup> upto 12.10.2020; <sup>4</sup> w.e.f. 13.11.2020; <sup>5</sup> w.e.f 22.10.2020; <sup>6</sup>w.e.f 13.11.2020

## Corporate Governance Report (Contd.)

In addition to the Committee of Directors, in the interest of investors and for administrative convenience, the Board has authorised a Director and Company Secretary to jointly approve share transfers, transmissions, etc. upto a specified limit. During the year under review, The Board was informed that the Investor Services Cell, National Stock Exchange of India Limited (NSE) vide email reference no. NSEHO/0028123/20-21/CO/ISC dated October 30, 2020 has intimated the Company of a complaint received from Mr. Sri Ram Prasad Pemmasani against the Company regarding inadequate disclosures of management and its evasive behavior and requested the Company to provide response on the same along with documentary evidence /comments or clarifications on or before November 4, 2020 to the Exchange. Further there were several queries from NSE and the Company has provided response /comments or clarifications during the period November 2020 - February 2021.

### Compliance Officer

Subsequent to resignation of Mr. Manoj Kumar, DGM – Legal & Company Secretary, Mr. Arindam Ash, the Chief Financial Officer and Key Managerial Personnel of the Company was designated as Compliance Officer w.e.f February 14, 2020. W.e.f. November 16, 2020 Mr. Arindam Ash also resigned from the services of the Company and Mr. G Sreenivas was appointed as the Compliance Officer of the Company for the purpose of complying with various provisions of the SEBI LODR and Companies Act, 2013 and for monitoring the share transfers process. His email id is sreeni@corpn.in

### Corporate Social Responsibility Committee

As required by Section 135 of the Companies Act, 2013 the Board has constituted a Corporate Social Responsibility (CSR) Committee to assume and execute responsibility as a corporate citizen towards the society at large.

As on March 31, 2021 the composition of the Corporate Social Responsibility Committee is as follows:

Name	Designation	Category
Mr. Raghuvveeran Kasargod <sup>1</sup>	Chairman	Independent Non-Executive Director
Mr. Girish Datar <sup>2</sup>	Member	Independent Director
Ms.Tushita Patel <sup>3</sup>	Member	Non-Executive Director
Mr. Threethesh B S <sup>4</sup>	Member	Independent Director
Ms.Sarvamangala Hadapada <sup>5</sup>	Chairman	Independent Director
Mr. G Sreenivas <sup>6</sup>	Member	Non-Executive Director

<sup>1</sup> upto 18.11.2020; <sup>2</sup> upto 18.11.2020; <sup>3</sup> upto 12.10.2020; <sup>4</sup> w.e.f. 13.11.2020; <sup>5</sup> w.e.f 22.10.2020; <sup>6</sup>w.e.f 13.11.2020

Ms.Sarvamangala Hadapada, Independent Director was appointed as Chairman of the Committee w.e.f. November 18, 2020 in the place of Mr. Raghuvveeran Kasargod, who ceased to be a Director of the Company due to his resignation.

During the year Ms.Tushita Patel and Mr. Girish Datar resigned from their office on October 12, 2020 and November 18, 2020 respectively and Mr. Threethesh B S and Mr. G Sreenivas were appointed on the as member of the committee w.e.f November 13, 2020.

## Corporate Governance Report (Contd.)

The Committee was reconstituted on June 15, 2020 and Mr. Girish Datar was inducted as a Member of the Committee and the present composition of the Stakeholders Relationship Committee is as follows:

Name	Designation	Category
Ms. Sarvamangala Hadapada	Chairman	Independent Director
Mr. Threethesh B S	Member	Independent Director
Mr. G Sreenivas	Member	Non-Executive Director

Since the average net profit of the Company in the preceding three financial years was negative, there was no necessity to incur any CSR expenditure during the year under review.

No meetings of the Committee were held during the year under review.

### General Body Meetings

#### Annual General Meetings

The details of the last three Annual General Meetings of the Company along with details of Special Resolutions passed by the Members are given below:

Financial Year ended	Date	Time	Venue	Particulars of Special Resolution
March 31,2018	September 28,2018	02.30 p.m.	UB Tower, Level 1, UB City, 24 Vittal Mallya Road, Bengaluru – 560 001	Nil
March 31,2019	September 26,2019	03.30 p.m.	UB Tower, Level 1, UB City, 24 Vittal Mallya Road, Bengaluru – 560 001	1. Appointment of Mr. Ajay Kumar Vijay as Whole Time Director being designated as the Executive Director and Chief Executive Officer of the Company.
March 31, 2020	September 29, 2020	12.00 noon	Video conferencing / other Audio Visual means	Appointment of Mr. Raghuvveeran Kasargod as an Independent Director. Appointment of Mr. Girish datar as Independent Director.

## Corporate Governance Report (Contd.)

### Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013 and the rules made thereunder, every listed company is required to provide to its Members facility to exercise their right to vote at general meetings by electronic means. The Company has entered into an arrangement with Central Depository Services (India) Limited for this purpose, to facilitate such e-voting for its Members. Detailed procedure for e-voting is given in the Notice of the seventeenth Annual General Meeting and the same is also placed on the website of the Company.

1. Postal Ballot The Company had not conducted any Postal Ballot during the year. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolution through postal ballot
2. The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

### General Shareholder information

a)	AGM Date, Time and Venue	Wednesday, September 29, 2021 at 12.00 noon IST through Video Conferencing /Other Audio Visual Means (VC)
b)	Financial Year	April 1 to March 31
c)	Calendar of publication of Quarterly Results:	
	First Quarterly Results	20th August, 2020
	Second Quarterly Results	13th November, 2020
	Third Quarterly Results	9th March, 2021
	Annual Audited Financial Results	29th June, 2021
d)	Dates of Book Closure	NA
e)	Dividend payment date	N.A.
f)	Listing on Stock Exchanges	The shares of the Company are listed on the following Stock Exchanges: BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) The Annual Listing Fees for the year 2021-22 have been paid.
g)	Stock Code:	
	BSE	532852
	NSE	SYMBOL – MCDHOLDING
h)	ISIN No.	INE836H01014 (NSDL & CDSL) – for equity shares
i)	Market price data	As per Annexure I
j)	Stock performance in comparison to BSE Sensex and NSE Nifty	As per Annexure II



## Corporate Governance Report (Contd.)

k)	Registrars and Share Transfer Agent	Integrated Registry Management Services Private Ltd. CIN NO: U74900TN2015PTC101466 No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003; E-mail: <a href="mailto:bglsta@integratedindia.in">bglsta@integratedindia.in</a> ; Tel: +91-80-23460815-818   Fax: +91-80-2346081
l)	Share Transfer System	In addition to the Committee of Directors, the Board has authorised a Director and Company Secretary to jointly approve share transfers, transmissions etc., up to a specified limit. The requirements under the SEBI LODR and other statutory regulations in this regard are being followed.
m)	Distribution of Shareholding	As per Annexure-III
n)	Dematerialisation of shares	As on March 31, 2021, 97.23% of the paid-up share capital was held in dematerialised form.
o)	Outstanding GDRs/ ADRs/ NA Warrants or any other Convertible instruments	NA
p)	Plant Locations	NA
q)	Address for correspondence	Shareholder correspondence should be addressed to the Company's Registrars and Share Transfer Agent:  Integrated Registry Management Services Private Ltd. CIN NO: U74900TN2015PTC101466  No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003 E-mail: <a href="mailto:bglsta@integratedindia.in">bglsta@integratedindia.in</a> Tel: +91-80-23460815-818   Fax: +91-80-2346081  Investors may also write to or contact the Compliance Officer at the Registered Office of the Company at UB Tower, Level- 12, UB City, 24 Vittal Mallya Road, Bengaluru 560 001. Tel. Nos. 4668 6060 / 4668 6080 Fax No. (080) 2227 4890; e-mail: <a href="mailto:mhlinvestor@ubmail.com">mhlinvestor@ubmail.com</a>

### Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) and the total issued and listed equity share capital. The audit report confirm that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

### Means of Communication

The unaudited quarterly results and audited annual results are uploaded on the website of the Stock Exchanges, on which equity shares of the Company are listed. The results are normally published in ‘Business Line’ (English Daily) and ‘Eesanje’ (Kannada Daily). The results are also displayed on the Company’s website [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in).

# Corporate Governance Report (Contd.)

## Designated e-mail ID for investor complaints

The Company has designated an exclusive e-mail id viz., [mhlinvestor@ubmail.com](mailto:mhlinvestor@ubmail.com) to enable the investors to post their grievances and monitor their redressal.

