



McDOWELL HOLDINGS LIMITED

CIN: L05190KA2004PLC033485

Registered Office: UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore – 560 001

E-mail: mhlinvestor@ubmail.com Website: www.mcdowellholdings.in

Tel. : +91 80 3985 6500 Fax : +91 80 2227 4890

NOTICE IS HEREBY GIVEN OF THE ELEVENTH ANNUAL GENERAL MEETING of the Company to be held at Conference Hall, UB Tower, Level 1, UB City, 24, Vittal Mallya Road, Bangalore – 560 001, on **Monday, September 28, 2015, at 2:30 p.m.** for the following purposes:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the Reports of the Auditors and Directors thereon.
2. **Ratification of Auditors’ Appointment :**

To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

“**RESOLVED** that pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the appointment of Messrs. Vishnu Ram & Co., Chartered Accountants (Firm Registration No.004742S), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS:

3. **Appointment of Ms. Tushita Aakar Patel as an Independent Director:**

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, read with Clause 49 of the Listing Agreement, Ms. Tushita Aakar Patel (DIN 07017519) who was appointed as Additional Director of the Company with effect from March 20, 2015 in terms of Section 161 of the Companies Act, 2013 and Article 112 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

By order of the Board

Mumbai
May 29, 2015

Ritesh Shah
Company Secretary

NOTES:

- 1) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, forms part of this Notice.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**

FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.

- 3) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Transfer Books and Register of Members will remain closed from Friday, September 25, 2015, to Monday, September 28, 2015 (both days inclusive).
- 4) Members are requested to intimate immediately to the Company's Registrars and Transfer Agents, Integrated Enterprises (India) Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003 (Telephone No. 080-23460815-818 Fax No. 080 2346 0819), any change in their e-mail id / correspondence address along with Pin Code Number.
- 5) Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the Company's Registrars and Transfer Agents, at the address as stated in Note No. 5 above.
- 6) Members may please address all their documents/ correspondence relating to the equity shares of the Company directly to the Company's Registrars and Transfer Agents, at the address as stated in Note no. 5 above.
- 7) Nomination facility for shares is available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents at the address as stated in Note no. 5 above.
- 8) The Company's equity shares are under compulsory dematerialisation. Accordingly, trading of these shares through the Stock Exchanges would be facilitated if the share certificates are dematerialised. Members having the physical share certificates are advised to consider opening of a Demat Account with an authorised Depository Participant and arrange for dematerialising their shareholdings in the Company.
- 9) The Company has designated an exclusive e-mail id viz, mhlinvestor@ubmail.com to enable the investors to post their grievances and monitor its redressal.
- 10) There is no unclaimed dividend required to be transferred to the Investor Education and Protection Fund.
- 11) Members attending the Annual General Meeting are requested to bring with them the following:
 - a. Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting;
 - b. The Attendance Slip duly completed and clearly indicating their DP ID & Client ID, in case of shares held in dematerialized mode and Folio Number, in case of shares held in physical mode, to facilitate identification of membership at the Meeting.
- 12) The Company would accept only the Attendance Slip from a member actually attending the Meeting, or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the Meeting.
- 13) Attendance Slips of Members/valid proxies not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other member/person.
- 14) The Meeting is for members or their proxies only. Please avoid being accompanied by non-members/children.

Notice (Contd.)

- 15) Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 16) Members are requested to quote the Folio Number / Client ID /DP ID in all correspondence. The Company has designated an e-mail address of the Compliance Officer viz., mhlinvestor@ubmail.com exclusively for the purpose of registering complaints, if any, by investors.
- 17) Members may note that the Notice of the Eleventh Annual General Meeting and the Annual Report for 2014-15 is also available on the Company's website www.mcdowellholding.in
- 18) Physical copies of all documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except on Saturdays, Sundays and Public Holidays up to and including the date of Annual General Meeting of the Company.
- 19) The relevant information required under Clause 49 of listing agreement relating to Ms. Tushitha Aakar Patel, Director seeking appointment are given in the Annexure to the Notice.
- 20) Electronic copies of the Annual Report and Notice are being sent to all the Members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report and Notice is being sent in the permitted mode.
- 21) Voting options:
 - I **Voting through electronic means:**

In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the

purpose of this section of the Notice) and clause 35B of the listing agreements, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on September 21, 2015 (End of Day) being the cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depositories Services (India) Limited (CDSL).

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Friday, September 25, 2015 at 9.00.a.m. and ends on Sunday, September 27, 2015 at 5.00.p.m. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your Demat Account or in the Company records for the said Demat Account or Folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your Demat Account or in the Company records for the said Demat Account or Folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Shareholders holding shares in physical form will then reach directly the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN [150831083] of McDowell Holdings Limited to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

II Voting at AGM

Members who have not cast their votes through remote e-voting, can exercise their voting rights at the AGM.

- 22) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- 23) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 24) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- 25) A Member can opt for only one mode of voting i.e. either in person or through proxy at the Meeting or through remote e-voting. Members attending the Annual General Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting. Members who have already cast their vote by remote e-voting shall not be allowed to vote again at the Annual General Meeting. If a member casts votes by all the modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.
- 26) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. September 21, 2015, may obtain a copy of the Notice by sending a request at helpdesk.evoting@cdslindia.com/mhlinvestor@ubmail.com. Such persons may follow the instructions given in the Notice for casting their votes through e-voting provided by CDSL. In case of any assistance on e-voting, please contact the Registrar at irg@integratedindia.in/ Phone No. 080-23560815-818/ Fax: 080-23460819.
- 27) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- 28) The Company has appointed Mr. Sudhir Hulyalkar, Company Secretary in Practice (Membership No. FCS 6040, CP 6137), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of the General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman within a period not exceeding three (3) days from the conclusion of the Annual General Meeting.
- 29) The Results shall be declared at or after the Annual General Meeting of the Company by the Chairman or the person authorized by him. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company- www.mcdowellholdings.in and on the website of CDSL – www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Ms. Tushita Aakar Patel was appointed as an Additional Director of the Company with effect from March 20, 2015, pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013, Article 114 of the Articles of Association of the Company, Section 149(1) of the Companies Act, 2013 and the Rules made thereunder and Clause 49 (II) (A) (1) of the Listing Agreement. She holds office up to the date of this Annual General Meeting.

