

January 27, 2022

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 September 30, 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 (January 27, 2022) have approved inter-alia the Un-audited Financial Results of the Company for the quarter ended September 30, 2021.

Time of commencement of Board Meeting : 2:30 P.M.
Time of conclusion of the Board Meeting : 3:30 P.M.

A copy of the Un-audited Financial Results of the Company together with notes thereon for the quarter ended September 30, 2021 and Limited Review Report of the Statutory Auditors for the quarter ended September 30, 2021 are enclosed herewith.

The above is for your information and record.

Thanking you,

Yours faithfully,
For **McDowell Holdings Limited**



Murthy Venkata Ramana Gorle
Director

encl: as above

Statement of Un-audited Financial Results for the quarter ended September 30, 2021

Rs. Lakhs

Particulars	For the quarter ended			For the half year ended		For the Year Ended
	30-09-2021	30-06-2021	30-09-2020	30-09-2021	30-09-2020	31-03-2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I. Revenue from Operations						
(i). Interest Income	-	-	-	-	-	-
(ii). Dividend Income	22.76	-	113.78	22.76	113.78	120.06
(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)	-	-	-	-	80.28	80.28
(viii). Service Income	-	-	13.22	-	-	-
(ix). Others	-	-	-	-	-	-
(I) Total Revenue from operations	22.76	-	127.00	22.76	194.06	200.34
II. Other income						
Provision no longer required written back	-	-	-	-	-	-
Excess Gratuity Provision Written Back	-	-	2.72	-	-	46.55
Bad Advances Recovered	7.25	-	-	7.25	-	-
Interest on income tax refund	-	-	-	-	-	-
Interest on fixed deposit	-	-	-	-	-	-
(II) Total Other Income	7.25	-	2.72	7.25	-	46.55
III. Total Income (I+II)	30.01	-	129.71	30.01	194.06	246.89
IV. Expenses						
(a). Finance costs	51.70	-	26.23	51.70	52.25	103.60
(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	47.69	4.36	46.43	52.04	139.76	184.90
(j). Depreciation	0.02	0.02	0.06	0.05	0.13	0.25
(k). Other expenses						
(i). Travel and communication expenses	0.22	0.16	0.94	0.39	1.57	3.28
(ii). Secretarial expenses	1.72	0.27	0.87	1.99	1.90	4.03
(iii). Printing & stationery expenses	0.30	-	0.73	0.30	0.77	1.31
(iv). Director's sitting fees	1.80	1.35	5.40	3.15	11.40	16.60
(v). Auditor's remuneration	-	-	-	-	-	1.65
(vi). Advertising expenses	0.35	0.21	0.35	0.56	0.72	1.15
(vii). Depository and listing fees	8.98	-	2.90	8.98	7.97	9.56
(viii). Legal charges	-	-	0.45	-	0.45	2.20
(ix). Professional charges	11.34	0.04	0.59	11.37	0.99	4.20