## Annexure I

### MARKET PRICE DATA OF McDOWELL HOLDINGS LIMITED

Monthly NSE			
Date	High Price	Low Price	Volume
April 2020	23.25	12	2177
May 2020	25.95	21.55	283
June 2020	29.95	22.35	8388
July 2020	26.6	22.25	3790
August 2020	26.6	23.7	3221
September 2020	28.35	20.6	6025
October 2020	25.65	22	2894
November 2020	25	22.25	2806
December 2020	44.4	23.55	18045
January 2021	No trading records available		
February 2021	43.2	30.1	12211
March 2021	44.2	37.1	6925

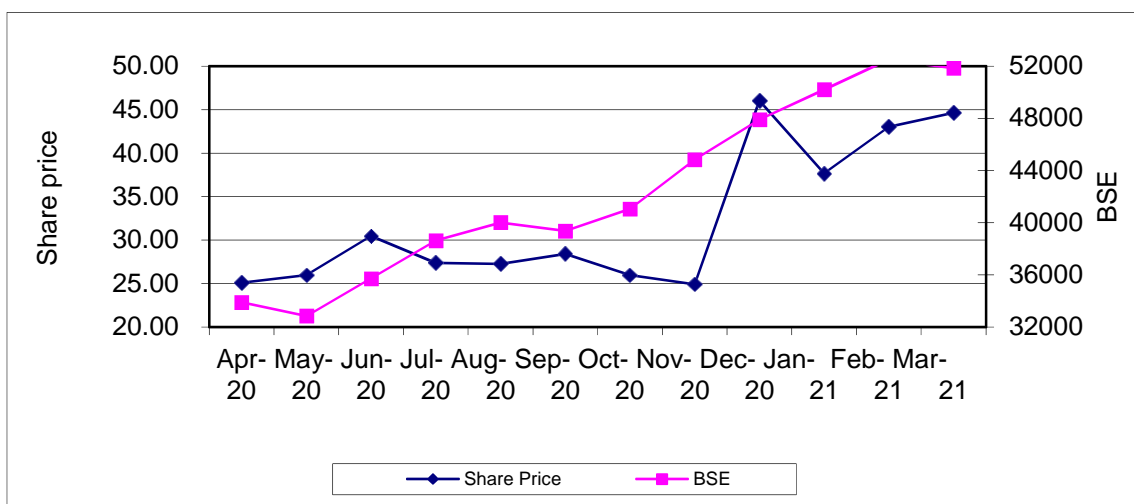
Monthly BSE			
Date	High Price	Low Price	Volume
April 2020	25.08	12.05	669
May 2020	25.95	18.55	334
June 2020	30.45	22.35	2126
July 2020	27.35	22.35	712
August 2020	27.25	23.15	827
September 2020	28.4	21	1775
October 2020	25.95	22.15	827
November 2020	24.9	21.6	595
December 2020	46	23.95	5399
January 2021	37.65	29.7	1045
February 2021	43	30.4	2497
March 2021	44.6	37.3	2290

## Corporate Governance Report (Contd.)

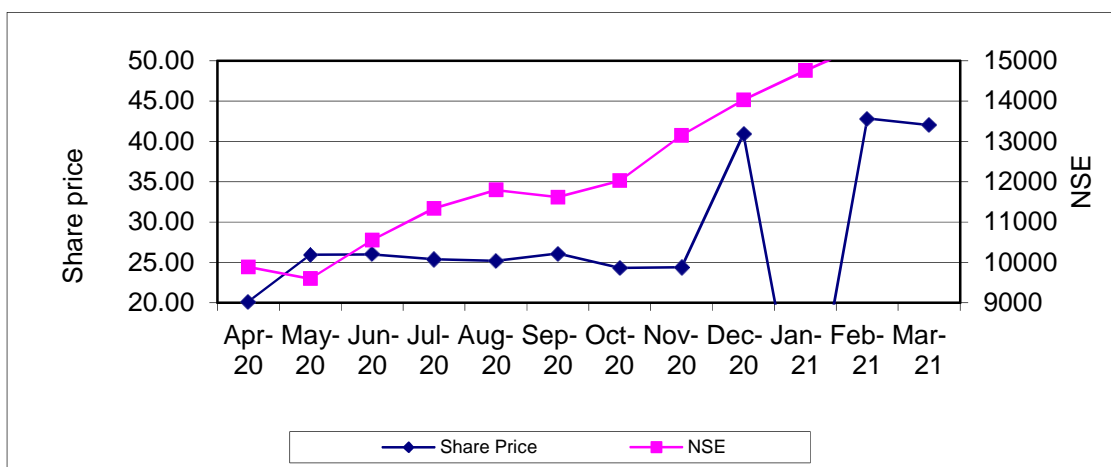
### Annexure II

#### STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX AND NSE NIFTY

##### BSE SENSEX AND SHARE PRICE



##### NSE NIFTY AND SHARE PRICE



## Corporate Governance Report (Contd.)

### ANNEXURE-III

#### Distribution of Shareholding

The distribution of shareholding as on March 31, 2021 is given below.

#### Value Wise

Shareholding of nominal value of (₹)			Shareholders		Share Amount	
			Number	% to Total	In Rs.	% to Total
(1)			(2)	(3)	(4)	(5)
Upto	-	5,000	43724	96.85	20162970	14.41
5,001	-	10,000	682	1.51	5680450	4.06
10,001	-	20,000	350	0.78	5412440	3.87
20,001	-	30,000	118	0.26	3073010	2.2
30,001		40,000	61	0.14	2178570	1.56
40,001	-	50,000	55	0.12	2630330	1.88
50,001	-	100,000	73	0.16	5383780	3.85
100,001		and above	73	0.18	95401030	68.18
<b>Total</b>			<b>451146</b>	<b>100.00</b>	<b>139922580</b>	<b>100.00</b>

#### Category Wise Distribution of Shareholders as on March 31, 2021

Category	No. of shares	% of Equity
Promoter Group	317032	2.27
Resident Body Corporate	1320978	9.44
Banks/FI/FII/MF/Trust/GOV	5047450	36.07
NRI/OCB/FCB/Foreign Nationals	923308	6.60
Resident Individuals	6355456	45.42
Clearing Members	28034	0.20
<b>Total</b>	<b>13992258</b>	<b>100.00</b>

# **Corporate Governance Report (Contd.)**

## **Credit ratings**

The Company has not obtained any credit ratings during the year under review.

## **Other Disclosures**

### **Familiarization Programme**

Your Company follows a structured orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the board meetings on business and performance, long term strategy, initiatives and risks involved.

### **Related Party Transactions**

Transactions with related parties as per the requirements of Accounting Standards 18 issued by The Institute of Chartered Accountants of India are disclosed in the relevant Schedule of Notes to Annual Accounts. The Policy for Related Party Transactions is available on the Company's website: [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in).

### **Compliance Certificate**

The Compliance Certificate to the Board of Directors pursuant to Regulation 17 (8) of the SEBI LODR could not been obtained in the absence of the Chief Executive Officer and Chief Financial Officer of the Company.

### **Cash Flow Statement**

Cash Flow statement for the year ended March 31, 2021 is appended as a part of Financial Statement.

### **Code of Business Conduct and Ethics**

The Company has adopted a Code of Business Conduct and Ethics in terms of the SEBI LODR and the same is available on the Company website [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in). All the Members of the Board have affirmed compliance with the Code for the year ended March 31, 2021 and a declaration to this effect signed by a Director is forming part of this report.

### **Code for Prevention of Insider Trading**

The Company has adopted a Code for Prevention of Insider Trading in terms of the SEBI (Prevention of Insider Trading) Regulations, 2015 and the same is available on the Company's website [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in).

The Code is applicable to all the Directors, employees and connected persons. The Code ensures prevention of dealing in shares of the Company by persons having access to price sensitive information.

# **Corporate Governance Report (Contd.)**

## **Whistle Blower Policy**

The Company believes in the conduct of the affairs of the Company in a fair and transparent manner by adopting high standards of professionalism, honesty, integrity and ethical behavior. It has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Chairman of the Audit Committee.

## **Details of compliance with mandatory requirements and adoption of the non mandatory requirements of the SEBI LODR**

The Company has complied with all the mandatory requirements of the SEBI LODR except to the extent of qualification raised in the Secretarial Audit Report. The details of these compliances have been given in the relevant sections of this Report.

