

To,

National Stock Exchange

Subject: Reply -Clarification for Financial results – MCDHOLDING

This is with reference to the mail received on 04th July, 2021 regarding the following observation/ non-submission with respect to quick result submitted to the Exchange dated 29-Jun-2021:

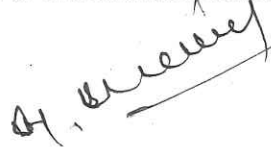
1. Financial results not submitted within 30 minutes from end of board meeting.
2. Financial results submitted is not as per format prescribed by SEBI- Note on Balancing figure is missing as per Reg 33(3)(e) and Quarterly figures has not been provided in the Segment Report.

With regards to above, we would like to give clarification as below:

1. There was a delay of 2 minutes in submitting Financial Results within 30 minutes from end of board meeting due to System error / portal server issue which occurred while submitting the results.
2. (a) Note on Balancing Figure as per Reg 33(3)(e) has been added in Notes at Note No. 20.
(b) Quarterly figures in the Segment Report have also been updated in the attached Financial Results for the fourth Quarter.

Kindly consider this reply and the attached, Updated Financial Results with the xml file and do the needful.

For MCDOWELL HOLDINGS LIMITED



Sreenivasan Govindaraj

Director

DIN: 07805594

June 29, 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: Audited Financial Results of the Company for the quarter and year ended March 31, 2021 and outcome of the Board Meeting.

Dear Sir,

Pursuant to the provisions under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held today (March 09, 2021) have approved inter-alia the Audited Financial Results of the Company for the quarter and year ended March 31, 2021.

Time of commencement of Board Meeting : 2:00 P.M.

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

A copy of the Audited Financial Results of the Company together with notes thereon for the quarter and year ended March 31, 2021 and Auditor's Report of the Statutory Auditors for the period ended March 31, 2021 are enclosed herewith.

The above is for your information and record.

Thanking you,

Yours faithfully,
For **McDowell Holdings Limited**



G.Sreenivas
Director

encl: as above

Statement of Audited Financial Results for the quarter and year ended March 31, 2021