(x). Filing fees	0.01	-	-	0.01	-	0.22
(xi). Interest on statutory dues	-	-	0.00	-	0.01	0.09
(xii). Loss on transfer of shares	-	-	-	-	-	-
(xiii). Provision for Diminution in the value of Investments	-	-	-	-	-	-
(xiv). Insurance Expenditure	1.54	-	-	1.54	6.31	6.31
(xv). Miscellaneous expenses	2.18	0.93	4.13	3.11	13.00	21.20
(xvi). Bad Debts written off	-	-	-	-	-	-
(xvii). Loss on Discarded Assets	0.05	-	-	0.05	-	-
(IV) Total Expenses	127.89	7.34	89.08	135.23	237.23	360.55
(V) Profit/Loss before Exceptional item & tax (III-IV)	(97.89)	(7.34)	40.63	(105.22)	(43.17)	(113.66)
(VI) Exceptional Items:						
a. Profit on Sale of Investments	-	-	-	-	-	-
(VII) Profit /Loss before taxation (V-VI)	(97.89)	(7.34)	40.63	(105.22)	(43.17)	(113.66)
(VIII) Tax Expense:						
i. Current Tax	-	-	-	-	-	-
ii. Earlier Years	-	-	-	-	-	-
(IX) Profit/(loss) for the period / year from continuing operations (VII-VIII)	(97.89)	(7.34)	40.63	(105.22)	(43.17)	(113.66)
(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)	(97.89)	(7.34)	40.63	(105.22)	(43.17)	(113.66)
(XIV) Other Comprehensive Income						
(A) (i) Items that will not be reclassified to profit or loss	7,734.83	13,215.36	(5,400.72)	20,950.18	2,356.55	21,375.92
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
Subtotal (A)	7,734.83	13,215.36	(5,400.72)	20,950.18	2,356.55	21,375.92
(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)	7,734.83	13,215.36	(5,400.72)	20,950.18	2,356.55	21,375.92
(XV) Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)	7,636.94	13,208.02	(5,360.09)	20,844.96	2,313.38	21,262.26
(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	1,399.23
(XVII) Earning per share (for continuing operations)						
a. Basic earning per share (Before Exceptional Items)	(0.70)	(0.01)	0.29	(0.75)	(0.31)	(0.81)
Diluted earning per share (Before Exceptional Items)	(0.70)	(0.01)	0.29	(0.75)	(0.31)	(0.81)
(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)	(0.70)	(0.01)	0.29	(0.75)	(0.31)	(0.81)
b. Diluted earning per share (Before Exceptional Items)	(0.70)	(0.01)	0.29	(0.75)	(0.31)	(0.81)
(XX) Earning per share (for continuing operations)						
b. Basic earning per share (After Exceptional Items)	(0.70)	(0.01)	0.29	(0.08)	(0.31)	(0.81)
Diluted earning per share (After Exceptional Items)	(0.70)	(0.01)	0.29	(0.08)	(0.31)	(0.81)
(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)	(0.70)	(0.01)	0.29	(0.08)	(0.31)	(0.81)
b. Diluted earning per share (After Exceptional Items)	(0.70)	(0.01)	0.29	(0.08)	(0.31)	(0.81)