## **Determination of materiality for disclosure and Policy on Archival of Documents**

The Policy for Determination of Materiality for Disclosures and Policy on Archival of Documents is available on the Company's website [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in).

## **Non Mandatory Requirements**

### **Shareholders Rights**

The Company's half yearly results are published in English and Kannada newspapers. Hence the same are not sent to the shareholders.

### **Audit qualifications**

With regard to audit qualification necessary explanations have been furnished in the Notes to the financial statements.

### **Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

### **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

## Corporate Governance Report (Contd.)

### Remuneration to Statutory Auditors

M/s. BVC & Co., Chartered Accountants (Firm Registration No. 008154S) have been appointed as the Statutory Auditors of the Company. The particulars of payment of fees to the Statutory Auditors, on consolidated basis are provided below:

Particulars	Amounts (in INR)
Services as statutory auditors	1,40,000
Services for other matters	25,000
Total	1,65,000

### Sexual Harassment

The Company is committed to provide a safe and conducive work environment to its employees and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder and there were no complaints during the year under review.

### Compliance Certificate

The Certificate issued by Messrs. BVC & Co. Chartered **Accountants**, confirming that the Company has complied with the conditions of Corporate Governance is annexed (Annexure I) to and forms part of this Report.

### Certificate of Non-Disqualification of Directors

The Certificate of Non-Disqualification of Directors pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at March 31, 2021 issued by Mr. K N Nagesha Rao, Practising Company Secretary is annexed (Annexure II) to and forms part of this Report.

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### DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of Regulation 26(3) read with Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, code of conduct of the Company has been displayed at the Company's website [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in) all the Members of the Board and the senior management personnel had affirmed compliance with the code for the year ended March 31, 2021.

**Bengaluru**  
**August 26, 2021**

**Theerthesh B.S.**  
**Chairman**  
**(DIN: 08955326)**

# Corporate Governance Report (Contd.)

Annexure I

## CERTIFICATE

The Members of  
**McDOWELL HOLDINGS LIMITED**

We have examined the compliance of conditions of Corporate Governance by McDOWELL HOLDINGS LIMITED ("the Company"), for the year ended March 31, 2021, as stipulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the management of the Company, we certify that, it has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement and Listing Regulations except the following condition;

- (i) *During the year the Company could not fill up casual vacancy created due to resignation of the Company Secretary in Financial Year 2019-20 and Company did not appoint a Company Secretary as required under 203(1) (ii) of the Companies Act 2013 and pursuant to this there was also noncompliance Regulations 6 (1) of SEBI (Listing Obligations and Requirements) Regulations, 2015.*
- (ii) *During the year the Company couldn't fill up the vacancy created due to resignation of two Key-Managerial Personnel, namely, the Chief Executive Officer and the Chief Financial Officer. The Company did not appoint a Chief Executive Officer and Chief Financial Officer as required under section 203(1)(i) and 203(1)(iii) of the Companies Act 2013 and pursuant to this there was also noncompliance Regulations 17(8) and 33(2)(a) of SEBI (Listing Obligations and Requirements) Regulations, 2015.*

We state that no investor grievance is pending for a period exceeding one month as on March 31, 2021 against the Company as per the records maintained by the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BVC & Co  
Chartered Accountants  
Firm Reg. No: 008154S

(Vishwas Shetty T)  
Partner

Date: August 21, 2021  
Place: Bengaluru

Membership No: 218619  
UDIN 21218619AAAAIR2955



# Corporate Governance Report (Contd.)

## Annexure II

### Certificate of Non-Disqualification of Directors

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To  
The Members of  
McDowell Holdings Limited  
UB Tower, Level- 12  
UB City, 24 Vittal Mallya Road  
**Bengaluru-560001**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of McDowell Holdings Limited having CIN L05190KA2004PLC033485 and having registered office at UB Tower, Level- 12 UB City, 24 Vittal Mallya Road Bengaluru-560001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company / its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr Sreenivasan Govindaraj, Additional Director	07805594	13/11/2020
2	Mrs Sarvamangala Hadapada, Additional Director	08395454	22/10/2020
3	Mr Sriramareddy Theerthesh, Additional Director	08955326	13/11/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Bengaluru  
Date : 14th August, 2021  
UDIN No.F003000C000787621  
Peer Review Unique ID No.I2014KR1122000

*K N Nagesha Rao*  
*Practising Company Secretary*  
*FCS 3000 CP 12861*

# Management Discussion and Analysis Report

## Overview – Financial Performance

This has been comprehensively covered in the Report of the Directors for the year under review.

## Industry Structure & Developments

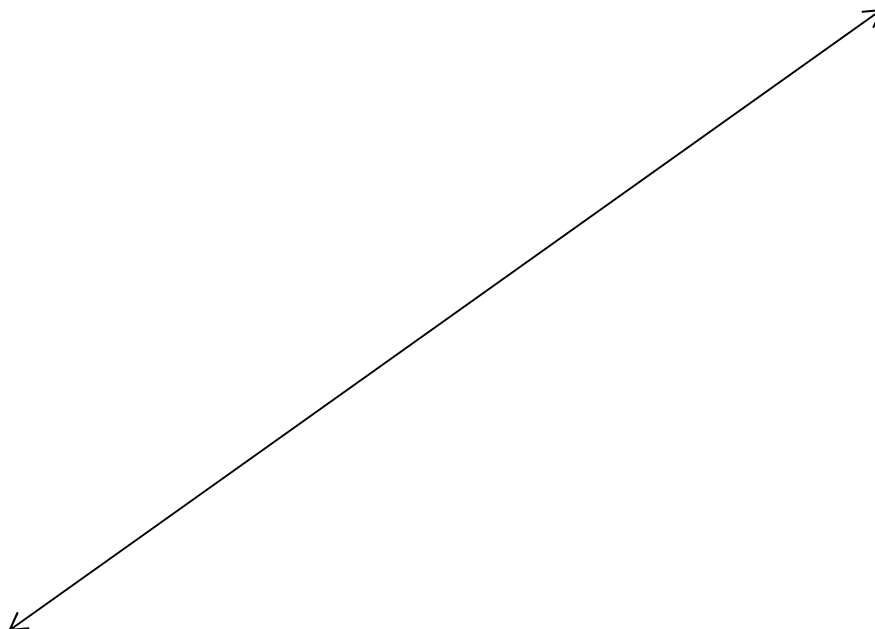
Your Company is essentially a financing/investment holding company having strategic investments in other companies, which were/are engaged in the business of Property Development and Exports, Manufacture and Sale of Beer, Chemicals & Fertilizers, etc. The profitability/revenue of the Company is linked to the performance of the investee companies which declare dividend based on their performance as well as fluctuations in the quotations on the Stock Market.

## Opportunities and Risks

The Company continues to hold significant investments in equity share capital of investee companies engaged in the business of Manufacture and Sale of Beer and Chemicals & Fertilizers, etc., which are characterized by fluctuations in prices, regulation and excessive taxation. Any downward movement of product prices of the investee Companies could affect their margins, which could be a threat to the Company's fortunes.

## Human Resources Management

The Company presently has 1 employee who is a professional in his field and is given independent responsibilities to perform significant role in the Company's development. The Company will strengthen its operative staff as soon as the Company's financial health improves..



# **Independent Auditors' Report**

**To the Members of  
McDowell Holdings Limited**

## **REPORT ON THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS**

### **Qualified Opinion**

1. We have audited the accompanying financial statements of McDowell Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its total comprehensive Income (comprising of Loss and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **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 and loan 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. 34, the Company continues to prepare its financial statements on going concern basis.

### **Basis for Opinion**

1. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independent Auditors' Report (Contd.)

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a. The pledge created by the company on its 45,51,000 shares in United Breweries Limited (UBL) which has not yet been cancelled, even though no amounts are owed to the pledgee (refer Note No. 24).
- b. 1,22,667 shares in United Breweries Limited (UBL) belonging to the company which are lying with erstwhile lenders, who claim that they have been directed by the Enforcement Directorate not to part with those shares (refer Note No. 25).
- c. The Company's investment of 16,71,344 shares in United Breweries Limited (UBL) has been unilaterally transferred from the 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 Exchanges (refer Note No. 26).
- d. The Company has received a Show Cause Notice dated 3rd July 2018 under the Fugitive Economic Offenders Act 2018 (FEOA). The Company has filed its objections in the designated court for FEOA. The matter is pending (refer Note No. 28).
- 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. 29).
- 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. 30).
- 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 in adjudication (refer Note no. 31).
- h. The position of Company Secretary, Chief Financial Officer and the Executive Director of the Company fell vacant on 10th December 2019, 16th November 2020 and on 18th November 2020 respectively and efforts to identify the successors has been delayed due to COVID 19 pandemic. Further, 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, despite the continuous efforts of the Company (refer Note No. 36).