Rupees in Lakhs

Particulars	For the quarter ended			For the Year Ended	
	31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
	Unaudited	Unaudited	Unaudited	Audited	Audited
I. Revenue from Operations					
(i). Interest Income	-	-	-	-	-
(ii). Dividend Income	-	6.29	-	120.06	126.35
(iii). Rental Income	-	-	-	-	-
(iv). Fees and commission Income	-	-	-	-	-
(v). Net gain on fair value changes	-	-	-	-	-
(vi). Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	-
(vii). Sale of products (including Excise Duty)	-	-	150.00	80.28	150.00
(viii). Service Income	-	-	0.11	-	0.11
(ix). Others	-	-	-	-	-
(I) Total Revenue from operations	-	6.29	150.11	200.34	276.46
II. Other income					
Provision no longer required written back	-	-	12.29	-	951.72
Excess Gratuity Provision Written Back	46.66	-	0.27	46.55	-
Bad Advances Recovered	-	-	10.00	-	10.00
Interest on Income tax refund	-	-	0.00	-	0.00
Interest on fixed deposit	-	-	-	-	3.93
(II) Total Other Income	46.66	-	22.55	46.55	965.65
III. Total Income (I+II)	46.66	6.29	172.66	246.89	1,242.10
IV. Expenses					
(a). Finance costs	25.43	25.92	26.15	103.60	605.87
(b). Fees and commission expense	-	-	-	-	-
(c). Net loss on fair value changes	-	-	-	-	-
(d). Net loss on derecognition of financial instruments under amortised cost category	-	-	-	-	-
(e). Impairment on financial instruments	-	-	-	-	-
(f). Cost of materials consumed	-	-	-	-	-
(g). Purchases of stock-in-trade	-	-	-	-	-
(h). Changes in Inventories of finished goods, stock-in-trade and work-in-progress	-	-	-	-	-
(i). Employee benefit expenses	4.25	41.00	109.07	184.90	562.73
(j). Depreciation	0.06	0.06	0.11	0.25	0.35
(k). Other expenses					
(i). Travel and communication expenses	0.67	1.05	2.82	3.28	22.60
(ii). Secretarial expenses	1.19	0.94	1.27	4.03	5.23
(iii). Printing & stationery expenses	0.21	0.34	0.48	1.31	8.52
(iv). Director's sitting fees	1.80	3.40	3.60	16.60	33.00
(v). Auditor's remuneration	1.65	-	1.65	1.65	1.65
(vi). Advertising expenses	0.25	0.18	0.37	1.15	1.89
(vii). Depository and listing fees	-	1.59	0.51	9.56	13.01
(viii). Legal charges	-	1.75	1.32	2.20	7.57
(ix). Professional charges	1.71	1.50	7.49	4.20	72.11
(x). Filing fees	0.14	0.07	0.33	0.22	1.06
(xi). Interest on statutory dues	0.00	-	-	0.09	0.02
(xii). Loss on transfer of shares	-	-	-	-	3.63
(xiii). Provision for Diminution in the value of Investments	-	-	-	-	1,049.37
(xiv). Insurance for Directors & Officers	-	-	5.50	6.31	10.53
(xv). Miscellaneous expenses	2.83	5.46	17.83	21.20	62.35
(IV) Total Expenses	40.19	83.25	178.49	360.55	2,461.49
(V) Profit/Loss before Exceptional item & tax (III-IV)	6.48	(76.97)	(5.83)	(113.66)	(1,219.39)
(VI) Exceptional items:					
a. Profit on Sale of Investments	-	-	-	-	531.30
(VII) Profit /Loss before taxation (V-VI)	6.48	(76.97)	(5.83)	(113.66)	(688.08)
(VIII) Tax Expense:					
i. Current Tax	-	-	-	-	-
ii. Earlier Years	-	-	3.99	-	3.99
(IX) Profit/(loss) for the period / year from continuing operations (VII-VIII)	6.48	(76.97)	(1.84)	(113.66)	(684.09)
(X) Profit/(Loss) from discontinued operations	-	-	-	-	-
(XI) Tax expense of discontinued operations	-	-	-	-	-
(XII) Profit/(Loss) from discontinued operations (after Tax) (X-XI)	-	-	-	-	-
(XIII) Total Profit/(Loss) for the period (IX+XII)	6.48	(76.97)	(1.84)	(113.66)	(684.09)
(XIV) Other Comprehensive Income					
(A) (i) Items that will not be reclassified to profit or loss	4,126.11	14,893.26	(22,573.52)	21,375.92	(30,994.46)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
Subtotal (A)	4,126.11	14,893.26	(22,573.52)	21,375.92	(30,994.46)
(B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Subtotal (B)	-	-	-	-	-
Other Comprehensive Income (A+B)	4,126.11	14,893.26	(22,573.52)	21,375.92	(30,994.46)
(XV) Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)	4,132.58	14,816.29	(22,575.36)	21,262.26	(31,678.55)
(XVI) Paid-up Equity Share Capital (face value of Rs.10/- each*, fully paid up)	1,399.23	1,399.23	1,399.23	1,399.23	1,399.23
(XVII) Earning per share (for continuing operations)					
a. Basic earning per share (Before Exceptional Items)	0.05	(0.55)	(0.04)	(0.81)	(8.71)
Diluted earning per share (Before Exceptional Items)	0.05	(0.55)	(0.04)	(0.81)	(8.71)
(XVIII) Earning per share (for discontinued operations)					
a. Basic earning per share (Before Exceptional Items)	-	-	-	-	-
b. Diluted earning per share (Before Exceptional Items)	-	-	-	-	-
(XIX) Earning per share (for continuing & Discontinued operations)					
a. Basic earning per share (Before Exceptional Items)	0.05	(0.55)	(0.04)	(0.81)	(8.71)
b. Diluted earning per share (Before Exceptional Items)	0.05	(0.55)	(0.04)	(0.81)	(8.71)
(XX) Earning per share (for continuing operations)					
b. Basic earning per share (After Exceptional Items)	0.05	(0.55)	(0.01)	(0.81)	(4.89)
Diluted earning per share (After Exceptional Items)	0.05	(0.55)	(0.01)	(0.81)	(4.89)
(XXI) Earning per share (for discontinued operations)					
a. Basic earning per share (After Exceptional Items)	-	-	-	-	-
b. Diluted earning per share (After Exceptional Items)	-	-	-	-	-
(XXII) Earning per share (for continuing & Discontinued operations)					
a. Basic earning per share (After Exceptional Items)	0.05	(0.55)	(0.01)	(0.81)	(4.89)
b. Diluted earning per share (After Exceptional Items)	0.05	(0.55)	(0.01)	(0.81)	(4.89)