A notice in writing in the prescribed manner as required by Section 160 of the Companies Act, 2013 and Rules made thereunder has been received from a Member proposing the candidature of Ms. Tushita Aakar Patel for the office of Director of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail the services of Ms. Tushita Aakar Patel . Accordingly, the

Board recommends the resolution in relation to appointment of Ms. Tushita Aakar Patel as a Director liable for retirement by rotation, for approval by the Members of the Company.

Except Ms. Tushita Aakar Patel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3. Ms. Tushita Aakar Patel does not hold any equity shares of the Company and is not related to any other Director of the Company.

The Board recommends the Resolution set out at Item No. 3 of the Notice as an Ordinary resolution for your approval.

By order of the Board

Mumbai
May 29, 2015

Ritesh Shah
Company Secretary

Annexure to Annual General Meeting Notice

DETAILS OF DIRECTORS SEEKING APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE.

Sl. No.	Name of Director	Ms. Tushita Aakar Patel
1	Directors Identification No. (DIN)	07017591
2	Date of Birth	19-12-1969
3	Date of appointment	20-03-2015
4	Expertise in specific field	Business management and administration
5	No. of equity shares held in the Company. (as on 31st March, 2015)	Nil
6	Qualifications	BA (Honours Political Science), Presidency College Calcutta
7	List of other directorships	1. UB Engineering Ltd, 2. Bstride Consultancy Private Limited
8	Membership/ Chairman of Committees of the other Companies	Nil
	Relationship, if any between Directors inter se	Nil

ROUTE MAP

Venue :

**Conference Hall, Level 1, UB Tower,
UB City, No. 24, Vittal Mallya Road,
Bangalore – 560 001.**

**UB City, a landmark in Vittal Mallya Road,
named after the founder of the Group.**

McDOWELL HOLDINGS LIMITED

Registered Office: "UB Tower", Level 12, UB City, No.24, Vittal Mallya Road, Bangalore 560001

Tel: 080-39856500; Fax: 080-22274890;

Corporate Identity Number: L05190KA2004PLC033485; Website:www.mcdowellholdings.in

e-mail:mhlinvestor@ubmail.com

ATTENDANCE SLIP 11TH ANNUAL GENERAL MEETING

Date: Monday, September 28, 2015 at 2 : 30 p.m.

Place: Conference Hall, Level 1, UB Tower, UB City, No.24, Vittal Mallya Road, Bangalore 560001

I/We hereby record my/our presence at the **ELEVENTH ANNUAL GENERAL MEETING** of the Company being held on Monday, September 28, 2015 at 2 : 30 p.m. at Conference Hall, Level 1, UB Tower, UB City, No.24, Vittal Mallya Road, Bangalore 560001.

Signature of the Member(s) / Proxy / Authorised Representative*

* Strike off whichever is not applicable.

NOTE:

1. The Company will accept only the Attendance Slip of a person personally attending the Meeting as a Member or a valid Proxy duly registered in time with the Company. The Company will not accept Attendance Slip from any other person even if signed by a Member. Members are requested not to bring non-Members or children.
2. Persons representing bodies corporate are required to submit with the Company original Resolution of the Board of Directors or other governing body of such Member, authorizing such person to act as its representative under Section 113 of the Companies Act, 2013.
3. Member/Proxy - holder attending the Meeting should bring his/her copy of the Annual Report for reference at the Meeting.
4. To facilitate Members, registration of attendance will commence at **2 : 00 p.m. on September 28, 2015.**
5. Remote e-voting particulars are set out below:

Remote e-voting period begins on	Friday, September 25, 2015 at 9.00.a.m.
Remote e-voting period ends on	Sunday, September 27, 2015 at 5.00.p.m.
Name of the Scrutinizer	Mr. Sudhir Hulyalkar, Practising Company Secretary
EVSN	150831083
Help	You may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

McDOWELL HOLDINGS LIMITED

Registered Office: "UB Tower", Level 12, UB City, No.24, Vittal Mallya Road, Bangalore 560001

Tel: 080-39856500; Fax: 080-22274890;

Corporate Identity Number: L05190KA2004PLC033485; Website:www.mcdowellholdings.in

e-mail:mhlinvestor@ubmail.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered Address : _____

E-mail Id : _____

Folio No. / Client ID. : _____ DP ID. : _____

I/We, being the holder(s) of _____ Equity Shares of McDowell Holdings Limited, hereby appoint :

(1) Name : _____ Address : _____

E-mail Id : _____ Signature : _____, or failing him

(2) Name : _____ Address : _____

E-mail Id : _____ Signature : _____, or failing him

(3) Name : _____ Address : _____

E-mail Id : _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on Monday, September 28, 2015 at Conference Hall, Level 1, UB Tower, UB City, No 24, Vittal Mallya Road, Bangalore -560001 at 2 : 30 p.m. and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

1.	Adoption of Financial Statements for the year ended March 31, 2015 and Reports of Directors and the Auditors thereon.
2.	Ratification of appointment of Messrs. Vishnu Ram & Co, Chartered Accountants as Statutory Auditors of the Company .
3.	Appointment of Ms. Tushita Aakar Patel (DIN 07017591) as a Director of the Company.

Signed thisday of2015.



.....
Signature of the Shareholder(s)

.....
Signature of the Proxy holder(s)

Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members not exceeding Fifty Members and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
3. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member.