*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

Particulars	Rs. Lakhs	
	As at 30th September, 2021	As at 31st March, 2021
	Unaudited	Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	3.31	13.93
(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	1,00,629.28	79,679.10
(g) Other financial assets	4.14	4.15
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	0.06	0.16
(g) Capital work-in-progress	-	-
(h) Intangible assets under development	-	-
(i) Goodwill	-	-
(j) Other Intangible assets	-	-
(k) Other non-financial assets	189.30	186.61
Total Assets	1,00,826.09	79,883.95
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
(c) Debt Securities	-	-
(d) Borrowings (Other than Debt Securities)	1,484.15	1,437.62
(e) Deposits	-	-
(f) Subordinated Liabilities	-	-
(g) Other Financial Liabilities (Interest Accrued & Due)	92.70	32.25
2 Non- Financial Liabilities		
(a) Current tax liabilities (Net)	-	-
(b) Provisions	1.04	0.66
(c) Deferred tax liabilities (Net)	-	-
(d) Other non-financial liabilities (other current liabilities)	106.67	114.71
3 Equity		
(a) Equity Share capital	1,399.23	1,399.23
(b) Other equity	97,742.32	76,897.36
TOTAL - EQUITY AND LIABILITIES	1,00,826.09	79,883.95



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

Un-audited Cash flow statement for Half Year ended September 2021

Rs. Lakhs

	30-09-2021	31-03-2021
	Unaudited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit/(loss) before tax	(105.22)	(113.66)
Adjustments for :		
Depreciation	0.05	0.25
Dividend income	(22.76)	(120.06)
Interest income	-	-
Interest Expense	51.70	103.60
Loss on Discarded Asset	0.05	-
Profit on sale of Fixed Assets	-	-
Profit on sale of investments	-	-
Provision for Gratuity	-	(46.55)
Provision for Dimunition in the value of Investments	-	-
Provision no longer required written back	-	-
	29.04	(62.76)
Operating profit before working capital changes	(76.18)	(176.42)
Changes in working capital:		
Financial Assets/liabilities:		
(Increase) / Decrease in receivables	(2.67)	58.07
Increase/(decrease) in payables	97.18	(59.58)
Cash generated from operations	18.32	(177.93)
Direct taxes paid	-	-
Net cash generated / (used) in operations	18.32	(177.93)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale value of Investments	-	-
Dividend Received	22.76	120.06
(Purchase) / Sale of Fixed Assets	-	-
Interest income	-	-
Net cash generated/(used) in investing activities	22.755	120.061
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of loan	-	(18.00)
Interest Expenses	(51.70)	(1.00)
Net cash generated/ (used) in financing activities	(51.70)	(19.004)
Net increase in cash and cash equivalents	(10.62)	(76.87)
Cash and cash equivalents at the beginning of the year	13.93	90.80
Closing balance of cash and cash equivalents	3.31	13.93
Cash and cash equivalents comprises of :		
Cash on hand	3.08	0.62
Balance with banks	0.24	13.31
	3.31	13.93



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 1

Segment wise Revenue, results and capital employed for Financial results under regulation 33 of the listing regulations 2013

Particulars	Quarter Ended			Half Year Ended		Year Ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
Segment Revenue						
a. NBFC	22.76	-	113.78	22.76	113.78	120.06
b. Others	7.25	-	13.22	7.25	80.28	126.83
Total Revenue	30.01	-	127.00	30.01	194.06	246.89
Segment Results						
a. NBFC	11.71	(0.48)	109.65	11.23	103.18	105.31
b. Others	(109.59)	(6.86)	(69.02)	(116.45)	(146.35)	(218.97)
Profit Before tax	(97.89)	(7.34)	40.63	(105.22)	(43.17)	(113.66)
Segment Assets						
a. NBFC	1,00,826.09	93,094.84	60,949.51	1,00,826.09	60,949.51	79,883.95
b. Others	-	-	-	-	-	-
Total	1,00,826.09	93,094.84	60,949.51	1,00,826.09	60,949.51	79,883.95
Segment Liabilities						
a. NBFC	1,684.55	1,590.24	1,601.80	1,684.55	1,601.80	1,587.36
b. Others	-	-	-	-	-	-
Total	1,684.55	1,590.24	1,601.80	1,684.55	1,601.80	1,587.36
Capital Employed (Segment Assets-Segment Liabilities)						
a. NBFC	99,141.54	91,504.60	59,347.71	99,141.54	59,347.71	78,296.59
b. Others	-	-	-	-	-	-
Total	99,141.54	91,504.60	59,347.71	99,141.54	59,347.71	78,296.59

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



McDowell Holdings Limited

NOTES

1. The accompanying Statement of Un-audited Financial Results for the quarter ended on 30th September 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 27th January 2022 and has been subjected to limited review by the Statutory Auditor of the Company
2. The aforesaid Un-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 as the "Promoter Company"), in which the Company also holds 52,60,002 equity shares. As understood, the Promoter Company had filed an appeal against the said winding up order before the Hon'ble Divisional Bench of High Court of Karnataka, which vide order dated 6th March 2020 dismissed this appeal. Thereafter, the Promoter Company had filed a Special Leave Petition challenging the order dated 6th March, 2020, which was dismissed by an Order dated 26th October, 2020 passed by the Hon'ble Supreme Court of India, confirming the Promoter Company's winding up. Meanwhile, the Stock Exchanges also delisted the shares of the Promoter Company. Considering all these facts, the Company had, provided for and thereafter written off the investments in this Promoter Company.
4. The Official Liquidator (hereinafter referred to as the "OL") of this Promoter Company vide an advertisement dated 28th September, 2020 (published in the Times of India (Bangalore Edition) on 30th September 2020) asked for furnishing of claims by the creditors of the Promoter Company - on or before 29th October 2020. The Company had on 27th October 2020 filed its claim of Rs.329.52 crores with the OL. The Company has followed up with the OL, (including writing a letter in June 2021) for release of the claim. The matter is pending therein.