*Earnings per share for the interim periods are not annualised



McDOWELL HOLDINGS LIMITED

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

Statement of Assets and Liabilities

Rupees in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Audited	Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	13.93	90.80
(b) Bank balances other than Cash and Cash equivalents above	-	-
(c) Derivative financial instruments	-	-
(d) Receivables	-	-
(I) Trade Receivables	-	-
(II) Other Receivables	-	-
(e) Loans and advances	-	-
(f) Investments	79,679.10	58,303.18
(g) Other financial assets	4.15	67.41
2 Non Financial assets		
(a) Inventories	-	-
(b) Current tax assets (Net)	-	-
(c) Deferred tax Assets (Net)	-	-
(d) Investment Property	-	-
(e) Biological assets other than bearer plants	-	-
(f) Property, Plant and Equipment	0.16	0.41
(g) Capital work-in-progress	-	-
(h) Intangible assets under development	-	-
(i) Goodwill	-	-
(j) Other Intangible assets	-	-
(k) Other non-financial assets	186.61	181.43
Total Assets	79,883.95	58,643.23
LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
(a) Derivative financial instruments	-	-
(b) Payables	-	-
(I) Trade Payables	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(II) Other Payables	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.12	5.92
(c) Debt Securities	-	-
(d) Borrowings (Other than Debt Securities)	1,437.62	1,363.39
(e) Deposits	-	-
(f) Subordinated Liabilities	-	-
(g) Other Financial Liabilities (Interest Accrued & Due)	32.25	36.32
2 Non- Financial Liabilities		
(a) Current tax liabilities (Net)	-	-
(b) Provisions	0.66	47.21
(c) Deferred tax liabilities (Net)	-	-
(d) Other non-financial liabilities (other current liabilities)	114.71	156.06
3 Equity		
(a) Equity Share capital	1,399.23	1,399.23
(b) Other equity	76,897.36	55,635.10
TOTAL - EQUITY AND LIABILITIES	79,883.95	58,643.23



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Audited Cash flow statement for the year ended March 31, 2021

	31-03-2021	31-03-2020
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit/(loss) before tax	(113.66)	(688.08)
Adjustments for :		
Depreciation	0.25	0.35
Dividend income	(120.06)	(126.35)
Interest income	-	(3.93)
Interest Expense	103.60	605.87
Profit on sale of Fixed Assets	-	(0.11)
Profit on sale of investments	-	(531.30)
Provision for Gratuity	(46.55)	47.21
Provision for Dimunition in the value of Investments	-	1,049.37
Provision no longer required written back	-	(951.72)
	(62.76)	89.39
Operating profit before working capital changes	(176.42)	(598.69)
Changes in working capital:		
Financial Assets/liabilities:		
(Increase) / Decrease in receivables	58.07	35.93
Increase/(decrease) in payables	(59.58)	147.44
Cash generated from operations	(177.93)	(415.32)
Direct taxes paid	-	(3.99)
Net cash generated / (used) in operations	(177.93)	(411.33)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale value of Investments	-	
Dividend Received	120.06	126.35
(Purchase) / Sale of Fixed Assets	-	(0.58)
Interest income	-	3.93
Net cash generated/(used) in investing activities	120.06	129.69
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of loan	(18.00)	(42.00)
Interest Expenses	(1.00)	(3.55)
Net cash generated/ (used) in financing activities	(19.00)	(45.55)
Net increase in cash and cash equivalents	(76.87)	(327.19)
Cash and cash equivalents at the beginning of the year	90.80	417.99
Closing balance of cash and cash equivalents	13.93	90.80
Cash and cash equivalents comprises of :		
Cash on hand	0.62	0.11
Balance with banks	13.31	90.69
	13.93	90.80



