



McDOWELL HOLDINGS LIMITED

Date: 07-08-2018

The Manager
Dept. of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai-400001

The Asst. Vice President
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block – G
Bandra-Kurla Complex, Bandra (East)
Mumbai-400051

BSE Scrip Code:532852

NSE Symbol: MCDHOLDING

Sub: Un-audited Financial Results of the Company for the quarter ended 30th June, 2018 and outcome of the Board Meeting.

Dear Sir,

Pursuant to the provisions under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at its meeting held today have approved the Un-audited Financial Results of the Company together with notes to the financial statement for the quarter ended 30th June, 2018 and took on record the Limited Review Reports of the Statutory Auditors there on.

Time of commencement of Board Meeting: 3:00 PM

Time of conclusion of the Board Meeting: 4: 15 PM

A copy of Un-audited Financial Results of the Company for the quarter ended 30th June, 2018 together with notes on financial statement and Limited Review Reports of the Statutory Auditors there on are enclosed herewith.

The above is for your information and record.

Thanking You

Yours Faithfully

For McDowell Holdings Limited

Manoj Kumar
DGM-Legal & Company Secretary

Encl: as above

McDowell Holdings Limited

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

PART I

Rs. Lakhs (except Per share data)

Statement of Unaudited Financial Results for the Quarter Ended June 30, 2018

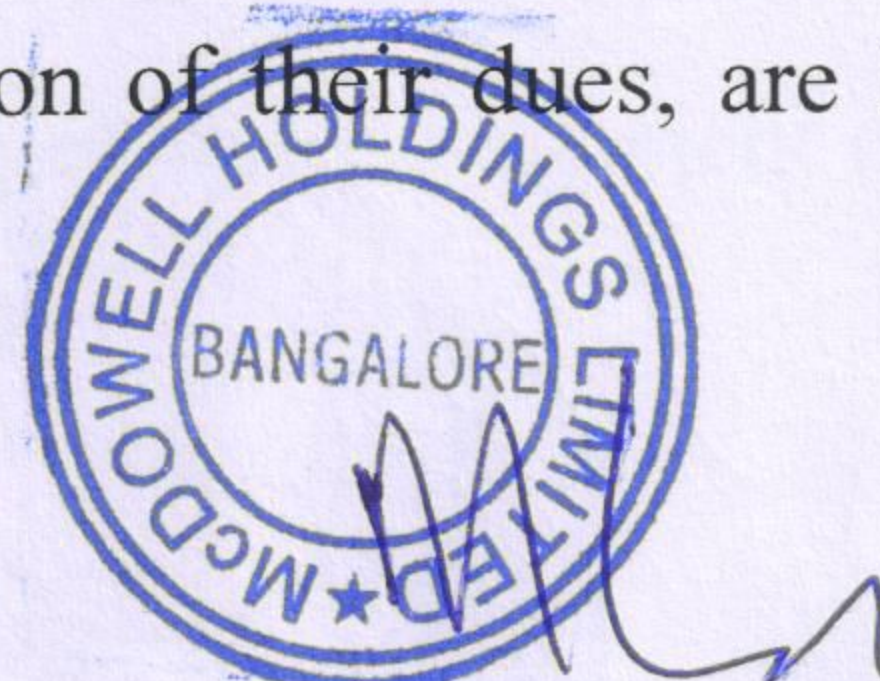
PARTICULARS	Three months ended			Year ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Audited
1. Income from operations				
Dividend income	-	0.00	-	100.69
2. Other income	-	2.08	0.74	3.27
Total income from operations	-	2.08	0.74	103.96
3. Expenses				
(a) Employee benefits expense	14.59	14.59	9.90	60.68
(b) Finance Costs	-	-	89.75	89.75
(c) Other expenses	15.53	21.45	38.14	114.08
(d) Depreciation	0.07	0.07	0.07	0.29
Total expenses	30.19	36.10	137.86	264.80
4. Loss before exceptional item & tax	(30.19)	(34.02)	(137.12)	(160.84)
5. Exceptional items :				
a. Profit on sale of pledged shares	-	-	-	-
b. Advances no longer recoverable written off	-	-	-	-
6. Loss before tax	(30.19)	(34.02)	(137.12)	(160.84)
7. Tax expense	-	(0.10)	-	(0.10)
8. Loss for the period / year	(30.19)	(33.93)	(137.12)	(160.74)
9. Paid-up equity share capital (face value of ` 10/- each, fully paid up)	1,399.23	1,399.23	1,399.23	1,399.23
10. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-
11. Earnings per share (face value of ` 10/- each) (not annualised)				
(a) Basic & diluted (before exceptional item)	(0.22)	(0.24)	(0.98)	(1.15)
(a) Basic & diluted (after exceptional item)	(0.22)	(0.24)	(0.98)	(1.15)

