



McDOWELL HOLDINGS LIMITED

MHL/CS/SE/2015-16/

November 5, 2015

**BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001**

**National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051**

Sub: Unaudited Financial Results for the quarter/half year ended September 30, 2015

Dear Sir,

The Board of Directors of the Company, at its meeting held today, in pursuance to Clause 41 of the listing agreement has considered and taken on record, the Unaudited Financial Results for the quarter/half year ended September 30, 2015. The Limited Review Report thereon, received from the Statutory Auditors of the Company, was placed before the Board and taken on record.

In compliance to provisions under Clause 41 of the Listing agreement, we forward herewith a copy of the said Unaudited Financial Results along with the Limited Review Report, for your information and records.

Kindly acknowledge receipt.

Thanking you,
Yours faithfully

For **McDowell Holdings Limited**

**MANOJ KUMAR
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.in | CIN : L05190KA2004PLC033485

PART I

Rs. Lakhs

Statement of Unaudited Financial Results for the quarter and Half year ended September 30, 2015

PARTICULARS	Three months ended			Six months ended		Year ended
	30-Sep-15	30-Jun-15	30-Sep-14	30-Sep-15	30-Sep-14	31-Mar-15
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income from operations						
(a) Interest and Guarantee Commission	306.23	302.90	299.59	609.13	595.75	1,241.02
(b) Dividend income	135.63	-	164.04	135.63	164.04	164.04
(c) Other income	-	-	-	-	-	3.80
Total income from operations	441.86	302.90	463.63	744.76	759.79	1,408.86
2. Expenses						
(a) Employee benefits expense	14.15	10.42	15.25	24.57	25.47	51.73
(b) Mailing charges	8.34	-	9.99	8.34	9.99	9.99
(c) Share transfer agent fees	1.88	1.84	1.55	3.72	3.81	6.00
(d) Other expenses	18.37	34.24	16.42	52.61	23.38	39.55
(e) Provision for doubtful advances	-	-	-	-	-	1,097.83
Total expenses	42.74	46.50	43.20	89.24	62.64	1,205.10
3. Profit/(loss) from ordinary activities before finance costs and exceptional item	399.12	256.40	420.43	655.52	697.15	203.76
4. Finance costs	399.76	381.32	346.61	781.08	677.79	1,400.84
5. Profit/(loss) before exceptional item	(0.64)	(124.92)	73.81	(125.56)	19.35	(1,197.08)
6. Exceptional item : Profit on sale of pledged shares	3,313.00	-	1,742.88	3,313.00	1,742.88	1,742.88
7. Profit / (loss) before tax	3,312.36	(124.92)	1,816.69	3,187.44	1,762.23	545.80
8. Tax expense	-	-	-	-	-	-
9. Net Profit / (loss) for the period / year	3,312.36	(124.92)	1,816.69	3,187.44	1,762.23	545.80
10. 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	1,399.23	1,399.23
11. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	3,933.78
12. Earnings per share (face value of `10/- each) (not annualised)						
(a) Basic & diluted (before exceptional item)	(0.00)	(0.89)	0.53	(0.90)	0.14	(8.56)
(a) Basic & diluted (after exceptional item)	23.67	(0.89)	12.98	22.78	12.59	3.90



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PART II

Select Information for the quarter and Half year ended September 30, 2015

PATRICULARS	Three months ended			Six months ended		Year ended
	30-Sep-15	30-Jun-15	30-Sep-14	30-Sep-15	30-Sep-14	31-Mar-15
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A PARTICULARS OF SHAREHOLDING						
1. Public shareholding						
- Number of shares	11,474,866	11,474,866	11,474,866	11,474,866	11,474,866	11,474,866
- Percentage of shareholding	82.01	82.01	82.01	82.01	82.01	82.01
2. Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	317,030	317,030	317,030	317,030	317,030	317,030
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	12.59	12.59	12.59	12.59	12.59	12.59
- Percentage of shares (as a % of the total share capital of the company)	2.27	2.27	2.27	2.27	2.27	2.27
b) Non - encumbered						
- Number of shares	2,200,362	2,200,362	2,200,362	2,200,362	2,200,362	2,200,362
- Percentage of shares (as a % of the total shareholding of the Promoter and promoter group)	87.41	87.41	87.41	87.41	87.41	87.41
- Percentage of shares (as a % of the total share capital of the company)	15.72	15.72	15.72	15.72	15.72	15.72

Particulars	Three months ended 30th Sept 2015
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	NIL
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	NIL



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Statement of Unaudited Financial Results for the quarter and Half year ended September 30, 2015

Rs. Lakhs

PARTICULARS	Three months ended			Six months ended		Year ended
	30-Sep-15	30-Jun-15	30-Sep-14	30-Sep-15	30-Sep-14	31-Mar-15
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.SEGMENT REVENUE						
Investments	135.63	-	164.04	135.63	164.04	164.04
Financial services	306.23	302.90	299.59	609.13	595.75	1,244.82
	441.86	302.90	463.63	744.76	759.79	1,408.86
2.SEGMENT RESULTS						
Investments	114.26	(23.25)	142.44	91.01	132.72	110.40
Financial services	(114.90)	(101.67)	(68.62)	(216.57)	(113.36)	(209.66)
Total	(0.64)	(124.92)	73.81	(125.56)	19.36	(99.25)
Provision for doubtful advances	-	-	-	-	-	1,097.83
Exceptional item	3,313.00	-	1,742.88	3,313.00	1,742.88	1,742.88
Profit / (loss) Before Tax	3,312.36	(124.92)	1,816.69	3,187.44	1,762.23	545.80
3. CAPITAL EMPLOYED						
Investments	6,084.84	6,191.77	6,191.77	6,084.84	6,191.77	6,191.77
Financial services	2,435.71	(983.68)	357.67	2,435.71	357.67	(858.77)
Total	8,520.55	5,208.10	6,549.44	8,520.55	6,549.44	5,333.01