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Annexure 1

Segment wise Revenue, Results and Capital Employed for Financial results under regulation 33 of the listing regulations 2013

Rupees in Lakhs

Particulars	Quarter Ended			Year Ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
Segment Revenue					
a. NBFC	-	6.29	-	120.06	126.35
b. Others	46.66	-	150.00	126.83	150.00
Total Revenue	46.66	6.29	150.00	246.89	276.35
Segment Results					
a. NBFC	(1.44)	2.16	(23.06)	105.31	(709.31)
b. Others	7.92	(79.13)	21.22	(218.97)	21.22
Profit Before tax	6.48	(76.97)	(1.84)	(113.66)	(688.09)
Segment Assets					
a. NBFC	79,883.95	75,815.36	58,643.23	79,883.95	58,643.23
b. Others	-	-	-	-	-
Total	79,883.95	75,815.36	58,643.23	79,883.95	58,643.23
Segment Liabilities					
a. NBFC	1,587.36	1,651.35	1,545.34	1,587.36	1,545.34
b. Others	-	-	63.56	-	63.56
Total	1,587.36	1,651.35	1,608.90	1,587.36	1,608.90
Capital Employed (Segment Assets-Segment Liabilities)					
a. NBFC	78,296.59	74,164.00	57,097.89	78,296.59	57,097.89
b. Others	-	-	(63.56)	-	(63.56)
Total	78,296.59	74,164.00	57,034.33	78,296.59	57,034.33

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

By Secretary



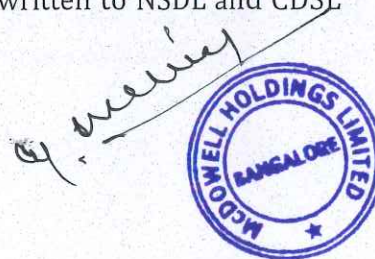
McDowell Holdings Limited					
Regd. Office: UB Tower, Level 12, UB City, 24 Vittal Mallya Road, Bangalore - 560 001 Email: mhlinvestor@ubmail.com website: www.mcdowellholdings.co.in CIN : L05190KA2004PLC033485					
ANNEXURE - I					
Statement on Impact of Audit Qualification for the Year Ended March 31, 2021					Amounts in Rs. Lakhs
[see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]					
I.	Sl.No	Particulars	Unaudited Figures (as reported before adjusting for qualifications)	Adjustment for Audit Qualifications	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	246.89	-	246.89
	2	Total Expenditure	360.55	-	360.55
	3	Exceptional item	-	-	-
	4	Net Profit / (Loss)	(113.66)	-	(113.66)
	5	Earnings Per Share	-	-	-
		a. Basic / Diluted earning per share (before exceptional item)	(0.81)	-	(0.81)
		b. Basic / Diluted earning per share (after exceptional item)	(0.81)	-	(0.81)
	6	Total Assets	79,883.95	-	79,883.95
	7	Total Liabilities	1,587.36	-	1,587.36
	8	Net Worth	78,296.59	-	78,296.59
	9	Any other financial item(s) (as felt appropriate by the management)	-	-	-
II. Audit Qualification (each audit qualification separately):					
a. Details of Audit Qualification: The Company's income streams are not sufficient to meet its recurring financial obligations. The Company has defaulted in repaying the inter-corporate deposits and loan taken by it. These factors have adversely affected the going concern assumptions used in the preparation of financial statements. b. Type of Audit Qualification : Qualified Opinion c. Frequency of qualification : Repetitive since FY 2013-14 d. For Audit Qualification(s) where the Impact is quantified by the auditor, Management's views: NOT APPLICABLE e. For Audit Qualification(s) where the Impact is not quantified by the auditor: - (i) Management's estimation on the Impact of audit qualification: (ii) If management is unable to estimate the Impact, reasons for the same: For Qualification above : The Company's net worth taking into account the market value of its investments, would be more than adequate to meet all its liabilities and to continue to operate in the future. Accordingly, the Company continues to present its financial statements on the principles applicable to 'going concern'. (Though the Company's cash flows are strained). (iii) Auditors' Comments on above: The Qualification is reiterated.					
III. Signatories:					
For B V C & Co., Chartered Accountants Firm Registration No.008154S  Statutory Auditor: Vishwas Shetty T Partner, B V C & Co. Membership No. 218619 Place : Bengaluru Date : June 29, 2021 Audit Committee Chairman : Sriramareddy Theerthesh DIN: 08955326 Director : Sarvamangala Hadapada DIN: 08395454 Director : Sreenivasan Govindaraj DIN: 07805594					