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NOTES

1. The accompanying Statement of Un-audited Financial Results for the quarter ended on 30th June, 2018 were reviewed and recommended by the Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on 14th August, 2018. The unaudited financial results for the quarter ended on 30th June, 2018 is subjected to limited review by the Statutory Auditor of the Company.
2. Two investee companies in which the Company holds strategic investments have received an order 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. The investee companies have written to NSDL and CDSL through their Registrar and Transfer Agent to implement the directives of ED. The Company is in the process of taking appropriate steps in consultation with the lawyers to deal with the matter.
3. The Hon'ble High Court of Karnataka on 7th February, 2017 had passed an order of winding-up on a Promoter Company, in which the Company also holds 52,60,002 equity shares. The impact of the winding up order on the shareholding in this Promoter Company is being assessed, pending the appeal filed in the Hon'ble High Court of Karnataka by the Promoter Company.
4. The Company's investments include 45,51,000 shares in United Breweries Limited (hereinafter referred to as UBL) which were pledged in favour of erstwhile lenders. As on date no dues are outstanding to these lenders but the pledge on these shares have not been released. The lenders have communicated to the Company that consequent to the directions of Enforcement Directorate the pledge on these shares cannot be released. The Company is in the process of taking appropriate steps in consultation with the lawyers to deal with the matter.
5. Further, 1,22,667 shares of UBL, being the balance pledged shares, consequent to invocation by the erstwhile lenders and after liquidation of their dues, are lying in the Demat accounts of the said lenders.



The lenders have communicated to the Company that consequent to the directions of Enforcement Directorate these shares, dividend thereon and the excess sum recovered by them cannot be released. The Company is in the process of taking appropriate steps in consultation with the lawyers to deal with the matter.

6. The Company's investment of 16,71,344 shares in United Breweries Limited has been unilaterally transferred from the Demat account of the Company to the Demat account of the Deputy Director, Enforcement Directorate, Mumbai on 3rd May, 2018. As per the statutory requirements the Company has intimated the Stock Exchange. The Company is in consultation the lawyers for the next course of action.
7. The Company's investments include 2,11,712 shares in Mangalore Chemicals and Fertilizers Limited (hereinafter referred to as MCF) which have been frozen by Stock Holding Corporation of India Ltd under an instruction from the National Stock Exchange (NSE), where the shares of the Company are listed. The Company has made a representation before NSE & Securities and Exchange Board of India (SEBI) for defreezing the said shares.
8. The Company has dues of Rs. 23.24 crores (includes interest of Rs. 3.24 crores) as on 30th June, 2017 to Zuari Fertilisers & Chemicals Limited (hereinafter referred to as ZFCL). The Company has sought adjustment of Rs. 9.39 crores (which is shown as contingent dues from Mangalore Chemicals & Fertilisers Limited, a subsidiary company of ZFCL) against the above dues. ZFCL has also filed a petition in NCLT (note no.9). In view of the pendency of this NCLT matter and the fact that the Company has sought adjustment of Rs. 9.39 crores, the interest on the principal amount of Rs. 20 crores shall be accounted on the basis of the outcome of the said NCLT matter.
9. Zuari Fertilisers & Chemicals Limited has filed a Petition before the National Company Law Tribunal (NCLT), Bangalore, inter alia against McDowell Holdings Limited u/s 241, 242, 244, 246 and other provisions of Companies Act, 2013, alleging mismanagement of the affairs of Mangalore Chemicals & Fertilizers Ltd. (MCF) and seeking certain reliefs in the form of disinvestment of UB Group's holding in MCF in their favour, and making good the purported losses arising on account of the alleged mismanagement of the affairs of MCF. The matter is pending before NCLT, Bangalore.



