



McDOWELL HOLDINGS LIMITED

Date: 05-02-2016

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: Unaudited Financial Results of the Company for the quarter/nine months ended 31st December, 2015 and outcome of the Board Meeting.

Dear Sir,

Pursuant to the provisions under Clause 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors of the Company at its meeting held on 05-02-2016 have approved the Unaudited Financial Results of the Company together with notes to the financial statement for the quarter/nine months ended 31st December, 2015 and took on record the qualified Limited Review Reports of the Statutory Auditors there on.

A copy of Unaudited Financial Results of the Company for the quarter/nine months ended 31st December, 2015 together with notes on financial statement and the qualified Limited Review Reports of the Statutory Auditors the enclosed herewith.

The above is for your information and record.

Thanking You

Yours Faithfully

For McDowell Holdings Limited

Manoj Kumar
Company 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.in | CIN : L05190KA2004PLC033485

PART I

Rs. Lakhs (except Per share data)

Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2015

PARTICULARS	Three months ended			Nine months ended		Year ended
	31-Dec-15	30-Sep-15	31-Dec-14	31-Dec-15	31-Dec-14	31-Mar-15
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income from operations						
(a) Interest and Guarantee Commission	319.06	306.23	341.48	928.19	937.23	1,241.02
(b) Dividend income	-	135.63	-	135.63	164.04	164.04
(c) Other income	-	-	-	-	-	3.80
Total income from operations	319.06	441.86	341.48	1,063.82	1,101.27	1,408.86
2. Expenses						
(a) Employee benefits expense	11.78	14.15	12.29	36.35	37.76	51.73
(b) Mailing charges	0.22	8.34	-	8.57	9.99	9.99
(c) Share transfer agent fees	0.56	1.88	1.13	4.28	4.94	6.00
(d) Other expenses	4.44	18.37	3.80	57.05	27.17	39.55
(e) Provision for doubtful advances	-	-	-	-	-	1,097.83
Total expenses	17.00	42.74	17.22	106.25	79.86	1,205.10
3. Profit/(loss) from ordinary activities before finance costs and exceptional item	302.06	399.12	324.26	957.57	1,021.41	203.76
4. Finance costs	414.81	399.76	359.08	1,195.89	1,036.88	1,400.84
5. Profit/(loss) before exceptional item	(112.76)	(0.64)	(34.82)	(238.32)	(15.47)	(1,197.08)
6. Exceptional item : Profit on sale of pledged shares	3,827.15	3,313.00	-	7,140.16	1,742.88	1,742.88
7. Profit / (loss) before tax	3,714.39	3,312.36	(34.82)	6,901.84	1,727.41	545.80
8. Tax expense	-	-	-	-	-	-
9. Net Profit / (loss) for the period / year	3,714.39	3,312.36	(34.82)	6,901.84	1,727.41	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)	(0.81)	(0.00)	(0.25)	(1.70)	(0.11)	(8.56)
(a) Basic & diluted (after exceptional item)	26.55	23.67	(0.25)	49.33	12.35	3.90



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 Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2015

Rs. Lakhs

PARTICULARS	Three months ended			Nine months ended		Year ended
	31-Dec-15	30-Sep-15	31-Dec-15	31-Dec-15	31-Dec-14	31-Mar-15
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.SEGMENT REVENUE						
Investments	-	135.63	-	135.63	164.04	164.04
Financial services	319.06	306.23	341.48	928.19	937.23	1,244.82
	319.06	441.86	341.48	1,063.82	1,101.27	1,408.86
2.SEGMENT RESULTS						
Investments	(8.51)	114.26	(8.61)	82.50	124.11	110.40
Financial services	(104.25)	(114.90)	(26.21)	(320.84)	(139.58)	(209.66)
Total	(112.76)	(0.64)	(34.82)	(238.32)	(15.47)	(99.25)
Provision for doubtful advances	-	-	-	-	-	1,097.83
Exceptional item	3,827.15	3,313.00	-	7,140.16	1,742.88	1,742.88
Profit / (loss) Before Tax	3,714.39	3,312.36	(34.82)	6,901.84	1,727.41	545.80
3. CAPITAL EMPLOYED						
Investments	5,971.05	6,084.84	6,191.77	5,971.05	6,191.77	6,191.77
Financial services	6,263.78	2,435.71	322.82	6,263.78	322.82	(858.77)
Total	12,234.83	8,520.55	6,514.59	12,234.83	6,514.59	5,333.01



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 February, 2016.
- 2 (a) The Company had provided corporate guarantee, pledge of securities and cash margins in favour of a lender to secure the borrowings of certain group companies. The said lender had invoked the corporate guarantee and demanded repayment of loans. During the previous and current quarter the lender has sold securities of the Company totaling to Rs. 74.61 crores and utilized the proceeds to adjust its dues from the borrower companies. The borrower companies are in negotiation with the lender for restructuring the loans. Accordingly the Company continues to treat its balance obligations of Rs. 270.61 crores as contingent.
- (b) An amount of Rs. 74.24 crores is treated as recoverable from the borrower companies is recorded as such in the books of the Company (including Rs. 39.04 crores during the quarter).
3. The profit on sale of pledged securities during the quarter amounting to Rs. 38.27 crores is shown as an exceptional item.
4. Loan amount of Rs. 64.70 crores (including interest) is due from a group company which has been duly acknowledged. While there could be certain delay in recovery of the amounts due from the borrower, the management is of the view that the amount is good and recoverable. 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. The profits of the Company for the period ended 31st December 2015 on account of sale of shares through the stock exchange and hence tax exempt. 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, 5 and 8 above.

Bengaluru
February 05, 2015



By Authority of the Board

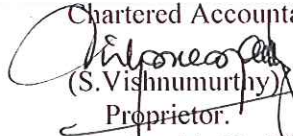

N Srinivasan
Chairman

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 quarter and nine months ended December 31, 2015. 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 confined to the figures shown in the column headed "three months ended December 31, 2015" and "for the nine months ended December 31, 2015".
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. *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. 270.61 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. It has sold part of the pledged shares and has appropriated an amount of Rs. 74.61 crore against the dues from group companies. The company has shown such amounts as dues from respective companies and its balance obligations as contingent. The possible loss on account of these developments have not been estimated and provided for. (Ref. Note no. 2)*
6. *Attention is invited to Note no. 8 regarding non provision of income tax.*
7. Based on our review conducted as above and *subject to our observations in paragraphs 4, 5 and 6 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 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.

Place: Bangalore
Date : 05-02-2016

For Vishnu Ram & Co.,
Chartered Accountants

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