McDowell Holdings Limited

NOTES

1. The accompanying Statement of audited Financial Results as audited by the Statutory Auditor of the Company for the quarter ended on 31st March 2021 have been reviewed and recommended by the Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on 29th June 2021 and has been.
2. The aforesaid audited financial results are reported as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).
3. The Hon'ble High Court of Karnataka on 7th February 2017 had passed an order of winding-up on a Promoter Company being United Breweries (Holdings) Ltd. (hereinafter referred to "UBHL"), in which the Company also holds 52,60,002 equity shares. As understood, UBHL had filed an appeal against the said winding up order before the Hon'ble Divisional Bench of High Court of Karnataka The Hon'ble High Court of Karnataka vide order dated 6th March 2020 dismissed this appeal of UBHL. Thereafter, UBHL had filed a Special Leave Petition challenging the order dated 6th March, 2020. The aforementioned Special Leave Petition filed by UBHL was dismissed by an Order dated 26th October, 2020 passed by the Hon'ble Supreme Court of India confirming UBHL's winding up. Meanwhile, the Stock Exchanges have also delisted the shares of UBHL. Considering all these facts, the Company has written off the investments in UBHL (which was previously provided for).
4. The Official Liquidator (OL) of UBHL vide an advertisement dated 28th September, 2020 (published in the Times of India (Bangalore Edition) on 30th September 2020) has asked for furnishing of claims by the creditors of UBHL on or before 29th October 2020. Pursuant to the same, the Company has on 27th October 2020 filed its claim of Rs.329.52 crores against UBHL with the OL.
5. Two investee companies being United Breweries Limited (hereinafter referred to "UBL") and UBHL in which the Company holds strategic investments have received orders in May 2016 from Enforcement Directorate (hereinafter referred to as "ED") directing them not to allow the Company to sell / alienate / create third party mortgage rights in any manner on the shares of such investee companies. These investee companies have thereafter written to NSDL and CDSL



through their Registrar and Transfer Agent (RTA) to implement the directives of ED.