10. The Company is one of the Claimants in an Arbitration matter against Zuari Fertilisers & Chemicals Limited (ZFCL) and Zuari Agro Chemicals Ltd (ZACL), the respondents. The arbitration proceeds have been concluded and vide the Arbitration Award dated 8th May 2017, the Arbitrator has dismissed the Company's claims and has ordered all the claimants to pay to the respondents a total sum of Rs. 75 lakhs. The appeal filed by the Company against the Arbitration award before the Hon'ble High Court, Bombay is pending and thus the said amount is treated as contingent in nature.
11. The National Company Law Tribunal, Mumbai on 5th December, 2017 had passed an order for Liquidation of a Promotee Company, in which the Company also holds 4,52,243 equity shares. The impact of the order on the shareholding in this Promotee Company is being assessed.
12. On 3rd May 2018, the Deputy Director, Enforcement Directorate, Mumbai has transferred a total of 22,00,360 shares in the Company, held by three Promoters, to their account from the Promoters respective Demat accounts. Thereafter, a total of 25,17,189 shares (which includes the above 22,00,160 shares) in the company held by two Promoters (included in three above) has also been attached by an order of attachment of shares by the Recovery Officer, Debt Recovery Tribunal, Bangalore on 21st June 2018.
13. 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'
14. The Company does not have a Managing Director. The affairs of the Company in the interregnum are being managed, under the guidance of the Board of Directors and the Group Chairman.
15. Previous year / periods figures have been regrouped wherever necessary.
16. The qualifications in the Limited Review Report of the Statutory Auditor are answered in the Note Nos. 3 and 13 above.

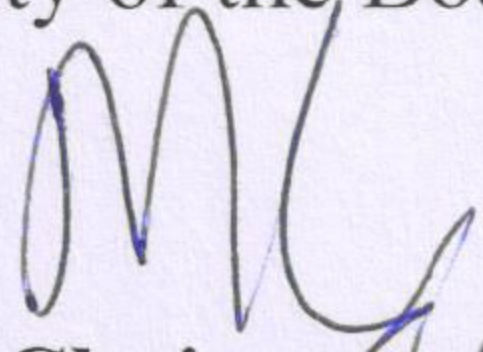


17. The financial results and notes are also available on the websites of the Stocks Exchanges, viz, www.bseindia.com and www.nseindia.com and also on the website of the Company viz, www.mcdowellholdings.co.in

Place: ~~Bangalore~~ ^{Noida}
Date : August 7, 2018

By Authority of the Board




Chairman





LIMITED REVIEW REPORT

1. We have reviewed the accompanying statement of unaudited financial results of McDowell Holdings Limited, Bangalore, ("the Company") for the period ended June 30, 2018. This statement is the responsibility of the Company's management and it has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. Our review has been confined to the figures shown in the column headed "three months ended June 30, 2018".
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus, provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *Based on the audited financial statements for the year ending 31st March, 2018, the report was qualified with regard to:*
 - (i) *appropriateness of preparation of financial statement on going concern basis (refer note No. 13) on account of Company's income streams not being sufficient to meet its recurring financial obligations and defaults in repaying the inter-corporate deposits taken by it. Our reservation with regard to appropriateness of preparation of financial statement on going concern basis continues.*