## **Independent Auditors' Report (Contd.)**

### **Other Information**

2. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated when we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### **Key audit matters**

3. We have determined that there are no key audit matters to communicate in our report.

### **Responsibilities of management and those charged with governance for the financial statements**

4. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Independent Auditors' Report (Contd.)

### Auditor's responsibilities for the audit of the financial statements

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
7. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent Auditors' Report (Contd.)

9. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact of pending litigations if any on its financial position in its financial statements (refer note to the financial statements)
    - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2021.

## **Independent Auditors' Report (Contd.)**

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

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

**CA Vishwas Shetty T**  
Partner  
Membership No.:218619  
UDIN: 21218619AAAAIR2955

Date: 29th June, 2021  
Place: Bengaluru



## **Annexure to the Independent Auditors' Report**

### **"ANNEXURE A" TO AUDITORS' REPORT**

#### **McDowell Holdings Limited**

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of McDowell Holdings Limited ("the Company") on the financial statements for the year ended 31<sup>st</sup> March 2021. We report that:

#### **Report on the Internal Financial Control under clause(i) of Sub-section 3 of section 143 of the companies Act,2013("the Act").**

1. We have audited the internal financial controls over financial reporting of McDowell Holdings Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India(ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

## **Annexure to the Independent Auditors' Report (Contd.)**

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that,
- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B V C & Co.,**  
Chartered accountants,  
Firm Reg. No. 008154S

**CA Vishwas Shetty T**  
Partner  
Membership No.:218619  
UDIN:21218619AAAAIR2955

Place: Bengaluru  
Date: 29th June, 2021

## **Annexure to the Independent Auditors' Report (Contd.)**

### **Annexure B to Independent Auditors' Report**

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of McDowell Holdings Limited on the financial statements as of and for the year ended March 31, 2021

- i (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and such physical verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.
- (c) The company did not have any immovable properties. Therefore, the provisions of clause 3(i)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- ii. As the Company is neither a manufacturing nor a material trading Company, paragraph 3 clause (ii) (a), (b) and (c) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 clause (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. The Company has not given loans, guarantees or securities or made investments to which the provisions of section 185 and 186 of the Companies Act, 2013 apply. Hence, paragraph 3 clause (iv) of the Order is not applicable to the Company.
- v. The Company has not accepted any deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under and the directives issued by the Reserve Bank of India are applicable. Hence paragraph 3 clause (v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us the provisions of sub section (1) of Section 148 of the Companies Act, 2013 with regard to maintenance of cost records are not applicable to the Company. Accordingly, paragraph 3 clause (vi) of the Order is not applicable to the Company.
- vii (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date of becoming payable.

## Annexure to the Independent Auditors' Report (Contd.)

- (b) According to the information and explanations given to us, following is the list of tax dues, which have not been deposited on account of disputes:

Name of the Statute	Nature of Dues	Disputed amount (Rs. lakhs)	Forum Where dispute is pending
Income Tax Act, 1961	Income tax for the A.Y. 2014-15	141.53	Set aside to Assessing Officer

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any funds from financial institution, bank, Government or debenture holders, therefore paragraph 3 clause (viii) of the Order is not applicable to the Company.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provision of paragraph 3 clause (ix) of the Order is not applicable to the Company.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the Company has complied with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3 clause(xii) of the Order is not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3 clause (xiv) of the Order is not applicable to the Company.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 clause (xv) of the Order is not applicable to the Company.

## **Annexure to the Independent Auditors' Report (Contd.)**

- xvi. In our opinion, the Company is required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and the company is in the process of obtaining registration under section 45IA of the of the Reserve Bank of India Act, 1934.

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

Place: Bengaluru  
Date: 29th June, 2021

**CA Vishwas Shetty T**  
Partner  
Membership No.:218619  
UDIN:21218619AAAAIR2955

**Balance Sheet as at 31 March 2021**
**Rupees in Lakhs**

Particulars	Note No	As at 31-03-2021	As at 31-03-2020
<b>I ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(i) Property, Plant and Equipment	3	0.16	0.41
(ii) Financial Assets			
(a) Investments	4	79,679.10	58,303.18
(b) Other Financial Assets	5	4.15	67.41
<b>SUB-TOTAL(A)</b>		<b>79,683.41</b>	<b>58,371.00</b>
<b>CURRENT ASSETS</b>			
(i) Financial Assets			
(a) Cash and Cash equivalents	6	13.93	90.80
(ii) Other Current Assets	7	186.61	181.43
<b>SUB-TOTAL(B)</b>		<b>200.54</b>	<b>272.23</b>
<b>TOTAL ASSETS (A+B)</b>		<b>79,883.95</b>	<b>58,643.23</b>

Particulars	Note No	As at 31-03-2021	As at 31-03-2020
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	8	1,399.23	1,399.23
(b) Other equity	9	76,897.36	55,635.10
<b>Total Equity</b>		<b>78,296.59</b>	<b>57,034.33</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(i) Financial liabilities			
(a) Other financial liabilities	10	32.25	36.32
(ii) Provisions	11	0.66	44.36
		<b>32.91</b>	<b>80.68</b>
<b>CURRENT LIABILITIES</b>			
(i) Financial liabilities			
(a) Borrowings	12	1,437.62	1,363.39
(b) Trade Payables	13	2.12	5.92
(ii) Provisions	11	0.00	2.85
(iii) Other current liabilities	14	114.71	156.06
<b>Total liabilities</b>		<b>1,554.45</b>	<b>1,528.22</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>79,883.95</b>	<b>58,643.23</b>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date.

**For B V C & Co.,**

Chartered Accountants  
Firm Registration No.008154S

**Sriramareddy Theerthesh**

Director  
DIN: 08955326

**Sarvamangala  
Hadapada**

Director  
DIN : 08395454

**Vishwas Shetty T**

Partner  
Membership No. 218619  
UDIN:21218619AAAAIR2955

**Sreenivasa Govindaraj**

Director  
DIN : 07805594

Place : Bengaluru  
Date : June 29, 2021

Statement of Profit and Loss for the year ended 31 March 2021

		Rupees in Lakhs	
Particulars	Note No	For The Year 31-03-2021	For The Year 31-03-2020
<b>A INCOME</b>			
I Revenue from operations	15	200.34	807.65
II Other Income	16	46.55	965.76
<b>Total Income (A)</b>		<b>246.89</b>	<b>1,773.41</b>
<b>B EXPENSES</b>			
(a) Employee benefit expense	17	184.90	562.73
(b) Finance costs	18	103.74	606.06
(c) Depreciation and amortisation expense	3	0.25	0.35
(d) Other expenses	19	71.66	1,292.35
<b>Total Expenses (B)</b>		<b>360.55</b>	<b>2,461.49</b>
<b>Profit/(loss) before tax (A)- (B)</b>		<b>(113.66)</b>	<b>(688.08)</b>
<b>Tax Expense</b>			
(1) Current Tax		-	3.99
(2) Deferred Tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>3.99</b>
<b>Profit/(Loss) for the Period</b>		<b>(113.66)</b>	<b>(684.09)</b>
<b>Other comprehensive income/Loss</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
a) Remeasurements of the defined benefit liabilities / (asset)		-	-
(b) Income tax relating to item that will not be reclassified		-	-
(c) Fair value changes relating to equity instruments		21,375.92	(30,994.46)
<b>Total other comprehensive income/(Loss) for the period</b>		<b>21,375.92</b>	<b>(30,994.46)</b>
<b>Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period)</b>		<b>21,262.26</b>	<b>(31,678.55)</b>
<b>Earnings per equity share: Face value of ₹ 10 each</b>			
(1) Basic		(0.81)	(4.89)
(2) Diluted		(0.81)	(4.89)
<b>SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES</b>	<b>1</b>		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date.