6. 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.
7. Further, 1,22,667 shares of UBL, (being the balance pledged shares), consequent to invocation by the erstwhile lenders and after liquidation of their dues, are lying in the demat accounts of the said lenders. The Company understands from these lenders that pursuant to the directions of ED, these shares, dividend thereon and also the excess sum recovered by the lenders will not be released by the lenders.
8. The Company's investment of 16,71,344 shares in UBL was unilaterally transferred from the demat account of the Company to the demat account of the Deputy Director, ED, Mumbai on 3rd May, 2018. As per the statutory requirements the Company had intimated the Stock Exchanges. With respect to the same, the Company has come to know vide newspaper articles dated 30th May 2021 and 7th June 2021 that pursuant to orders passed by the PMLA court, the ED has 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 15th June 2021 seeking clarity on its shareholding of 16,71,344 UBL shares, and seeking a reversal in case it has been transferred by ED since the PMLA orders do not refer to or mention about any shareholding of MHL in UBL. The matter is pending therein.
9. The Company had received a Show Cause Notice dated 3rd July 2018 under the Fugitive Economic Offenders Act 2018 (hereinafter referred to as "FEOA") to show cause why the Company's investments in UBL and UBHL should not be confiscated. The Company has filed its objections in the designated court for FEOA, Mumbai. The matter is still pending in Court.
10. In a separate proceeding before the Court of Special Judge for Prevention of Money Laundering Act, 2002 (hereinafter referred to as "PMLA"), an individual promoter of the Company has been declared as a proclaimed offender. Pursuant to this declaration, the Company's investments in UBL and UBHL have been attached under the PMLA. In related proceedings, before the PMLA Court the Company had placed its objections on record. The PMLA Court vide order dated 31st December 2019 lifted the attachment on assets in the name of the individual promoter. The Company is in consultation with the lawyers on this issue.
11. The Company's demat account maintained with Stock Holding Corporation of India has been suspended for debit on the instructions of ED since 29th July 2019.



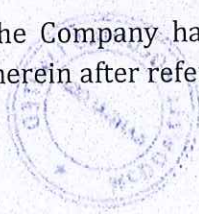
The Company has filed submissions with ED seeking removal of this attachment. Thereafter ED had issued summons pursuant to which details were submitted and a statement has also been given. Further hearings were held by the Enforcement Directorate in which clarification have been submitted and the matter is pending.

12. On 3rd May 2018, the Deputy Director, ED, Mumbai had transferred a total of 22,00,360 shares 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 17th June 2021 of the RTA to the Company, these shares have been transferred by ED to the Recovery Officer of DRT on 4th 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 21st June 2018 passed by the Recovery Officer, Debt Recovery Tribunal, Bangalore .

13. The Company's investments include 57,219 shares in Mangalore Chemicals and Fertilizers Limited (hereinafter referred to as "MCF") which were frozen by the Stock Holding Corporation of India Limited under an instruction from the Stock Exchanges, where the shares of the Company are listed. The Company has filed an appeal before the Securities Appellate Tribunal, Mumbai (hereinafter referred to as "SAT") which is pending adjudication.
14. The Company is one of the claimants in an arbitration matter against Zuari Fertilisers & Chemicals Limited (hereinafter referred to as "ZFCL") ZFCL and Zuari Agro Chemicals Ltd (hereinafter referred to as "ZACL"), the respondents. The arbitration proceedings have been concluded and vide the Arbitration Award dated 8th May 2017, the Arbitrator has dismissed the Company's claims and has ordered all the claimants to pay to the respondents costs of a total sum of Rs. 75 lakhs. The appeal filed by the Company against the Arbitration Award before the Hon'ble High Court, Bombay was disposed of in January 2020. 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.
15. The Company has entered into a Settlement Agreement dated 17th June, 2019 (herein after referred to as "SA") with ZACL wherein, the Company's dues to ZACL



was finalised at Rs.18.97 crores (this includes interest of Rs.8.36 crores and Principal of Rs.10.61 crores).

ZACL had instituted Insolvency proceedings and other associated proceedings for recovery of their dues from the Company.

The SA was executed to bring an end to the Insolvency proceedings, as well as other associated proceedings by/against the Company in various Courts. Pursuant to the SA, the dues of ZACL have been partly paid (Rs. 5.91 crores) by transfer of 11,85,151 nos. of MCF shares held by the Company to ZACL. Pursuant to this adjustment, and after further application of interest the amount outstanding to ZACL as on 31st March 2021 is Rs.14.26 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 15th December 2020 appraised ZACL of the current situation and requested ZACL to extend the time limit for repayment for a further period of 1 year from the time limit granted as per the SA. ZACL vide letter dated 16th December 2020 informed that the time limit as per SA is 18th December 2020 and requested the Company to pay the dues. Further, ZACL vide letter dated 20th January 2021 informed the Company that in view of Company's request they are extending the time limit till 16th June 2021 provided the Company makes a payment of Rs.10 lakhs towards the outstanding dues. The Company vide letter dated 18th February 2021 informed ZACL of its continuing financial crisis due to which it could pay Rs.1lakh only.

