

McDowell Holdings Limited

Regd. Office: Canberra, Level 9, UB City, #24 Vittal Mallya Road, Bangalore - 560 001

Email: mhlinvestor@ubmail.com | website: www.mcdowellholdings.in | CIN : L05190KA2004PLC033485

PART I

in Lakhs

Statement of Unaudited Financial Results for the quarter ended June 30th, 2014

PARTICULARS	Three months ended			Year ended
	30-Jun-14	31-Mar-14	30-Jun-13	31-Mar-14
	Unaudited	Unaudited	Unaudited	Audited
1. Income from operations				
Income from operations	296.16	49.72	366.67	1,285.88
Total income from operations	296.16	49.72	366.67	1,285.88
2. Expenses				
(a) Employee benefits expense	10.22	9.57	3.24	34.12
(b) Mailing charges	-	-	0.04	6.10
(c) Share transfer agent fees	2.26	0.85	1.98	8.63
(d) Other expenses	6.96	9.86	9.15	22.19
(e) Provision for doubtful advances	-	2,050.71	-	2,050.71
Total expenses	19.44	2,070.99	14.41	2,121.75
3. Profit from ordinary activities before finance costs	276.72	(2,021.27)	352.26	(835.87)
4. Finance costs	331.18	336.89	314.50	1,247.56
5. Profit / (loss) from ordinary activities after finance costs	(54.46)	(2,358.16)	37.76	(2,083.43)
6. Tax expense	-	(52.48)	14.00	-
7. Net Profit / (loss) for the period/year	(54.46)	(2,305.68)	23.76	(2,083.43)
8. 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
9. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	3,387.98
10. Earnings per share (face value of ` 10/- each) (not annualised)				
(a) Basic	(0.39)	(16.48)	0.19	(14.89)
(b) Diluted	(0.39)	(16.48)	0.19	(14.89)



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PART II

Select Information for the quarter ended June 30th, 2014

PATRICULARS	Three months ended			Year ended
	30-Jun-14	31-Mar-14	30-Jun-13	31-Mar-14
	Unaudited	Unaudited	Unaudited	Audited
A PARTICULARS OF SHAREHOLDING				
1. Public shareholding				
- Number of shares	11,474,866	11,474,866	8,792,657	11,474,866
- Percentage of shareholding	82.01	82.01	62.84	82.01
2. Promoters and Promoter Group Shareholding				
a) Pledged / Encumbered				
- Number of shares	317,030	317,030	3,120,239	317,030
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	12.59	12.59	60.01	12.59
- Percentage of shares (as a % of the total share capital of the company)	2.27	2.27	22.30	2.27
b) Non - encumbered				
- Number of shares	2,200,362	2,200,362	2,079,362	2,200,362
- Percentage of shares (as a % of the total shareholding of the Promoter and promoter group)	87.41	87.41	39.99	87.41
- Percentage of shares (as a % of the total share capital of the company)	15.73	15.73	14.86	15.73

Particulars	Three months ended 30th June 2014
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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in Lakhs

PARTICULARS	Three Months ended			Year ended
	30-Jun-14	31-Mar-14	30-Jun-13	31-Mar-14
	Unaudited	Unaudited	Unaudited	Audited
1.SEGMENT REVENUE				
Investments	-	-	-	144.87
Financial services	296.16	49.72	366.67	1,141.01
	296.16	49.72	366.67	1,285.88
2.SEGMENT RESULTS				
Investments	(9.72)	(12.65)	(7.20)	107.14
Financial services	(44.74)	(294.81)	44.96	(139.86)
Total	(54.46)	(307.46)	37.76	(32.72)
Provision for doubtful advances	-	2,050.71	-	2,050.71
Profit Before Tax	(54.46)	(2,358.16)	37.76	(2,083.43)
3. CAPITAL EMPLOYED				
Investments	6,260.32	6,260.32	6,260.32	6,260.32
Financial services	(1,482.89)	(1,473.11)	634.09	(1,473.11)
Total	4,777.43	4,787.21	6,894.41	4,787.21