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

**Sriramareddy Theerthesh**  
Director  
DIN: 08955326

**Sarvamangala Hadapada**  
Director  
DIN : 08395454

**Vishwas Shetty T**  
Partner  
Membership No. 218619  
UDIN: 21218619AAAAIR2955

**Sreenivasa Govindaraj**  
Director  
DIN : 07805594

Place : Bengaluru  
Date : June 29, 2021

**Statement of Cash Flow for the year ended 31 March 2021**
**Rupees in Lakhs**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flows from operating activities</b>		
Profit before tax for the year	(113.66)	(688.08)
Adjustments for:		
Depreciation and amortisation expenses	0.25	0.35
Dividend Received	(120.06)	(126.35)
Interest Expense	103.60	605.87
Profit on sale of Shares	-	(531.30)
Profit on sale of Fixed Assets	-	(0.11)
Provision for Gratuity	(46.55)	47.21
Interest on Fixed Deposits	-	(3.93)
Provision no longer required written back	-	(951.72)
Provision for Dimunition in the value of Investments	-	1,049.37
<b>Operating cash flows before working capital changes</b>	<b>(176.42)</b>	<b>(598.69)</b>
<b>Changes in working capital:</b>		
<b>Financial Assets/ Liabilities</b>		
(Increase) / Decrease in receivables	58.08	35.93
Increase/(decrease) in payables	(59.58)	147.44
<b>Cash flow used in operations</b>	<b>(177.92)</b>	<b>(415.32)</b>
Net Tax (Paid)/Refunds received	-	(3.99)
<b>Net cash generated from operating activities (A)</b>	<b>(177.92)</b>	<b>(411.33)</b>
<b>Cash flows from investing activities</b>		
Sale Proceeds of Investments	-	-
Dividend Received	120.06	126.35
Purchase of fixed assets	-	(0.58)
Interest on Fixed Deposits Received	-	3.93
<b>Net Cash (used in)/generated from investing activities (B)</b>	<b>120.06</b>	<b>129.69</b>
<b>Cash flows from financing activities</b>		
Repayment of Loan	(18.00)	(42.00)
Interest paid	(1.00)	(3.55)
<b>Net Cash (used in)/generated from financing activities (C)</b>	<b>(19.00)</b>	<b>(45.55)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>(76.86)</b>	<b>(327.19)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>90.80</b>	<b>417.99</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>13.94</b>	<b>90.80</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow Statement</b>		
Cash and cash equivalents as per the above comprises the following		
Balances with Bank	13.31	90.69
Cash in Hand	0.62	0.11
<b>Balance as per statement of cash flows</b>	<b>13.93</b>	<b>90.80</b>

As per our report of even date.

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

**Sriramareddy Theerthesh**  
Director  
DIN: 08955326

**Sarvamangala Hadapada**  
Director  
DIN : 08395454

**Vishwas Shetty T**  
Partner  
Membership No. 218619  
UDIN: 21218619AAAAIR2955

**Sreenivasa Govindaraj**  
Director  
DIN : 07805594

Place : Bengaluru  
Date : June 29, 2021



**Statement of Changes in Equity for the year ended 31 March 2021**
**A. Equity share capital**

Particulars	Rs. in Lakhs
	Amount
<b>As at 31 March 2019</b>	
Changes in equity share capital during the year	
(a) Additions during the year	-
<b>As at 31 March 2020</b>	
Changes in equity share capital during the year	
(a) Additions during the year	-
<b>As at 31 March 2021</b>	

**b. Other Equity**

Particulars	Share Application Money Pending Allotment	Reserve and surplus					Total
		Statutory Reserve	Securities Premium	General reserve	Retained Earnings	Share Options Outstanding Account	
<b>Restated Balance As at 1 April 2018</b>	-	282	1,566	3,148	82,317	-	87,314
Add: Profit / (Loss) for the period	-	-	-	-	-684	-	-684
Add: Other Comprehensive Income for the Year	-	-	-	-	-30,994	-	-30,994
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-31,679	-	-31,679
Appropriation to statutory reserve	-	-	-	-	-	-	-
Add: Movement in share option outstanding balance	-	-	-	-	-	-	-
Transfers to Reserves	-	-	-	-	-	-	-
Transfers from retained earnings	-	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-	-
<b>As at 31 March 2019</b>	-	282	1,566	3,148	50,638	-	55,635
Balance at 31 March 2019 as previously reported	-	-	-	-	-	-	-
Impact of change in accounting policy	-	-	-	-	-	-	-
<b>Adjusted balances as at 31 March 2019</b>	-	282	1,566	3,148	50,638	-	55,635
Profit / (Loss) for the period	-	-	-	-	(114)	-	(114)
Other Comprehensive Income /(Loss)	-	-	-	-	21,376	-	21,376
<b>Total</b>	-	282	1,566	3,148	71,900	-	76,897
Dividend paid on Equity Shares	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-
Transfers to Reserves	-	-	-	-	-	-	-
Transfers from retained earnings	-	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-	-
<b>As at 31 March 2020</b>	-	282	1,566	3,148	71,900	-	76,897

# Notes to the Standalone Financial Statements for the year ended 31st March, 2021

## COMPANY BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

### Company Background

In terms of a Composite Scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka, the investment business of McDowell & Company Limited (now known as United Spirits Limited), was demerged into McDowell India Spirits Limited (now known as McDowell Holdings Limited) with retrospective effect from April 1, 2005.

The Company had obtained registration from the Reserve Bank of India, to carry on the business of a Non-Banking (Non Deposit accepting) Financial Company. On the application of the Company, the Reserve Bank of India has reclassified the Company as a Core Investment Company (CIC) (Exempt Category). Due to the transition into IND AS, the Company is in process of applying to Reserve Bank of India for a proper reclassification.

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ("financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], amended thereto and other relevant provisions of the Companies Act 2013 (the Act).

#### (i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

### **(b) Income taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **Notes to the Standalone Financial Statements for the year ended 31st March, 2021**

### **(c) Leases**

The company has elected not to recognise right-of-use assets and lease liabilities as stated in IND AS 116 for short term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases in which significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **(d) Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **(e) Cash and cash equivalents**

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked / restricted for specific purposes.

### **(f) Investments and other financial assets**

#### **(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

## **Notes to the Standalone Financial Statements for the year ended 31st March, 2021**

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### **(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### **Equity investments (other than Investments in subsidiaries)**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain or loss in the statement of profit and loss.

### **(iii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### **(iv) De-recognition of financial assets**

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

## **Notes to the Standalone Financial Statements for the year ended 31st March, 2021**

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Purchase and sale of investment are accounted at trade date.

### **(g) Dividend Income**

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

### **(h) Interest Income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **(i) Financial liabilities**

#### **i. Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **ii. Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

#### **iii. Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

#### **iv. Derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### **(j) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### **(k) Property, plant and equipment (including Capital Work In Progress)**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

<b>Nature of Asset</b>	<b>Estimated useful life</b>
1. Computer	3 years
2. Furniture and Fixtures	10 years

Depreciation rate used by the Company are in line with those specified under Schedule II of the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

### **Transition to Ind-AS**

On transition to IND AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2018 measured as per the previous GAAP and use that carrying value as deemed cost of the property, plant and equipment.

### **(l) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

### (m) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (n) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

Rs. in Lakhs		
Particulars	FY 2020-21	FY 2019-20
Demand raised by Income tax authorities against which the Company has preferred appeals	141.53	141.53

### (o) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

The obligations are presented as current liabilities in the balance sheet since the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (ii) Post-employment obligations

The Company operates the following post-employment schemes:



## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

- (a) Defined benefit plans such as gratuity, and
- (b) Defined contribution plans such as provident fund

### Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Summary of Gratuity Liability Valuation

Sl.No.	Particulars	Rs. in Lakhs	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	Discontinued Liability	1.10	35.23
2	Present value of Defined Benefit Obligation	0.66	47.21
3	Expected Contribution/ Current Liability	0	2.84
4	Non – Current Liability	0.66	44.36
5	Contribution rate	5.34%	3.55%

### Actuarial Assumptions

#### (i) Financial Assumptions

Sl.No.	Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	Discount rate	6.54%	6.40%
2	Salary Increase rate	10.00%	10.00%

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

### (ii) Demographic Assumptions

Sl.No.	Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	Mortality Rate	IALM(2012-14) Ultimate	IALM(2012-14) Ultimate
2	Withdrawal Rate	7.00%	7.00%
3	Retirement Age	58 years	58 years

### (iii) Defined contribution plans

#### Provident fund

The Company makes Provident Fund contributions to publicly administered funds as per local regulations. Such contribution to the provident fund for all employees, are charged to the profit and loss.