McDowell Holdings Limited

ANNUAL REPORT 2014 - 2015

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McDOWELL HOLDINGS LIMITED

Directors	<p>Mr. N. Srinivasan <i>Non Executive Independent Director</i></p> <p>Mr. Srinivasalu Reddy <i>Non Executive Independent Director</i> (from July 16, 2014)</p> <p>Mr. Anil Pisharody <i>Non Executive Director</i> (from July 16, 2014)</p> <p>Ms. Tushita Aakar Patel <i>Non Executive Director</i> (from March 20, 2015)</p>
President & Chief Financial Officer UB Group	<p>Mr. Ravi Nedungadi</p>
Company Secretary and Compliance Officer	<p>Mr. Ritesh Shah</p>
Statutory Auditors	<p>M/s Vishnu Ram & Co., Chartered Accountants No.12, Margosa Road, Malleswaram, Bangalore – 560 003</p>
Internal Auditors	<p>M/s B.K. Ramadhyani & Co, Chartered Accountants 68, 4th Floor, Chitrapur Bhavan, 15th Cross, 8th Main Road, Malleswaram, Bangalore – 460 055</p>
Registered Office	<p>UB Tower, Level 12, UB City, No. 24, Vittal Mallya Road, Bangalore – 560 001</p>
Registrars and Transfer Agents	<p>Integrated Enterprises (India) Limited No. 30, Ramana Residency, 4th Cross, Malleswaram, Bangalore – 560 003</p>

The Directors have pleasure in presenting the Eleventh Annual Report of the Company along with audited accounts for the year ended 31st March, 2015

FINANCIAL PERFORMANCE

The summary of financial results of the Company for the financial year ended March 31, 2015 is as under:

Particulars	For the Financial Year Ended	
	31.03.2015 (₹)	31.03.2014 (₹)
Income	140,885,782	128,588,029
Less : Expenditure	150,811,143	131,860,727
Loss before Provision for doubtful loans and advance	(9,925,361)	(3,272,698)
Less : Provision for doubtful loans and advance	109,782,640	205,070,767
Loss before tax and Exceptional Item	(119,708,001)	(208,343,465)
Exceptional Item: Profit on sale of pledge shares	174,287,937	Nil
Profit / (Loss) before Tax	54,579,936	(208,343,465)
Tax Expense	Nil	Nil
Profit / (Loss) After Tax	54,579,936	(208,343,465)
Less: Transfer to Statutory Reserve	10,915,987	Nil
Surplus (Deficit) carried to Balance Sheet	43,663,949	(208,343,465)

DIVIDEND

To conserve the resources for the future activities and in view of accumulation of losses of earlier years, no dividend has been recommended for the financial year ended March 31, 2015.

REVIEW OF OPERATIONS

The total income of the Company during the financial year under review has marginally increased to Rs.140,885,782 against Rs. 128,588,029 in the previous financial year. The total expenditure during the year was Rs. 150,811,143 against Rs. 131,860,727 in the previous financial year resulting in an operational loss of Rs. 9,925,361 as compared to loss of Rs. 3,272,698 during the previous year. There has been few significant development during the year under review, namely sale of pledge shares by institution resulting in a profit of Rs. 174,287,937. The directors after critical review of the recoverability of certain loans and advances made a provision as a matter of abundance prudence amounting to Rs109,782,640. The net effect of these is a net profit of Rs. 54,579,936 against the loss of Rs. 208,343,465 in the previous year.

Pursuant to the corporate guarantee given by the Company on behalf of the group company borrowings, a lender bank has invoked the corporate guarantee and has demanded repayment of such dues amounting to Rs. 330.17 crore. The borrower group Company is in negotiation with the lender bank for re-schedulment of loan. In mean while the said group company has been servicing its obligation.

MARKET VALUE OF COMPANY'S INVESTMENT

The market value of the Company's investment stocks is at Rs. 1109.52 crores, which is significantly higher that of any potential financial exposures of the Company in future.

Report of the Directors (Contd.)

FUTURE PROSPECTS

The Company itself came into existing as a result of the demerger of investment business of McDowell India Spirits Limited, it holds these investments and its not engaged in any day to day operations.

In order to strengthen the prospects of the Company, your Directors are evaluating entering into some additional activities such as trading etc. Should such opportunities prove to be attractive, your Company would consider these during the current year.

REGISTRATION WITH RESERVE BANK OF INDIA (RBI) AS NON BANKING FINANCIAL COMPANY

Your Company continues to be a Non-Banking (non-deposit taking) Financial Company (NBFC-ND), duly registered with Reserve Bank of India under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934. In the light of revised frame work of Non Banking Financial Company regulations, the Company cease to be in the category of Systemically Important NBFC - ND and continuous to be NBFC - ND.

Certain regulatory financial requirements prescribed by the Reserve Bank of India under the NBFC regulations could not be met by the Company. The matter is being addressed by the Board of Directors to find a suitable solution so that the RBI norms could be met.

DIRECTORS :

Directors and Key Managerial Personnel

Mrs. Tushita Aakar Patel (DIN 07017591) was appointed as the Additional Director on the Board of the Company with effect from 20th March, 2015 and hold office upto the date of the ensuing Annual General Meeting. A Notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Mrs. Tushita Aakar Patel as a candidate for the office of Director of the Company. Brief resume of Ms. Tushita Aakar Patel is given as Annexure to the notice.

Mr. R. N. Pallai, Director and Mr. A. Harish Bhat, Managing Director resigned from the board of the Company w.e.f. 31st May, 2014 and 12th May, 2014 respectively.

The Company presently does not have a Managing Director and a Chief Financial Officer and efforts are being made to fill up these key positions. The only Key Managerial Personnel of the Company is the Company Secretary.

The affairs of the Company is monitored by the Group Chief Financial Officer.

DIRECTORS' RESPONSIBILITY STATEMENT

Due to the absence of the Managing Director and Chief Financial Officer throughout the year, the Group Chief Financial Officer has taken the responsibility to ensure adequate system of control commensurate with the size and nature of Company's business, and in view of which the Board of Directors of the Company hereby state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for that period;
- (c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

AUDITORS:

Ms. Vishnu Ram & Co, Chartered Accountants (Firm Registration No. 004742S), the Statutory Auditors of the Company, were in terms of the provisions contained in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 appointed for a period of three financial years commencing from 2014-2015 to hold office from the conclusion of the Tenth Annual General Meeting till the conclusion of the Thirteenth Annual General Meeting subject to their ratification by the Members at each subsequent Annual General Meetings. Ratification of appointment of Statutory auditors is being sought from the members of the Company at this Annual General Meeting. The Company has received a letter from them to the effect that ratification of appointment, if made at the ensuing Annual General Meeting would be within the prescribed limits under Section 139 of the Companies Act, 2013.