Notes :

- 1 The above financial results were reviewed by the Audit committee and taken on record by the Board of Directors at their meeting held on 30th July 2014
- 2 The company has provided corporate guarantee and created pledge on 6.3 million equity shares in United Breweries Limited, held by it in favour of a lender to secure their lendings to certain group companies and the total amount outstanding as on 31st March 2014 is Rs. 496 crores. Three of such borrowers have committed acts of defaults and the lender has demanded repayment of a sum of Rs. 337.52 crores due from them. Simultaneously, the lender has invoked the corporate guarantee and exercised its right of pledge provided by the Company to realize the above dues. The Company is in negotiation with the lender, to restore the facility made available to the defaulting borrowers. No adverse action has been taken against the Company. Pending final outcome of the negotiations, the company continues to recognize its obligation as contingent liabilities.
- 3 The Company has prepared its financial statements on a going concern basis, having regard to the ongoing negotiation with the lender who has invoked the corporate guarantee and exercised its right of pledge over the shares pledged by the company, to restore the facilities to the borrower on whose behalf the relevant guarantees were extended. The auditors have drawn attention to this matter in their report.



- 4 The company has advanced a sum of Rs. 50.88 Crore to a Group Company, which is a defendant in several litigations and also winding up petitions before the Hon'ble High Court of Karnataka. The company has treated the amount as good and recoverable on the assumption that the litigations and the petitions against the borrowers would be resolved in favour of the borrower.
- 5 The company is carrying certain investments at a carrying cost of Rs 30.30 Crore. There is substantial erosion in the market price of these investments. The company is of the opinion that the diminution in the value of the shares are temporary in nature and accordingly, has not made any provision for such diminution.
- 6 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 the NBFC Regulations could not be met by the Company during the year. The matter is being addressed by the Board of Directors to find a suitable solution.
- 7 The Company along with other constituents of the UB Group has on 12th May, 2014, is a party to an agreement entered into between the UB Group and Adventz Group in respect of their respective shareholding in Mangalore Chemicals and Fertilizers Limited. Further, the company has also joined Zuari Fertilisers and Chemicals Limited in making a competing offer under Regulation 20 of SEBI (SAST) Regulations, 2011, as amended, for acquisition of up to 3,08,13,939 equity shares of Rs. 10 each from the public shareholders of Mangalore Chemicals and Fertilizers Limited by Zuari Fertilisers and Chemicals Limited (Acquirer) at a price of Rs. 68.55 per equity share. In terms of the agreement, Zuari Group has agreed to subscribe to all the shares that will be tendered in the competing offer and all financial obligations, costs, charges and expenses including payment of considerations to public shareholders in terms of the Takeover Regulations will be borne by the Zuari Group alone. SEBI has issued its no objection for the Open Offer subject to receipt of approval from Competition Commission of India (CCI)
- 8 The figures of the quarter ended March 31, 2014 are the balancing figure between audited figures in respect of the full financial year and the period ended December 31, 2013
- 9 Figures of the previous period / year have been regrouped / rearranged wherever necessary.

By Authority of the Board

Sd/-
N. Srinivasan
Director

Place: BANGALORE
Date : 30th July 2014



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 June 30, 2014 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 June 30, 2014".
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. *We had issued a report on the audited financial statements for the accounting year ended 31.3.2014, wherein we had drawn attention of the shareholders to (i) invocation of corporate guarantee and exercise of pledge by a lender who has lent to certain group companies (ii) diminution in the carrying value of certain long term investments and qualified such report with respect to (i) appropriateness of treating certain loans as good and recoverable and (ii) appropriateness of preparation of financial statements on going concern basis.*
5. Based on our review conducted as above and *subject to our observations in paragraph 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 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 : 30-07-2014

For Vishnu Ram & Co.,
Chartered Accountants

Sd/-
(S.Vishnumurthy)
Proprietor.

Membership No.22715
Firm Registration No. 004742S