#### (a) Contributed equity

**Equity shares are classified as equity.**

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (b) Dividends

Provision is made for the amount of any dividend declared including dividend distribution tax, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### (c) Earnings per share

##### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

##### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

### (d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CHIEF FINANCIAL OFFICER ('CFO') of the Company has been identified as the CODM as defined by IND-AS 108 Operating Segments, who assesses the financial performance and position of the Company and makes strategic decisions. Operating segments identified by the Company comprises as under:

- NBFC (CIC)
- Consultancy services

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprises as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

		Rs. in Lakhs	
Sl.No	Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>1</b>	<b>Segment Revenue</b>		
	NBFC (CIC)	120.06	126.35
	Consultancy Services	126.83	150.00
	<b>Total</b>	<b>246.89</b>	<b>276.35</b>
<b>2</b>	<b>Segment Results</b>		
	NBFC (CIC)	105.31	(709.31)
	Consultancy Services	(218.97)	21.22
	<b>Total</b>	<b>(113.66)</b>	<b>(688.08)</b>
<b>3</b>	<b>Capital Employed</b>		
	<b>Segment Assets</b>		
	NBFC (CIC)	79,883.95	58,643.23
	Consultancy Services	-	-
	<b>Total Assets</b>	<b>79,883.95</b>	<b>58,643.23</b>
	<b>Segment Liabilities</b>		
	NBFC (CIC)	1,587.36	1,545.34
	Consultancy Services	-	63.56
	<b>Total Liabilities</b>	<b>1,587.36</b>	<b>1,608.9</b>
	<b>Net Segment Assets/ (Liabilities)</b>	<b>78,296.59</b>	<b>57,034.33</b>

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

- a) **Primary Segment (Business Segment)** The Company is organised primarily into two operating segments, i.e. NBFC (CIC) and Consultancy services. The NBFC (CIC) business segment includes long term investments through which the company earns dividends. In the other business segment, the Company also provides Consultancy services.
- b) **Secondary Segment (Geographical Segment):** Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.
- c) **Segment Revenue and Expense:** Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.
- d) **Segment Assets and Liabilities:** Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.
- e) **Accounting Policies:** The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

### (e) Related Party Disclosure

The transactions with related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the yearend are unsecured and interest free other than fixed deposits and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment for receivables. Other variable employee benefits will be considered as and when it is due and payable.

#### (i) Key Management Personnel (employed for part of the year):

Ajay Kumar Vijay - Executive Director (resigned on 18<sup>th</sup> November 2020)  
Arindam Ash - Chief Financial Officer (resigned on 16<sup>th</sup> November 2020)

#### (ii) Other Related Parties:

Tushita Patel - Non – Executive and Non – Independent Director (resigned on 13<sup>th</sup> October 2020)  
Raghuvveeran Kasargod - Independent Director (resigned on 18<sup>th</sup> November 2020)  
Girish Datar - Independent Director (resigned on 18<sup>th</sup> November 2020)  
Sarvamangala Hadapada - Independent Director (appointed on 22<sup>nd</sup> October 2020)  
Sreenivasan Govindaraj - Non – Executive and Non – Independent Director (appointed on 13<sup>th</sup> November 2020)  
Sriramareddy Theertesh - Independent Director (appointed on 13<sup>th</sup> November 2020)

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

### (iii) Transactions during the year :

Name	Particulars	FY 2020-21	FY 2019-20
Key Management Personnel	Payment of remuneration for employment	9.49	112.29
Directors	Sitting Fees	16.60	11.40

### (iv) Balances at the year end :

Rs. In Lakhs

Name	Particulars	FY 2020-21	FY 2019-20
United Breweries (Holdings) Limited	Opening Balance	-	1,032.27
	Balance outstanding	-	-
Key Management Personnel	Payment of remuneration for employment	32.24	19.16
Directors	Sitting Fees	2.70	-

## 3. Property Plant and Equipment

Particulars	Rs. in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:		
Computers	0.14	0.37
Office Equipment	0.02	0.04
Furniture and Fixtures	0.00	0.00
<b>Total</b>	<b>0.16</b>	<b>0.41</b>

Particulars	Computers	Office Equipment	Furniture and Fixtures
<b>Property Plant and Equipment</b>			
<b>Gross Carrying Amount</b>			
<b>At cost at the beginning of the year</b>	0.03	0.08	0.34
Additions	0.58	-	-
Disposals	-	-	0.27
Gross Block as at March 31, 2020	0.61	0.08	0.07
<b>Accumulated Depreciation</b>			
Depreciation charge for the year	0.24	0.03	0.07
Eliminated on the disposal of the assets	-	-	-
closing accumulated depreciation as at March 31, 2019	0.24	0.03	0.07
<b>Net Carrying amount as at March 31, 2020</b>	<b>0.37</b>	<b>0.04</b>	<b>0.00</b>
<b>Gross Carrying amount as at March 31, 2020</b>	<b>0.61</b>	<b>0.08</b>	<b>0.07</b>
Additions	-	-	-
Disposals	-	-	-
Closing carrying amount as at March 31, 2021	0.61	0.08	0.07
<b>Accumulated Depreciation</b>			
Opening accumulated depreciation	0.24	0.03	0.07
Depreciation charge for the year	0.23	0.02	-
Eliminated on the disposal of the assets	-	-	-
closing accumulated depreciation as at March 31, 2021	0.48	0.05	0.07
<b>Net Carrying amount as at March 31, 2021</b>	<b>0.14</b>	<b>0.02</b>	<b>0.00</b>

## 4. Investments (Non-Current)

Rs. in Lakhs

As at March 31, 2021

Particulars	Amortised Cost	Fair Value			Subtotal	Others	Total
		Through Other Comprehensive Income	Through Profit and Loss Account	Designated at Fair Value Through Profit and Loss Account			
<b>A) In India</b>							
Equity Instruments							
Mangalore Chemicals & Fertilizes Limited	-	907.69	-	-	907.69	-	907.69
UB Engineering Limited	-	-	-	-	-	-	-
United Breweries (Holdings) Limited	-	-	-	-	-	-	-
United Breweries Limited *	-	78,770.14	-	-	78,770.14	-	78,770.14
Invs - Hyderabad Electronics Instruments Limited	-	1.27	-	-	1.27	-	1.27
Subsidiaries	-	-	-	-	-	-	-
<b>Total (Gross)A</b>	-	<b>79,679.10</b>	-	-	<b>79,679.10</b>	-	<b>79,679.10</b>
(i) Investments outside India					-	-	-
(ii) Investments in India					-	-	-
<b>Total (B)</b>	-	-	-	-	-	-	-
Less: Impairment loss allowance					-	-	-
<b>Total (Net)</b>	-	<b>79,679.10</b>	-	-	<b>79,679.10</b>	-	<b>79,679.10</b>

Rs. in Lakhs

As at March 31, 2020

Particulars	Amortised Cost	Fair Value			Subtotal	Others	Total
		Through Other Comprehensive Income	Through Profit and Loss Account	Designated at Fair Value Through Profit and Loss Account			
<b>A) In India</b>							
Equity Instruments							
Mangalore Chemicals & Fertilizes Limited	-	73.74	-	-	73.74	-	73.74
UB Engineering Limited	-	-	-	-	-	-	-
United Breweries (Holdings) Limited	-	-	-	-	-	-	-
United Breweries Limited	-	58,228.17	-	-	58,228.17	-	58,228.17
Invs - Hyderabad Electronics Instruments Limited	-	1.27	-	-	1.27	-	1.27
Subsidiaries	-	-	-	-	-	-	-
<b>Total (Gross)A</b>	-	<b>58,303.18</b>	-	-	<b>58,303.18</b>	-	<b>58,303.18</b>
(i) Investments outside India					-	-	-
(ii) Investments in India					-	-	-
<b>Total (B)</b>	-	-	-	-	-	-	-
Less: Impairment loss allowance					-	-	-
<b>Total (Net)</b>	-	<b>58,303.18</b>	-	-	<b>58,303.18</b>	-	<b>58,303.18</b>

Note:

\*. In respect of investments in United Breweries Limited is concerned :

- None of the shares are transferable in view of Enforcement Directorate's order to United Breweries Ltd.
- 27,45,000 shares are under pledge to secure the borrowing availed by a erstwhile Group Company, whose dues have been repaid in full.
- 18,06,000 shares are under pledge with a lender whose dues have been repaid in full.
- 1,22,667 shares are held in custody of lenders pending their release.
- 16,71,344 shares were unilaterally transferred by Enforcement Directorate in May'18. In June'21, Enforcement Directorate has transferred these shares to the Recovery Officer II of the Debt Recovery Tribunal (Refer Notes 24, 25 and 26 for further explanation)

\*\*. In respect of investments in United Breweries (Holdings) Limited is concerned :

- None of the shares are transferable in view of Enforcement Directorate's order to United Breweries (Holdings) Ltd.
- United Breweries (Holdings) Limited has been ordered to be wound up vide High Court of Karnataka dated February 7th 2017 which has been confirmed by the Supreme Court vide order dated 26th October 2020. Owing to this, the Company has written off its investments in United Breweries (Holdings) Ltd. in this Financial Year.