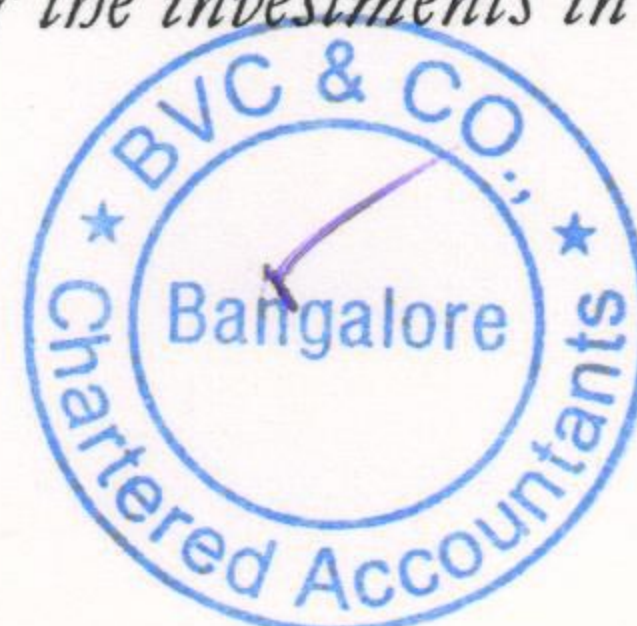


- (ii) *United Breweries (Holdings) Limited, (UBHL) in which the company holds 52,60,002 shares with a carrying value of 10.49 crores has been ordered to be wound up pursuant to an order dated 07-02-2017 of the Honourable High Court of Karnataka. The decline, other than temporary, in the value of such investments as a result of this development has not been quantified and provided for in the accounts (refer note No. 3).*

5. *Emphasis of the matter:*

Attention is invited to the following:

- a. *The pledge created by the company on its 45,51,000 shares in United Breweries Limited (UBL) in favour of erstwhile lenders has not yet been cancelled even though no amounts are owed to the pledgee because the Enforcement Directorate has directed not to part with those shares (refer Note no. 4).*
 - b. *122,667 shares in United Breweries Limited (UBL) belonging to the company are lying with erstwhile lenders, who have conveyed that it has been directed by the Enforcement Directorate not to part with those shares (refer Note no.5).*
 - c. *The company holds 63,45,011 shares in United Breweries Limited (UBL) (inclusive of the shares referred to in paragraphs in 5(a) and 5(b) above) and 52,60,002 shares in United Breweries (Holdings) Limited (UBHL). Enforcement Directorate has restrained UBL and UBHL from allowing the company to sell/alienate/create any third party mortgage over these shares (refer Note no. 2).*
 - d. *The company continues to be in default of repayment of its matured inter corporate deposit of Rs. 23.24 crores and interest for the same. (refer Note No. 8)*
6. *The National Company Law Tribunal, Mumbai on 5th December, 2017 had passed an order for Liquidation of a Promotee Company, in which the Company also holds 4,52,243 equity shares. The impact of the order on the shareholding in this Promotee Company is being assessed. However the Company has already provided 100% provision for the investments in the above said promotee company. (refer Note No. 11)*





B V C & Co.
Chartered Accountants

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

Head Office : No. 371, 1st Floor, 8th Main Road,
Sadashivanagar, Bangalore - 560 080
Ph. : 080 - 23612855 / 2856

Branch Office : 1st Floor, Akashganga Complex, Near
Karavali Junction NH-66, Udupi-576103
Ph. : 0820-2526563

7. Based on our review conducted as above and *subject to our observations in paragraphs 4 and 5 above*, we report that nothing else has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed or that it contains any material misstatement.

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

CA Vishwas Shetty T
Partner
Membership No: 218619



Place: Bangalore
Date: 7th August , 2018