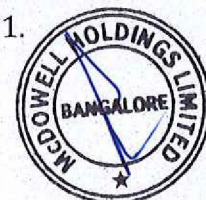
5. Two investee companies in which the Company holds strategic investments being United Breweries Limited (hereinafter referred to "UBL") and the Promoter Company had received orders in May 2016 from the Enforcement Directorate (hereinafter referred to as "ED") directing them not to allow the Company to sell / alienate / create third party mortgage rights in any manner on the shares of such investee companies. These investee companies had 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, currently 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, another set of 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 still 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. The Company has written to the lenders in June and August 2021 to release the dividends and the excess amounts retained, who have replied, maintaining their stand that they will act upon ED's directions to release.
8. Amongst the Company's investments in UBL shares, 16,71,344 shares were 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 statutory requirements the Company had intimated the Stock Exchanges. With respect to the same, the Company came to know vide newspaper articles dated 30th May 2021 and 7th 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 had written to the ED on 15th June 2021 seeking clarity on its shareholding of 16,71,344 UBL shares. Meanwhile, UBL also disclosed to the Stock Exchanges that Heineken N.V. has acquired only 3,96,44,346 UBL shares on 23rd June 2021. Further, DRT vide an Order dated 14.6.21 has cancelled the sale of 16,71,344 UBL shares while transferring it back to ED on 11.6.21.

The Company also received a letter dated 2nd September 2021 from the ED intimating that 16,71,344 UBL shares belonging to the Company has been transferred to DRT by ED pursuant to the Hon'ble Special Court's order dated 31.12.19 /4.1.20.



The Company vide its letter dated 14th September 2021 sought a clarification from ED, which vide its letter dated 7th October 2021 asked the Company to take up the matter with Recovery Officer-II, DRT. The Company again vide letter dated 17th November 2021 clarified to ED regarding the said shares, who vide its letter dated 25th November 2021 forwarded the Company's letter to DRT for their consideration. The matter is pending,

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 was 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 includes 22,00,159 shares) of the Company held by two Promoters (included in three Promoters above) has also been attached by an order 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.
14. The Company was 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"), who were the respondents. Vide an Arbitration Award dated 8th May 2017, the Arbitrator dismissed the claim of the claimants and had ordered all the claimants to pay total cost of Rs. 75 lakhs to the respondents. The appeal filed by the Company against the Arbitration Award before the Hon'ble High Court, Bombay was disposed in January 2020. The Company had then filed an appeal against the aforesaid order before a Division Bench of the Hon'ble High Court, Bombay. Thereafter in January 2022, the Company has settled this Arbitration directly with ZACL and accordingly this matter stands closed.
15. Regarding the dues to ZACL, the Company had entered into a Settlement Agreement dated 17th June, 2019 (herein after referred to as "SA") with ZACL finalizing the quantum of its dues. Prior to this, 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 these litigations in various Courts. Pursuant to the SA, the dues of ZACL were partly paid. Alongwith interest the amount outstanding to ZACL as on 31st March 2021 was Rs.14.25 crores only, which was payable within 18 months from the date of SA and non-payment within this period gave 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) were withdrawn by both the parties. The assets of the Company (being its investments) which could have yielded revenue / income are attached by authorities and are the subject matter of litigations. The continuity of COVID-19 pandemic / lockdowns led to a delay in these matters. The Company was under financial constraints and could only pay a meagre amount of ZACL dues.



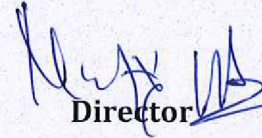
The Company's request for extension of time for repayment was not acceded to by ZACL, who sought for payment of the dues. In November 2021, vide a tripartite agreement between ZACL, the Company and Another company (hereinafter referred to as the "Entity"), the total outstanding dues of Rs.14.80 crs of ZACL (upto October 2021) was paid to ZACL by the Entity, in discharge of the liability of the Company to ZACL. Post this payment, the Entity got established as a creditor of the Company. Vide a legal notice in December 2021, the Entity sought for the repayment of its dues. The Company sought for 6 months time to make the repayment. In January 2022, the Entity has filed an Application under section 7 of the Insolvency and Bankruptcy Code 2016 against the Company. The Company is seeking an extension for repayment from the Entity. The matter is pending therein.