\*\*\*. In respect of investments in Mangalore Chemicals and Fertilizers Limited is concerned :

- 57,219 shares are not transferable in view of their freezing by the depository pursuant to order by stock exchanges.

\*\*\*\*. In respect of investments in UB Engineering Limited is concerned :

- The Hon'ble National Company Law Tribunal (NCLT), Mumbai on 5th December, 2017 had passed an order for Liquidation In view of the liquidation, the investments in this Company has been written off in Financial Year 2018-19

## MOVEMENTS IN SHAREHOLDING DURING THE YEAR

Rs. in Lakhs

Particulars	FY 2020-21		FY 2019-20	
	No. of shares	Amount	No. of shares	Amount
<b>Sale during the year</b>				
Mangalore Chemicals & Fertilizes Limited	-	-	11.85	59.61
<b>Total</b>	-	-	<b>11.85</b>	<b>59.61</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### 5. Other Financial Assets (Non-Current)

Rs. in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits		
Rent deposits	-	53.75
Other Advances	4.15	13.66
<b>Total</b>	<b>4.15</b>	<b>67.41</b>

### 6. Cash and Bank Balances

Rs. in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash and Cash Equivalents</b>		
Cash on hand	0.62	0.11
Balances with Banks	13.31	90.69
<b>Total</b>	<b>13.93</b>	<b>90.80</b>

### 7. Other Current Assets

Rs. in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	1.69	2.30
Balance with Government authorities	36.97	41.86
TDS Asset and advance tax	45.13	34.45
Others	102.82	102.82
<b>Total</b>	<b>186.61</b>	<b>181.43</b>



Notes to the Standalone Financial Statements for the year ended March 31, 2021

8. Equity Share Capital

Particulars	Rs. in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Equity Share Capital		
<b>Authorised Share capital :</b>		
15,000,000 ( March 31, 2020: 15,000,000 ) Equity shares of Rs. 10 each	1,500.00	1,500.00
Issued and subscribed capital comprises:		
13,992,258 ( March 31, 2020: 13,992,258 ) Equity shares of Rs. 10 each	1,399.23	1,399.23
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>1,399.23</b>	<b>1,399.23</b>

(i) Movements in equity share capital

Equity share capital

Particulars	As on March 31, 2021		As on March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	139.92	1,399.23	139.92	1,399.23
Add: shares issued during the year	-	-	-	-
Balance outstanding as at the end of the year	139.92	1,399.23	139.92	1,399.23

(ii) Rights, preferences and restrictions attached to the shares

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. The rights of shareholder is governed by the Articles of Association of the Company and the Companies Act, 2013.

Particulars	As on March 31, 2021		As on March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10 each fully paid				
Kingfisher Finvest India Limited *	-	-	-	-
Acacia Partners LP	7.76	5.55	7.76	5.55

\* The entire holdings of Kingfisher Finvest India Limited (Promoter) in the Company has been transferred from its demat account to the demat account of the Deputy Director, Directorate of Enforcement, Mumbai. We are given to understand that the said transfer has been affected under Rule 4 (4) of the Prevention of Money Laundering (Taking possession of attached and frozen Properties Confirmed by the Adjudicating Authority) Rule, 2013. Further, in June 2021, The Enforcement Directorate transferred these shares to the Recovery Officer II of Debt Recovery Tribunal. (Refer Note 26 for further explanation)

## 9. Other Equity

Particulars	Share Application Money Pending Allotment	Reserves and Surplus				Total
		Statutory Reserve	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at April 01, 2019</b>	-	282.47	1,566.49	3,148.15	82,316.54	87,313.65
Add: Profit/(loss) for the year	-	-	-	-	(684.09)	(684.09)
Add: other comprehensive income for the year	-	-	-	-	(30,994.46)	(30,994.46)
<b>Total Comprehensive income for the year</b>	-	<b>282.47</b>	<b>1,566.49</b>	<b>3,148.15</b>	<b>50,637.99</b>	<b>55,635.10</b>
Appropriation to statutory reserve	-	-	-	-	-	-
Add: Movement in share option outstanding balance	-	-	-	-	-	-
<b>Balance at March 31 2020</b>	-	<b>282.47</b>	<b>1,566.49</b>	<b>3,148.15</b>	<b>50,637.99</b>	<b>55,635.10</b>
<b>Balance as at April 01, 2020</b>	-	<b>282.47</b>	<b>1,566.49</b>	<b>3,148.15</b>	<b>50,637.99</b>	<b>55,635.10</b>
Add: Profit/(loss) for the year	-	-	-	-	(113.66)	(113.66)
Add: other comprehensive income for the year	-	-	-	-	21,375.92	21,375.92
<b>Balance at March 31 2021</b>	-	<b>282.47</b>	<b>1,566.49</b>	<b>3,148.15</b>	<b>71,900.25</b>	<b>76,897.36</b>

**Securities Premium Reserve :**

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013

Notes to the Standalone Financial Statements for the year ended March 31, 2021

10. Other Financial Liabilities (Non-Current)

Rs. in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Other Payable	32.25	-
<b>Total</b>	<b>32.25</b>	<b>36.32</b>

11. Provisions

Rs. in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non Current</b>	-	-
Gratuity	0.66	44.36
<b>Total</b>	<b>0.66</b>	<b>44.36</b>
<b>Current</b>		
Gratuity	0.00	2.85
Income Tax	-	-
<b>Total</b>	<b>0.00</b>	<b>2.85</b>

12. Borrowings (Current Liabilities)

Rs. in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Term Loans:-inter corporate borrowings		
Zuari Agro Chemicals Limited	568.14	568.14
PE Data	10.00	28.00
Accrued Interest:-		
Zuari Agro Chemicals Limited	857.91	767.06
PE Data	1.57	0.19
<b>Total</b>	<b>1,437.62</b>	<b>1,363.39</b>

13. Trade Payables (Current Liabilities)

Rs. in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
-outstanding dues of micro enterprises and small enterprises	-	-
-outstanding dues of creditors other than micro enterprises and small enterprises	2.12	5.92
<b>Total</b>	<b>2.12</b>	<b>5.92</b>

14. Other Current Liabilities

Rs. in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefits payable	110.52	70.53
Statutory due payable	-	20.49
Directors Sitting Fees Payable	2.70	-
Audit Fees payable	1.49	1.49
Professional tax Payable	-	-
Advance Received from Customers	-	63.56
<b>Total</b>	<b>114.71</b>	<b>156.06</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2021

15. Revenue from Operations

Rs. in Lakhs		
Particulars	2020-21	2019-20
<b>Operating Revenue</b>		
Dividend Income	120.06	126.35
Consultancy Services	80.28	150.00
(i)	<b>200.34</b>	<b>276.35</b>
<b>Other operating revenues</b>		
Profit on Sale of Investments	-	531.30
(ii)	<b>-</b>	<b>531.30</b>
<b>Total Revenue from Operations (i+ii)</b>	<b>200.34</b>	<b>807.65</b>

16. Other Income

Rs. in Lakhs		
Particulars	2020-21	2019-20
Interest on Fixed Deposits	-	3.93
Interest on Income tax refund	-	0.00
Provision No Longer Required - Written Back	-	951.72
Excess Gratuity Provision Written Back	46.55	-
Profit on sale of Fixed Assets	-	0.11
Bad Debts Recovered	-	10.00
<b>Total Other Income</b>	<b>46.55</b>	<b>965.76</b>

17. Employee benefit expenses

Rs. in Lakhs		
Particulars	2020-21	2019-20
Salaries, Wages and bonus	177.00	485.04
Contribution to provident funds and other funds	7.90	30.48
Gratuity	-	47.21
<b>Total employee benefit expenses</b>	<b>184.90</b>	<b>562.73</b>