Certain matters relating to recoverability of the dues from group companies, diminishing in the carrying value of certain investment and adequacy of future cash flow to meet the obligation of the Company in the timely manner are subject matter of qualification in the Audit Report, which are covered in the respective Financial Notes.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance and Management Discussion and Analysis Report is annexed separately with this Annual Report.

DISCLOSURES

BOARD AND ITS COMMITTEES

The details of the meetings of the Board and its committees held during the financial year, the composition of the committees and the details of Committee Meetings are given in the Report on Corporate Governance.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

PERFORMANCE EVALUATION OF THE BOARD AND COMMITTEES

The details of annual evaluation made by the Board of its own performance and that of its committees, individual directors individually and performance criteria for Independent Directors laid down by the Nomination and Remuneration Committees are enclosed as **Annexure -A** to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures required to be made u/s 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 do not apply to Company for the period under review.

FIXED DEPOSITS:

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter-V, Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Sudhir Hulyalkar, Company Secretary in Practice having Certificate of Practice No. 6137 to undertake the Secretarial Audit of the Company. The Report furnished by Auditor in the

Report of the Directors (Contd.)

format prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure - B** to this report.

The observations in the report relates to the absence of any Managerial Personnel viz. Managing Director and Chief Financial Officers, decrease in minimum number of directors/independent directors for interim period and delay in submitting audited financial results with stock exchanges. The Board is seized of this matter.

INTERNAL CONTROL SYSTEM

The internal control system is effectively done by the Sr. Vice President – Finance & Accounts of the Group Company, who is also a director in the Company and M/s. B. K. Ramadhyani, Chartered Accountants, Internal Auditor of the Company on regular basis review the internal control system.

Your Company through internal audit under the supervision of the Audit Committee reviews the risk management process, risk mitigation plans and risk reporting.

VIGIL MECHANISM

The Company has implemented a vigil mechanism to provide a framework for the Company's employees and Directors to promote responsible and secure whistle blowing. It protects the employees who raise concern about serious irregularities within the Company. A brief summary of the vigil mechanism implemented by the Company is annexed as **Annexure - C** to this report.

Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The said policy is available in the Company website, <http://www.mcdowellholdings.in>.

LISTING REQUIREMENTS:

Your Company's Equity shares are listed on the BSE Limited (formerly Bombay Stock Exchange Limited) and National Stock Exchange of India Limited. The listing fees have been paid to all these Stock Exchanges for the year 2015-2016. The Bangalore Stock Exchange has been derecognised under the relevant provisions of the Securities and Exchange Board of India Act, 1992 and the Securities Contracts (Regulation) Act, 1956.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT-9 as on March 31, 2015 is annexed as **Annexure - D** to this Report.

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

The Board of the Company in its meeting held on 30th July, 2014 has approved and adopted the Company's Nomination and Remuneration Policy, comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company. The same is enclosed as **Annexure - E** to this report. However, no Managing Director and CFO were appointed during the period under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments are given in Note 19 of the Notes to the financial statements.

RELATED PARTY TRANSACTIONS

There has not been any related party transaction during the year under review, except for certain transaction covered under Section 186 of the Companies Act, 2013. The Board had approved policies on Related Party Transactions. The policies have been uploaded on the Company's website :<http://www.mcdowellholdings.in>.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2015 AND MAY 29TH 2015 (DATE OF THE REPORT)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the Report (May 29, 2015).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY.

There were no material Orders Passed by the Regulators or Courts or Tribunals which may impact the going concern status of the Company.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors wish to acknowledge the co-operation and support extended by the employees and shareholders of the Company.

By Authority of the Board

Place : Mumbai

Date : 29th May, 2015

N Srinivasan
Chairman
[DIN 00004195]

Anil Pishrody
Director
[DIN 02500666]

ANNEXURE - A

PERFORMANCE EVALUATION PROCESS & CRITERIA

Nomination and Remuneration Committee (N&R Committee) of Board of Directors has formulated criteria and questionnaires to evaluate the performance of Board, its Committees and Individual Directors including the Independent Directors. Further, the Independent Directors at their separate meeting formulated the criteria and questionnaire to evaluate the performance of Non Independent directors and the Chairman of the Board.

The formal annual evaluation has been carried out in the manner given below:

- Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee.
- Independent Directors at their separate meeting have carried out annual evaluation on the performance of Non Independent Directors, Board as a whole and performance of the Chairman of the Company.
- As stipulated under the Code for Independent Directors, the Board of Directors has carried out the performance evaluation of each Independent Directors by circulating the questionnaires to the other Board members, excluding the Director being evaluated.

Some of the key criteria for performance evaluation are as follows:

Evaluation of Non Independent Directors :

- Attendance and participation at Board and Committee meetings
- Level of familiarity and compliance with the codes and policies
- Familiarity with all the spheres of the activities of the Company
- Level of participation in developing business strategies
- Quality of relationship with other members of the Board

Evaluation of Independent Directors (In addition to the criteria for Non Independent Directors)

- Ability to exercise responsibilities in a bona fide manner
- Level of Contribution in Implementing best Corporate Governance practice
- Independent Judgment during Board's deliberation on strategy, performance, risk management etc.

ANNEXURE – B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
McDowell Holdings Limited
Bangalore

I have conducted the secretarial audit of the compliance applicable statutory provisions and the adherence to good corporate practices by McDowell Holdings Limited (CIN: L05190KA2004PLC033485)(hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by McDowell Holdings Limited ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (No instances for compliance requirements during the year);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI');
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (No instances for compliance requirements during the year);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (No instances for compliance requirements during the year);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (No instances for compliance requirements during the year);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (No instances for compliance requirements during the year) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (No instances for compliance requirements during the year).

Annexure to Report of the Directors (Contd.)