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 15th June 2021, has requested ZACL to extend the time for repayment for a period of 6 months.

16. The Company's net worth taking into account the market value of its investments, would be more than adequate to meet all its liabilities and to continue to operate in the future. Accordingly, the Company continues to present its financial statements on the principles applicable to 'going concern'. (Though the Company's cash flows are strained).

By, [Signature]




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.

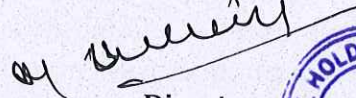
17. The National Stock Exchange on 28th October 2020 intimated the Company about a complaint/query/request filed by an investor regarding the disclosures of the Company. Under advice of its counsels, the Company vide its reply dated 2nd November 2020 has clarified its position to the National Stock Exchange. Subsequently NSE has sought further clarification which has been duly replied - last being on 12th February 2021.
18. The position of Company Secretary, 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.
19. The Stock Exchanges has sought clarifications from the Company on non-appointment of a Company secretary, last being on 22nd February 2021 and also on Corporate Governance Reports. Further, the Stock Exchange has sought clarification for non-appointment of six Directors, last being 17th May 2021. Under advice of its counsels, the Company has filed its reply explaining the reasons.
20. The figures for the quarter ended 31st March 2021 and corresponding quarter ended 31st March 2020 are the balancing figures between the audited figures in respect of the full financial year and the published year-to-date figures up to the end of the third quarter of the relevant financial years.
21. 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. 14th July 2020 to 5.am. 22nd July 2020. The extent to which the COVID-

Dr. Suresh


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 2nd wave of Covid-19 pandemic, restrictions/curfew/lockdown has been imposed. In Bangalore, from 25th April 2021 to 21st 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.

22. Previous year / periods figures have been regrouped wherever necessary.
23. The qualification in the Audit Report of the Statutory Auditor is answered in the Note No. 16 above.
24. The financial results and notes are also available on the websites of the Stocks Exchanges, viz, www.bseindia.com and www.nseindia.com and also on the website of the Company viz, www.mcdowellholdings.co.in

By Authority of the Board


Director



Place: Bengaluru

Date : June 29, 2021





BVC & Co.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

(Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Board of Directors of
MCDOWELL HOLDINGS LIMITED

1. We have audited the Statement of Financial Results ('the Statement') of **McDowell Holdings Limited**, ('the Company') for the year ended March 31, 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31st March 2021 and the corresponding quarter ended in the previous year as reported in the statement are the balancing figures between audit figures in respect of the full financial year and the published year-to-date figures up to the end of the third quarter of the relevant financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subject to the audit.

This Statement has been prepared by the Company on the basis of the Financial Statements and reviewed quarterly financial results upto the end of the third quarter, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company. Our responsibility is to express an opinion on this statement based on our audit of the Financial Statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimated made by the management. We believe that our audit provides a reasonable basis for our qualified opinion.





3. *Basis for qualified opinion*

- (i) *The Company's income streams are not sufficient to meet its recurring financial obligations. 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. 16, the Company continues to prepare its financial statements on going concern basis.*

4. *Emphasis of the matter*

Attention is invited to the following:

