



BVC & Co.

Chartered Accountants

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LIMITED REVIEW REPORT

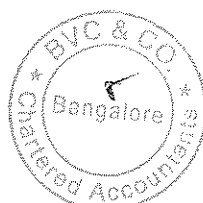
1. We have reviewed the accompanying statement of **Unaudited Financial Results of McDowell Holdings Limited, Bangalore, ("the Company")** for the period ended September 30, 2019. This statement is the responsibility of the Company's management and it has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related unaudited interim financial statements which has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus, provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *Basis for qualified opinion*
 - (i) *The Company's income streams are not sufficient to meet its recurring financial obligations. This has affected the going concern assumptions used in the preparation of financial statements. However, for the reasons stated in note no. 19, the Company continues to prepare its financial statements on going concern basis.*



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 the pledgee to not to part with those shares (refer Note no. 8).*
- b. *122,667 shares in United Breweries Limited (UBL) belonging to the Company are lying with erstwhile lenders, who have conveyed that they have been directed by the Enforcement Directorate not to part with those shares (refer Note no.9).*
- c. *The Company's investment of 16,71,344 shares in United Breweries Limited has been unilaterally transferred from the demat account of the Company to the demat account of the Deputy Director, Enforcement Directorate, Mumbai on 3rd May, 2018. As per the statutory requirements the Company has intimated the Stock Exchange. (refer Note No. 10)*
- d. *The Company has received a show cause notice dated 3rd July 2018 under the Fugitive Economic Offenders Ordinance Act 2018 (FEOA). The Company has filed its objections in the designated court for FEOA. The matter is pending. (refer Note No. 11)*
- 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. 12)*



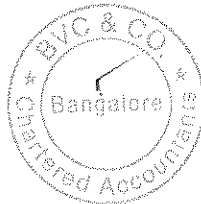
f. The Company's demat account maintained with Stock Holding Corporation of India has been suspended for debit on the instructions of Enforcement Directorate since 29th July 2019. The company has filed submissions with Enforcement Directorate seeking removal of this attachment. The matter is pending. (refer Note No. 13)

g. The Company's investments include 57,219 shares in Mangalore Chemicals and Fertilizers Limited (hereinafter referred to as MCF) which were frozen by the Stock Holding Corporation of India Ltd under an instruction from the Stock Exchanges, where the shares of the Company are listed. The Company has filed an appeal before the Securities Appellate Tribunal, Mumbai (SAT) and is pending adjudication. (refer Note No. 14)

6. Based on our review conducted as above and subject to our observations in paragraphs 4 and 5 above, we report that nothing else has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the requirements of Ind AS 34 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed or that it contains any material misstatement.

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


CA Vishwas Shetty T
Partner
Membership No: 218619



UDIN : 19218619AAAALE6568

Place: Bangalore

Date: 12th November, 2019