- vi. Reserve Bank of India Act, 1934 and Regulations thereunder as applicable to Non Banking Financial Companies to the extent applicable to the Company;
- vii. I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, as mentioned above wherever applicable subject to the following observations:

- 1) *As required under Section 149(1)(a) of the Companies Act, 2013 and Article 3 of the Articles of Association of the Company, the Company did not have minimum three directors on the Board from May 12, 2014 till the two additional directors were appointed on July 16, 2014.*
- 2) *The Company did not have minimum number of independent directors as required under Section 149(4) of the Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement till July 16, 2014.*
- 3) *Consequent to paras 1 and 2 above, the Company did not have an Audit Committee as required under Section 177(2) of the Act and Clause 49 of the Listing Agreement, till its reconstitution made on July 30, 2014 and*
- 4) *The Company has not complied the provisions of Section 203 (1) (i) and (iii) of the Companies Act, 2013, requiring the appointment of Managing Director, or Chief Executive Officer or Manager or whole-time director and Chief Financial Officer.*
- 5) *The Company has not complied with following other clauses of listing agreement:*
 - i. *Clause 41: - submitting of audited financial results for the quarter and financial year ended on 31/03/2014 within the prescribed period;*
 - ii. *Clause 49 III B: - there was a gap of more than 120 days between two consecutive meetings of Audit Committee from February 11, 2014 to July 30, 2014.*
 - iii. *Clause 49 IX: - the Company did not obtain certificate from CEO or CFO or whole-time director, since the Company was not having from CEO or CFO or whole-time director. The Certificate was instead obtained from a Director.*
- 6) *The Company did not have minimum prescribed net owned funds, minimum prescribed Capital Risk Adequacy Ratio and loans made by the Company to a single borrower are more than 15% of its net owned funds and more than 25% of its net owned funds to a single group. Thus the Company has not met with the regulatory requirements prescribed by the Reserve Bank of India under NBFC Regulations.*

I further report that

Subject to my observations as mentioned above the Board of Directors of the Company is constituted with only *Non-Executive Directors and Independent Directors*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notices were given to all Directors to schedule the Board meetings, agenda and detailed note on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions carried through are recorded in the minutes. I did not find any dissenting views recorded in the minutes. It was informed to me that, in absence of any such dissenting views it was not required to record any such views in the minutes.

I further report that there are adequate systems and processes in the Company commensurate size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has following specific actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines referred to above:

1. The Shareholders of the Company at their Annual General Meeting held on September 30, 2014 have authorised the board of directors to borrow and create the mortgage/ charge on the assets of the Company up-to Rs. 125 crores pursuant to Section 180 of the Companies Act, 2013.
2. The following resolutions were passed through Postal Ballot on October 20, 2014:
 - a) Alteration of the Main objects Clause of the Memorandum of Association;
 - b) Deletion of the Other Objects Clause of the Memorandum of Association;
 - c) Amendment of the Liability Clause of the Memorandum of Association; and
 - d) Approval of the proposed transaction with Mangalore Chemicals and Fertilizers Limited.

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice

Place : Bangalore
Date : 29/05/2015

FCS No.: 6040
C P No. : 6137

ANNEXURE – C

VIGIL MECHANISM

- Employees and Directors can make protected Disclosures addressed to the Ethics Counsellor or to the Chairman of the Audit Committee.
- Name of the Whistle Blower need not be disclosed to the Ethics Counsellor or to the Chairman of the Audit Committee.
- The Ethics Counsellor / Chairman of the Audit Committee shall after end of investigation make a detailed written record of the Protected Disclosure.
- The Ethics Counsellor / Chairman of the Audit Committee shall finalize and submit the Report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- On submission of Report, the Ethics Counsellor / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Ethics Counsellor / Chairman of the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- Notwithstanding the above, the Whistle Blower shall have direct access to the Chairman of the Audit Committee in exceptional cases.

ANNEXURE - D

MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:		
i)	CIN	L05190KA2004PLC033485
ii)	Registration Date	March 01, 2004
iii)	Name of the Company	McDowell Holdings Limited
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore 560001; Contact No. : +91-80-39856500; Fax No. +91-80-22274890.
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Enterprises (India) Limited 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore – 560 003 Tel.No. : 080 – 23460815 – 18 Fax No. : 080 – 23460819

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service %	% to total turnover of the company
1.	Invest in securities, provide guarantee & security and lend money	8024	99.73 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section
1.	-	-	-	-	-

The Company not having any subsidiary and associates Company on the reporting date.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2	-	2	0.00	2	-	2	0.00	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2517390	-	2517390	17.99	2517390	-	2517390	17.99	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	2517392	-	2517392	17.99	2517392	-	2517392	17.99	NIL