18. Finance Cost

Rs. in Lakhs		
Particulars	2020-21	2019-20
Bank Charges	0.05	0.18
Interest expenses	103.60	605.87
Interest on delayed payment of statutory dues	0.09	0.02
<b>Total Finance Cost</b>	<b>103.74</b>	<b>606.06</b>

19. Other Expenses

Rs. in Lakhs		
Particulars	2020-21	2019-20
Auditor's Remuneration ( Refer Note i below)	1.65	1.65
Advertisements	1.15	1.89
Directors Sitting Fees	16.60	33.00
Legal Charges	2.20	7.57
Professional fees	4.20	72.11
Insurance	6.31	10.53
Printing & Stationery	1.31	8.52
Rates and Taxes	9.09	30.70
Rent	3.60	3.60
Repairs and maintenance	0.42	0.02
Telephone and communication charges	1.83	2.68
Travel and Conveyance	1.45	19.93
Loss on Sale of Investment	-	3.63
Provision for Diminution in Investment - P&L	-	1,049.37
Secreterial Expenses	9.84	14.80
Miscellaneous Expenses	12.01	32.35
<b>Total Other Expenses</b>	<b>71.66</b>	<b>1,292.35</b>

Note i: Auditors Remuneration

Rs. in Lakhs		
Particulars	2020-21	2019-20
<b>(i) Payments to the auditors comprises (net of GST input credit)</b>		
Audit services	1.40	1.40
Limited Review & Certification of Corporate Governance	0.25	0.25
<b>Total</b>	<b>1.65</b>	<b>1.65</b>

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

### NOTE 20: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates are:

- ☐ Estimation of fair value of Employee's Share Based Payments (Refer Note 27)
- ☐ Fair value of financial instruments
- ☐ Provisions and other contingent liabilities
- ☐ Provision for tax expenses
- ☐ Residual value and useful life of property, plant and equipment

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**NOTE 21:** 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. 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 6<sup>th</sup> March 2020 dismissed this appeal of UBHL. Thereafter, UBHL had filed a Special Leave Petition challenging the order dated 6<sup>th</sup> March, 2020. The aforementioned Special Leave Petition filed by UBHL was dismissed by an Order dated 26<sup>th</sup> 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 written off the investments in UBHL (which was previously provided for).

**NOTE 22:** The Official Liquidator (OL) of UBHL vide an advertisement dated 28<sup>th</sup> September, 2020 (published in the Times of India (Bangalore Edition) on 30<sup>th</sup> September 2020) has asked for furnishing of claims by the creditors of UBHL on or before 29<sup>th</sup> October 2020. Pursuant to the same, the Company has on 27<sup>th</sup> October 2020 filed its claim of Rs.329.52 crores against UBHL with the OL.

**Note 23:** 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 (RTA) to implement the directives of ED.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

**NOTE 24:** The Company's investments include 45,51,000 shares in UBL lying in its demat account 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.

**NOTE 25:** 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.

**NOTE 26:** The Company's investment of 16,71,344 shares in UBL was unilaterally transferred from the demat account of the Company to the demat account of the Deputy Director, ED, Mumbai on 3<sup>rd</sup> May, 2018. As per the statutory requirements the Company had intimated the Stock Exchanges. With respect to the same, the Company came to know vide newspaper articles dated 30<sup>th</sup> May 2021 and 7<sup>th</sup> June 2021 that pursuant to orders passed by the PMLA court, the ED had transferred 4,13,15,690 UBL shares to the Recovery officer of the DRT for the purpose of sale. The company has written to the ED on 15<sup>th</sup> June 2021 seeking clarity on its shareholding of 16,71,344 UBL shares. Further, UBL has disclosed to the Stock Exchanges that Heineken N.V. has acquired 3,96,44,346 UBL shares on 23<sup>rd</sup> June 2021.

**NOTE 27:** On 3<sup>rd</sup> May 2018, the Deputy Director, ED, Mumbai had transferred a total of 22,00,360 shares of 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. Further, as understood from the letter dated 17<sup>th</sup> June 2021 of the RTA to the Company, these shares have been transferred by ED to the Recovery Officer of DRT on 4<sup>th</sup> June 2021. Further, a total of 25,17,189 shares (which total includes the above 22,00,159 shares) of the Company held by two Promoters (included in three Promoters above) has also been attached by an order of attachment dated 21<sup>st</sup> June 2018 passed by the Recovery Officer, Debt Recovery Tribunal, Bangalore

**NOTE 28:** The Company had received a Show Cause Notice dated 3<sup>rd</sup> 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.

**NOTE 29:** 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 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.

**NOTE 30:** 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.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

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..

**NOTE 31:** 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.

**NOTE 32:** 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 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 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. The Company has filed an appeal against the aforesaid order before a Division Bench of the Hon'ble High Court, Bombay which is pending. Thus this amount is treated as contingent in nature.

**NOTE 33:** 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 31st March 2021 is Rs.14.25 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.

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

## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Due to the ongoing Covid-19 pandemic and subsequent lockdowns, the adjudication of the litigations of the Company did not take place and the necessary reliefs have been delayed. Thus the Company is unable to generate funds and in view of this the Company vide letter dated 15<sup>th</sup> June 2021, has requested ZACL to extend the time for repayment for a period of 6 months.

**NOTE 34:** 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 Company is finding it difficult to meet its daily routine expenses. 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.

**NOTE 35:** The National Stock Exchange on 28<sup>th</sup> October 2020 intimated the Company about a complaint/query/request filed by an investor regarding the disclosures of the Company. Under advice of its counsels, the Company vide its reply dated 2<sup>nd</sup> 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 12<sup>th</sup> February 2021.

**Note 36:** The position of Company Secretary, Chief Financial Officer and the Executive Director of the Company fell vacant on 10<sup>th</sup> December 2019, 16<sup>th</sup> November 2020 and on 18<sup>th</sup> November 2020 respectively and efforts to identify the successors,. has been delayed due to COVID 19 pandemic. Further, 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.

**Note 37:** The Stock Exchanges has sought clarifications from the Company on non-appointment of a Company secretary, last being on 22<sup>nd</sup> February 2021 and also on Corporate Governance Reports,. Further, the Stock Exchange has sought clarification for non-appointment of six Directors, last being 17<sup>th</sup> May 2021. Under advice of its counsels, the Company has filed its reply explaining the reasons.

**Note 38:** The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, contributing 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. 14<sup>th</sup> July 2020 to 5.am. 22<sup>nd</sup> July 2020.



## Notes to the Standalone Financial Statements for the year ended 31st March, 2021

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. Further, on the outbreak of 2<sup>nd</sup> wave of Covid-19 pandemic, restrictions/curfew/lockdown has been imposed. In Bangalore, from 25<sup>th</sup> April 2021 to 21<sup>st</sup> June 2021 restrictions/curfew/lockdown were imposed. 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.

**NOTE 39:** Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

**NOTE 40: Remuneration to auditors:**

Rs. in Lakhs

Particulars	2020-21	2019-20
Statutory Audit	1.40	1.40
Limited Review & Certification of Corporate Governance Certificate fees	0.25	0.25

**NOTE 41: Details of dues to Micro, Small and Medium Enterprises**

Particulars	31 March 2021	31 March 2020
The Principal amount remaining unpaid at the end of the year	Nil	Nil
The Interest Amount remaining unpaid at the end of the year	Nil	Nil
Balance of MSME parties at the end of the year	Nil	Nil

**NOTE 42: Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees in Lakhs as per the requirement of Schedule III, unless otherwise stated.

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The accompanying notes are an integral part of the Financial Statements  
As per our report of even date

**For BVC & Co.**  
Chartered Accountants  
Firm Registration  
No. 008154S

**Sriramareddy Theerthesh**  
Director  
DIN: 08955326

**Sarvamangala Hadapada**  
Director  
DIN: 08395454

**CA Vishwas Shetty T**  
Partner  
Membership No.218619  
UDIN: 21218619AAAAIR2955  
**Place: Bengaluru**  
Date: June 29, 2021

**Sreenivasan Govindaraj**  
Director  
DIN: 07805594

## **McDOWELL HOLDINGS LIMITED**

**CIN: L05190KA2004PLC033485**

**Registered Office: UB Tower, Level-12, UB City, 24, Vittal Mallya Road, Bengaluru – 560 001**

**E-mail: [mhlinvestor@ubmail.com](mailto:mhlinvestor@ubmail.com) Website: [www.mcdowellholdings.co.in](http://www.mcdowellholdings.co.in)**

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