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). 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 finding it difficult to meet its 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. The Company's efforts are directed towards resolving these issues.
17. 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.
18. The Stock Exchanges have levied fines on the company for non-compliances of Regulations 6(1), 17(1), 33 of SEBI (LODR) Regulations 2015. The Company has regularly submitted for waiver of fines explaining the extraneous situation which has arisen due to the attachment of Company's investments by the ED on which the Company had no control. The Stock Exchanges have sought for compliances before any waiver and the matter is pending therein.



19. The RBI in its letter of October 2021 has advised the Company to examine the eligibility criteria as per the RBI Master Direction / NBFC provisions.
20. Regarding COVID 19 pandemic, the same is continuing in one form or the other delaying the litigations / pending matters of the Company relating to its investments and the Company is under financial duress.
21. Previous year / periods figures have been regrouped wherever necessary.
22. The qualification in the Audit Report of the Statutory Auditor is answered in the Note No. 16 above.
23. 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 : January 27, 2022



BVC & 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, Udipi-576103
Ph. : 0820-2526563

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, 2021. 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 conclusion*
 - (i) *The Company's income streams are not sufficient to meet its recurring financial obligations. However, for the reasons stated in note no. 16, 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 Official Liquidator (hereinafter referred to as the "OL") of this Promoter Company vide an advertisement dated 28th September, 2020 (published in the Times of India (Bangalore Edition) on 30th September 2020) asked for furnishing of claims by the creditors of the Promoter Company - on or before 29th October 2020. The Company had on 27th October 2020 filed its claim of Rs.329.52 crores with the OL. The Company has followed up with the OL, (including writing a letter in June 2021) for release of the claim. The matter is pending therein. (Refer Note no. 4)*
- b. *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)*
- c. *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.7)*
- d. *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*





also received a letter dated 2nd September 2021 from the ED intimating that 16,71,344 UBL shares belonging to the Company has been transferred to DRT by ED pursuant to the Hon'ble Special Court's order dated 31.12.19 /4.1.20. The Company vide its letter dated 14th September 2021 sought a clarification from ED, which vide its letter dated 7th October 2021 asked the Company to take up the matter with Recovery Officer-II, DRT. The Company again vide letter dated 17th November 2021 clarified to ED regarding the said shares, who vide its letter dated 25th November 2021 forwarded the Company's letter to DRT for their consideration. The matter is pending, (Refer Note No. 8)

- e. The Company has 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. (Refer Note No. 9)
- f. 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)
- g. 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)
- h. 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)
- i. Regarding dues to Zuari Fertilisers & Chemicals Limited (hereinafter referred to as "ZFCL"), In November 2021, vide a tripartite agreement between ZACL, the Company and Another company (hereinafter referred to as the "Entity"), the total outstanding dues of Rs.14.80 crs of ZACL (upto October 2021) was paid to ZACL by the Entity, in discharge of the liability of the Company to ZACL. Post this payment, the Entity got established as a creditor of the Company. Vide a legal notice in December 2021, the Entity sought for the repayment of its dues. The Company sought for 6 months time to make the repayment. In January 2022, the Entity has filed an Application under section 7 of the Insolvency and Bankruptcy Code 2016 against the Company. The matter is pending therein. (Refer note no.15)
- j. 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. (Refer Note No. 17)
- k. The Stock Exchanges have levied fines on the company for non-compliances of Regulations 6(1), 17(1), 33 of SEBI (LODR) Regulations 2015. The Company has regularly submitted for waiver of fines explaining the extenuating situation which has arisen due to the





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

attachment of Company's investments by the ED on which the Company had no control. The Stock Exchanges have sought for compliances before any waiver and the matter is pending therein. (refer no.18).

- I. The Company is in the process of registration as required under section 45 IA of the Reserve Bank of India Act 1934. (Refer note no.19).*

6. Qualified Conclusion

Based on our review conducted as above and subject to our observations in paragraphs 4 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 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: 22 21 8619 A A A B W S I S I

Place: Bangalore

Date: 27th January, 2021