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	2517392	-	2517392	17.99	2517392	-	2517392	17.99	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1287988	-	1287988	9.21	1288028	-	1288028	9.21	0.00
b) Banks / FI	639794	3619	643413	4.60	514	3579	4093	0.03	4.57
c) Central Govt	20	-	20	0.00	20	-	20	0.00	NIL
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	3755471	-	3755471	26.84	4299919	-	4299919	30.73	3.89
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	148464	120966	269430	1.93	385143	118266	503409	3.60	1.67
Sub-total (B)(1):-	5831737	124585	5956322	42.57	5973624	121845	6095459	43.56	0.99
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	749033	5126	754159	5.39	1010036	5050	1015086	7.25	1.86
ii) Overseas	-	809	809	0.01	-	809	809	0.01	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3390295	345159	3735454	26.70	3206100	324666	3530766	25.23	1.47
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	481204	-	481204	3.44	738649	-	738649	5.28	1.84
c) Others (specify)	546918	-	546918	3.91	94087	-	94087	0.67	3.24
Sub-total (B)(2):-	5167450	351094	5518544	39.44	5048872	330525	5379397	38.45	0.99
Total Public Shareholding (B)=(B) (1)+(B)(2)	10999187	475679	11474866	82.01	11022496	452370	11474866	82.01	NIL
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13516579	452370	13992258	100	13539888	452370	13992258	100	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1.	United Breweries (Holdings) Limited	489482	3.50	2.27	489482	3.50	2.27	NIL
2.	Kingfisher Finvest India Ltd	2027707	14.49	-	2027707	14.49	-	NIL
3.	Mallya Private Limited	201	0.00	-	201	0.00	-	NIL
4.	Dr. Vijay Mallya	2	0.00	-	2	0.00	-	NIL
5.	Total	2517392	17.99	2.27	2517392	17.99	2.27	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			-NO CHANGE -	
3	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SL. NO.	NAME OF THE SHARE HOLDER	NO OF SHARES	Shareholding at the beginning of the period 01-4.2014				Cumulative shareholding during the period 31/03/2015	
			% TO TOTAL SHARES OF THE COMPANY	DATE	INCREASE / DECREASE IN SHARE HOLDING	REASON	NO OF SHARES	% TO TOTAL SHARES OF THE COMPANY
1	Acacia Banyan Partners	243480	1.74	04.04.2014	0	NA	243480	1.74
		243480	1.74	31.03.2015	0	NA	243480	1.74
2	Acacia Institutional Partners, LP	488709	3.49	04.04.2014	0	NA	488709	3.49
		488709	3.49	31.03.2015	0	NA	488709	3.49
3	Acacia Partners, LP	776269	5.55	04.04.2014	0	NA	776269	5.55
		776269	5.55	31.03.2015	0	NA	776269	5.55
4	Barca Global Master Fund LP	939834	6.72	04.04.2014	0	NA	939834	6.72
		1044495	7.46	11.04.2014	104661	Bought	1044495	7.46
		1149960	8.22	18.04.2014	105465	Bought	1149960	8.22
		1280677	9.15	25.04.2014	130717	Bought	1280677	9.15
		1311839	9.38	02.05.2014	31162	Bought	1311839	9.38
		1341909	9.59	09.05.2014	30070	Bought	1341909	9.59
		1341909	9.59	31.03.2015	0	NA	1341909	9.59

SL. NO.	NAME OF THE SHARE HOLDER	NO OF SHARES	Shareholding at the beginning of the period 01-4.2014				Cumulative shareholding during the period 31/03/2015	
			% TO TOTAL SHARES OF THE COMPANY	DATE	INCREASE / DECREASE IN SHARE HOLDING	REASON	NO OF SHARES	% TO TOTAL SHARES OF THE COMPANY
5	Jagruti Sanjay Patel	0	0.00	04.04.2014	0	NA	0	0.00
		56919	0.41	25.07.2014	56919	Bought	56919	0.41
		66893	0.48	01.08.2014	9974	Bought	66893	0.48
		68093	0.49	08.08.2014	1200	Bought	68093	0.49
		69193	0.49	14.08.2014	1100	Bought	69193	0.49
		76885	0.55	05.09.2014	7692	Bought	76885	0.55
		76885	0.55	31.03.2015	0	NA	76885	0.55
6	Milky Investment and Trading Company	0	0.00	04.04.2014	0	NA	0	0.00
		160935	1.15	19.09.2014	160935	Bought	160935	1.15
		160935	1.15	31.03.2015	0	NA	160935	1.15
7	Route One Investment Company, L.P. A/C Route One	670994	4.80	04.04.2014	0	NA	670994	4.80
		696146	4.98	04.07.2014	25152	Bought	696146	4.98
		696146	4.98	31.03.2015	0	NA	696146	4.98
8	Route One Investment Company, L.P. A/C Route One	635379	4.54	04.04.2014	0	NA	635379	4.54
		613202	4.38	04.07.2014	22177	Sold	613202	4.38
		613202	4.38	31.03.2015	0	NA	613202	4.38
9	Sea Glimpse Investments Pvt. Ltd.	0	0.00	04.04.2014	0	NA	0	0.00
		309308	2.21	30.09.2014	309308	Bought	309308	2.21
		309308	2.21	31.03.2015	0	NA	309308	2.21
10	Vivek Chand Burman	0	0.00	04.04.2014	0	NA	0	0.00
		78043	0.56	18.04.2014	78043	Bought	78043	0.56
		77739	0.56	23.05.2014	304	Sold	77739	0.56
		50000	0.36	06.06.2014	27739	Sold	50000	0.36
		0	0.00	13.06.2014	50000	Sold	0	0.00
		55000	0.39	05.09.2014	55000	Bought	55000	0.39
		55023	0.39	30.09.2014	23	Bought	55023	0.39
		55287	0.40	24.10.2014	264	Bought	55287	0.40
		65055	0.46	31.10.2014	9768	Bought	65055	0.46
		75000	0.54	21.11.2014	9945	Bought	75000	0.54
		85000	0.61	05.12.2014	10000	Bought	85000	0.61
		90435	0.65	19.12.2014	5435	Bought	90435	0.65
		93523	0.67	31.03.2015	3088	Bought	93523	0.67

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. N. Srinivasan	Nil	Nil	Nil	Nil
2.	Mr. M. S. Reddy	Nil	Nil	Nil	Nil
3.	Mr. Anil Pisharody	Nil	Nil	Nil	Nil
4.	Ms. Tulshita Patel	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	500.00	200.00	-	700.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.04	-	-	1.04
Total (i+ii+iii)	501.04	200.00	-	701.04
Change in Indebtedness during the financial year				
Addition				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	32.40	-	32.40
iii) Interest accrued but not due	93.68	-	-	93.68
Reduction				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	29.65	-	29.65
iii) Interest accrued but not due	-	-	-	-
Net Change	93.68	-	-	93.68
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	2.75	-	2.75
iii) Interest accrued but not due	94.72	-	-	94.72
Indebtedness at the end of the financial year				
i) Principal Amount	500.00	200.00	-	700.00
ii) Interest due but not paid	-	2.75	-	2.75
iii) Interest accrued but not due	94.72	-	-	94.72
Total (i+ii+iii)	594.72	202.75	-	797.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: *

Sl. No.	Particulars of Remuneration	Mr. Harish Bhatt (Managing Director upto May 12, 2014)	Total Amount (Rs.)
1.	Gross salary	-	-
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

* Mr. Harish Bhatt was Managing Director of the Company upto May 12, 2014 and was not receiving any remuneration from the Company. There were no other whole-time Director or manager in the Company during the year under review.