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at September 30, 2015	As at March 31, 2015
	Unaudited	Audited
I. Equity and Liabilities		
1.Shareholders' Funds:		
a. Share Capital	1,399.23	1,399.23
b. Reserves and Surplus	7,121.23	3,933.78
2. Current Liabilities		
a. Long-term borrowings	-	-
b. Other long term Liabilities	1,487.69	947.17
3. Current Liabilities		
a. Short-term borrowings	2,000.00	2,000.00
b. Other Current Liabilities	5,070.98	5,062.93
c. Short term provision	132.40	132.40
	17,211.53	13,475.51
II. Assets		
1. Non-current Assets		
a. Non Current Investments	6,084.84	6,191.77
2. Current Assets		
a. Trade Receivables	249.39	179.88
b. Cash and Cash Equivalents	129.88	56.36
c. Short term Loans and Advances	6,577.02	6,329.30
d. Other current assets	4,170.40	718.20
	17,211.53	13,475.51



McDowell Holdings Limited

Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 05th November 2015.
- 2 (a) The company has provided corporate guarantee, pledge of securities and cash margins totaling Rs. 299.58 crore in favour of a lender to secure the borrowings of certain group companies. The said lender has invoked the corporate guarantee and demanded repayment of loans amounting to Rs. 293.35 crores. However, the borrower group Companies are in negotiation with the lender and have been servicing the loan periodically. The company continues to treat its balance obligations as contingent.

(b) The above lender has also apportioned Rs. 35.10 crores out of the sale proceeds of pledged shares and cash margin, towards the loan outstanding from a Group Company. The aggregate amount is recoverable from the Group Company and recorded as such in the books of the Company.
3. The profit on sale of such shares amounting to Rs. 33.13 crores is shown as an exceptional item.
4. An amount of Rs. 62.13 crores (including interest) is overdue from a Group Company. In view of the substantial assets of the borrower company, no provision is considered necessary at present.
5. The company's net worth, taking into account the market value of its investments, would be more than adequate to meet all its liabilities. Accordingly the company continues to prepare its financial statements on the principles applicable to 'going concern'.
6. The Company does not have a Managing Director and a Chief Financial Officer. The affairs of the Company in the interregnum are being monitored by the Group Chief Financial Officer.
7. The Company is registered with Reserve Bank of India as a Non-Banking (non deposit accepting) Financial Company. Certain regulatory requirements prescribed by the Reserve Bank of India under NBFC Regulations are yet to be complied with. The matter is being addressed by the Board of Directors.

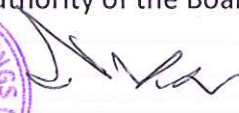


8. Taking into account the exempted income there is no tax liability on the profits for the period ended 30th September, 2015. Liability, if any, towards Minimum Alternate Tax on the profits for the year ending 31st March 2016, would be considered in the annual accounts.
9. Figures of the previous period have been regrouped / rearranged wherever necessary.
10. The statutory auditors have in their Limited Review Report qualified on matters referred to note nos. 2, 4 and 5 above.

Bengaluru
November 05, 2015



By Authority of the Board


N Srinivasan
Chairman

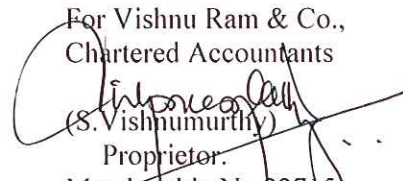
VISHNU RAM & CO.,

CHARTERED ACCOUNTANTS

LIMITED REVIEW REPORT

1. We have reviewed the accompanying statement of unaudited financial results of McDowell Holdings Limited, Bangalore for the period ended September 30, 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and 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 restricted to the figures shown in the column headed "three months ended September 30, 2015" and "for the six months ended September 30, 2015".
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Financial Statements 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. *In our report on the audited financial statements for the year ending 31.03.2015, we had qualified our report with regard to (i) invocation of the company's corporate guarantee by a lender to whom they were given to secure its lending to certain group companies, (ii) non recognition of diminution in the carrying value of certain long term investments, (iii) appropriateness of treating a loan of Rs. 61.64 crore as good and recoverable and (iv) appropriateness of preparation of financial statements on going concern basis. There have not been any significant developments with regard to the above except to the extent mentioned below.*
5. *Yes Bank Limited, which had lent various amounts totaling to Rs. 293.35 crore to certain group companies on the security of shares pledged and the corporate guarantee given by the company had recalled the loan and invoked the guarantee. Now, it has sold part of the pledged shares and has appropriated an amount of Rs. 35.10 crore against the dues from a group company. The company continues to treat its obligations as contingent and the possible loss on account of this development has not been estimated and provided for.*
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 un-audited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Bangalore
Date : 05-11-2015

For Vishnu Ram & Co.,
Chartered Accountants

(S. Vishnumurthy)
Proprietor.
Membership No. 22715
Firm Registration No. 004742S