- a. *The pledge created by the Company on its 45,51,000 shares in United Breweries Limited (UBL) in favour of erstwhile lenders has not yet been cancelled even though no amounts are owed to the pledgee because the Enforcement Directorate has directed not to part with those shares. (refer Note no. 6)*
- b. *1,22,667 shares in United Breweries Limited (UBL) belonging to the Company are lying with erstwhile lenders, who have conveyed that it has been directed by the Enforcement Directorate not to part with those shares. (refer Note no.7)*
- c. *The Company's investment of 16,71,344 shares in United Breweries Limited has been unilaterally transferred from the demat account of the Company to the demat account of the Deputy Director, Enforcement Directorate, Mumbai on 3rd May, 2018. As per the statutory requirements the Company has intimated the Stock Exchanges. With respect to the same, the Company has come to know vide newspaper articles dated 30th May 2021 and 7th June 2021 that pursuant to orders passed by the PMLA court, the ED has 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 15th June 2021 seeking clarity on its shareholding of 16,71,344 UBL shares, and seeking a reversal in case it has been transferred by ED since the PMLA orders do not refer to or mention about any shareholding of MHL in UBL . The matter is pending therein. (refer Note No. 8)*
- d. *The Company has received a Show Cause Notice dated 3rd July 2018 under the Fugitive Economic Offenders Act 2018 (hereinafter referred to*



**BVC & Co.**

Chartered Accountants

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as "FEOA") to show cause why the Company's investments in UBL and UBHL should not be confiscated. The Company has filed its objections in the designated court for FEOA, Mumbai. The matter is still pending in Court. (refer Note No. 9)

- e. In a separate proceeding before the Court of Special Judge for Prevention of Money Laundering Act (PMLA), an individual promoter of the company has been declared as a proclaimed offender and the company's investments in UBL and UBHL have been attached. The Company in related proceedings, before the PMLA Court has placed its objections on record. (refer Note No. 10)
- f. The Company's demat account maintained with Stock Holding Corporation of India has been suspended for debit on the instructions of Enforcement Directorate since 29th July 2019. The company has filed submissions with Enforcement Directorate seeking removal of this attachment. Thereafter ED had issued summons pursuant to which details were submitted and a statement has been given. (refer Note No. 11)
- g. The Company's investments include 57,219 shares in Mangalore Chemicals and Fertilizers Limited (hereinafter referred to as MCF) which were frozen by the Stock Holding Corporation of India Ltd under an instruction from the Stock Exchanges, where the shares of the Company are listed. The Company has filed an appeal before the Securities Appellate Tribunal, Mumbai (SAT) and is pending adjudication. (refer Note No. 13)
- h. The Company has defaulted on amount due to Zuari Agro Chemicals Limited (ZACL) as per settlement agreement dated 17/06/2019. Total amount outstanding as on 31/03/2021 is Rs. 14.26 crores. The Company vide its letter dated 15th December 2020 appraised ZACL of the current situation and requested ZACL to extend the time limit for repayment for a further period of 1 year from the time limit granted as per the SA. ZACL vide letter dated 16th December 2020 informed that the time limit as per SA is 18th December 2020 and requested the Company to pay the dues. Further, ZACL vide letter dated 20th January 2021 informed the Company that in view of Company's request they are extending the time limit till 16th June 2021 provided the Company makes a payment of Rs.10 lakhs towards the outstanding dues. The Company vide letter dated 18th February 2021 informed ZACL of its continuing financial crisis due to which it could pay Rs.1lakh only. The Company vide letter dated 15th June 2021, has





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requested ZACL to extend the time for repayment for a period of 6 months. (refer Note No. 15)

- i. *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. 18)*

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

- (a) Are presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regards
- (b) Except for the effects of the matter described in the paragraph 3 above, give a true and fair view of the net loss and other financial information for the year ended 31st March, 2021.

6. Further as mentioned above, we report that the figures for the quarter ended March 31st 2021 represents the derived figures between the audited figures in respect of financial year ended March 31, 2021 and the published year-to-date figures upto December 31st 2020 being the date of the end of the third quarter of the current financial year, which were subjected to limited review as stated in paragraph 1 above as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

CA Vishwas Shetty T
Partner

Membership No: 218619

UDIN: 21218619AAAA106924.

Place: Bangalore

Date: 29th June, 2021