B. Remuneration to other directors: **

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount (Rs.)
		R. N. Pallai (Resigned w.e.f. May 31, 2015)	N. Srinivasan	M.S. Reddy (Appointed w.e.f. July 7, 2014)	Anil Pisharody (Appointed w.e.f. July 7, 2014)	Tushita Patel (Appointed w.e.f. March 30, 2015)	
1.	Independent Directors						
	• Fee for attending board / committee meetings	40,000	2,30,000	1,90,000	-	20,000	4,80,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	40,000	2,30,000	1,90,000	-	20,000	4,80,000
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	-	-	-	1,90,000	-	1,90,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	1,90,000	-	1,90,000
	Total (B)=(1+2)	40,000	2,30,000	1,90,000	1,90,000	20,000	6,70,000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	Sitting Fees not exceeding Rupees One Lakh per meeting of the Board or Committee thereof in terms of Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014					

** None of the Directors are paid any remuneration except sitting fees for attending meetings of the Board and Committee meetings.

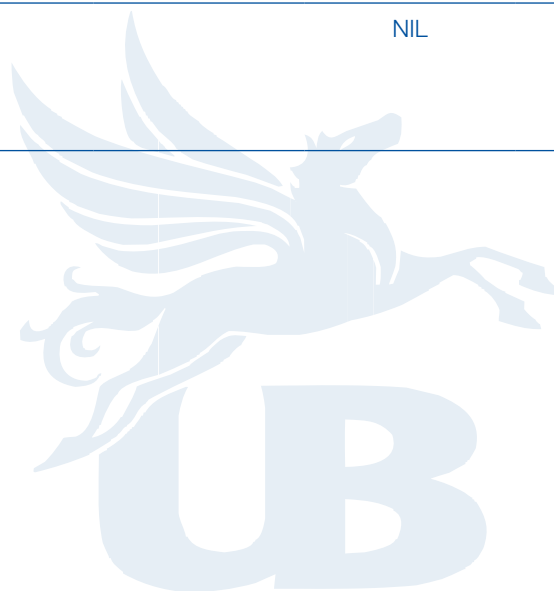
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD ***

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	Total (Rs)
		Mr. Ritesh Shah (Company Secretary)	
1.	Gross Salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,13,420	23,13,420
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2,96,916	2,96,916
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
	Total	26,10,336	26,10,336

*** Mr. Ritesh Shah is the only Key Managerial Personnel in the Company during the year under review.

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					



ANNEXURE - E

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

Part A — Policy on appointment of Directors

For the Board of a Company to be effective and efficient, it should comprise of individuals who have professional qualifications and proven experience in their respective fields of specialization.

The Nomination and Remuneration Committee evaluates the Directors and recommends the Board for their appointment / reappointment and ensures optimum composition of Board. While recommending appointment of an Individual as a Director on the Board, the committee has to consider the following factors:

- Diversity of the Board
- Qualification and positive attributes
- Independence of Directors (in the case of Independent Directors)

Diversity of Board

The Committee shall take into consideration the following to ensure Board diversity:

- Optimum composition of Executive Directors and Non-Executive Directors on the Board;
- Professional experience and expertise in different areas of specialization;
- Diversity criteria including, but not limited to gender, age, ethnicity, race, religion, culture and geographic background;
- Academic qualification, functional expertise, personal skills and qualities

The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Qualification and positive attributes

The Committee may also assess the following criteria:

- Financially literate, which means he/she possess the ability to read and understand basic financial statements i.e. balance sheet, statement of profit and loss, and statement of cash flows.
- Possess high levels of personal, professional integrity.
- Have appropriate knowledge / experience about the industry and the Company, or ability to acquire required knowledge and understanding.
- Able to provide guidance to the Board in matters of business, finance, strategy and corporate governance.
- Able to analytically look into the issues placed before the Board and provide strategies to solve them.
- Possess better communication skills and ability to work harmoniously with fellow directors and management.
- Willingness to devote the required time, including being available to attend Board and Committee meetings.

Independence of Directors (only in the case of Independent Directors)

Any relationship between the Company and Directors other than in the normal course will affect the Independence of Directors in many ways. The Committee shall assure that the candidate proposed for the position of Independent Director meets the minimum criteria for Independence set out under Section 149 of the Companies Act, 2013. It shall also assess if the candidate would be able to meet the standards mentioned in the code for Independent Directors under the Companies Act, 2013.

Annexure to Report of the Directors (Contd.)

Part B — Policy on Remuneration to Board of Directors, Key Managerial Personnel and other Employees

Introduction:

With the view to attract and retain qualified industry professionals for the Board and Management in order to achieve its strategic goals this policy is designed for adopting the highest standards of good corporate governance. The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis and is in consonance with the existing industry practices.

This policy is now framed to ensure that the requirements of Section 178 of the Companies Act, 2013 is met and it intends to define general guidelines for the Company's pay to the Board of Directors, Key Managerial Personnel and Senior Management and other employees.

Remuneration of Directors

The Board of McDowell Holdings Limited comprises of three categories of Directors viz., Managing Director, Non -Executive Directors and Non - Executive Independent Directors.

The Remuneration to Managing Director and Non - Executive Directors are governed by the provisions of Companies Act, 2013 and the rules framed thereunder and the notifications issued by the Ministry of Corporate Affairs from time to time.

Non -Executive Directors

The Non -Executive directors including Non- Executive Independent Directors are eligible for fixed amount of sitting fees for attending meeting of the Board of Directors and its Committees as allowed under the Companies Act 2013.

Reimbursement of expenses

All expenses incurred by the Board of Directors for attending the meetings and events of the Company are reimbursed at actuals.

Remuneration to Key Managerial Personnel and Senior Management Personnel

The remuneration structure to the Key Managerial Personnel and Senior Management Personnel shall include the following components:

- (i) Basic Pay
- (ii) Variable Pay
- (iii) Perquisites and Allowances
- (iv) Retrial benefits
- (v) Performance Evaluation Payment

It is to be ensured that Key Managerial Personnel (KMP) and Senior Management Personnel are paid as per the trend prevalent in the similar industry, nature and size of business and the risks and responsibilities associated for holding such position. The level and components of remuneration is reasonable and sufficient to attract and retain the KMPs and Senior Management.

The Annual Plan and Objectives for Key Managerial Personnel and Senior Management Personnel shall be reviewed by the Nomination and Remuneration Committee and Performance Evaluation Payment will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

Insurance coverage

To protect the interest of the Directors and Employees while carrying out their duties which are exposed to various legal and regulatory requirements, the Company has obtained various insurance policies such as Directors and Officer's Liability Insurance, etc. The Professional Indemnity policies are intended to protect the Directors and executives from legal action. The policy normally covers legal costs for defending civil suits only.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes in the need for upholding the highest standard of Corporate Governance in its operations and ensuring adherence to high ethical and moral standards. The philosophy of your Company on Corporate Governance envisages, inter alia, attainment of the highest levels of accountability and equity in all its actions and enhancement of shareholder value keeping in view the needs and interests of other stakeholders.

BOARD OF DIRECTORS

The number of independent directors is not less than half of the total number of directors. None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 Committees (as specified in Clause-49), across all the companies in which he/she is a director.

The names and categories of the Directors on the Board, their attendance of each Director at the Board Meetings and the last Annual General Meeting and details of number of outside Directorship and Committee position held by each of the Directors as on date are given below:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on 30.09.2014	No. of other Companies in which Director	No of committees (other than the company) in which Chairman / Member
Mr. N. Srinivasan	Independent Non Executive Director	8	Yes	9	9 (Chairman of 05)
Mr. A. Harish Bhat*	Managing Director	2	NA	NA	NA
Mr. R N Pillai**	Non Executive Director	2	NA	NA	NA
Mr. M Sreenivasulu Reddy***	Independent Non Executive Director	4	Yes	4	Nil
Mr. Anil Pisharody ***	Non Executive Director	5	Yes	3	Nil
Ms. Tushita Aakar Patel****	Independent Non Executive Director	Nil	NA	1	Nil

* resigned from the Board with effect from May 12, 2014

** resigned from the Board with effect from May 31, 2014

*** appointed as additional director with effect from July 16, 2014 and were appointed as regular director at the last Annual General Meeting.

**** appointed as additional director w.e.f. March 20, 2015

NOTE:

- The above details are in respect of their directorship only in Indian companies and does not include directorship in private limited companies, companies incorporated under Section 8 of Companies Act, 2013, chambers, committees and federations.
- In accordance with Clause 49 of the listing agreements, membership/chairmanship of audit committee and stakeholder relationship committees in all public limited company (excluding McDowell Holding Limited) have been considered.
- None of the directors is related to any other director or has any business relationship with the Company.

During the financial year under review, eight board meetings were held i.e. on May 8, 2014, May 12, 2014, July 16, 2014, July 30, 2014, August 27, 2014, November 6, 2014, February 12, 2014, March 20, 2015.

Meeting of Independent Directors

During the year, meeting of Independent Directors was held on March 20, 2015 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Familiarisation Programme

Your Company follows a structured orientation and familiarisation programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the board meetings on business and performance, long term strategy, initiatives and risks involved.

COMMITTEES OF THE BOARD

The Board of Directors has constituted the four Committees viz., Audit Committee, and Stakeholders Relationship Committee, Nomination and Remuneration Committee and Committee of Directors.

AUDIT COMMITTEE

The Audit Committee, re-constituted on 30th July, 2014 and it presently comprises of the following Directors:

Mr. M Sreenivasulu Reddy (Chairman)	Non-Executive Independent Director
Mr. N Srinivasan	Non-Executive Independent Director
Mr. Anil Pisharody	Non-Executive Director

The terms of reference of the Audit Committee cover all applicable matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges and the Companies Act, 2013.

The Statutory, Internal Auditors and President and Chief Financial Officer of UB Group are invited to attend the Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee.

The Committee, inter alia, has reviewed the financial statements for the year ended March 31, 2015 and has recommended its adoption. In addition the Committee has also reviewed the unaudited financial results for the quarter June 30, 2014, quarter and half year September 30, 2014, quarter and nine months December 31, 2014 which were subject to limited review by the Statutory Auditors of the Company and the audited financial results for the year ended on March 31, 2015.

During the financial year under review, four meetings of the Audit Committee were held i.e. on June 30, 2014, August 27, 2014, November 11, 2014 and February 12, 2015. The details of attendance by members of the Committee are as follows:

Name of the Director	Meetings attended
Mr. M Sreenivasulu Reddy (Chairman)*	4
Mr. N. Srinivasan	4
Mr. Anil Pisharody*	4

*appointed as committee member with effect from July 30, 2014

Mr. R.N Pillai resigned as the Director of the Company with effect from May 31, 2014 and hence ceased to be committee member from that date.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company at their meeting held on July 30, 2014, have constituted Nomination and Remuneration Committee pursuant to the notification of Companies Act, 2013 and amendments made to Clause 49 of the Listing Agreement to this effect.

The Stakeholders Relationship Committee presently comprises of the following Directors:

Mr. M Sreenivasulu Reddy (Chairman)	Non-Executive Independent Director
Mr. N Srinivasan	Non-Executive Independent Director
Mr. Anil Pisharody	Non-Executive Director

Terms of Reference:

The role of the Committee is inter alia, to consider and recommend persons who are qualified for board positions, evaluate directors performance, persons who are qualified to be senior management, formulate the criteria for determining qualifications, positive attributes and independence of a director and devising a policy on board diversity. The Board has also approved, Policy on Nomination & Remuneration of Directors, KMP and Senior Managerial Personnel which has been placed on the website of the Company: www.mcdowellholdings.in

During the period under review the Nomination and Remuneration Committee met on March 20, 2015 to consider and nominate Ms. Tushita Aakar Patel as the Director of the Company. Mr. N Srinivasan, Mr. Anil Pisharody and the Company Secretary of the Company attended the meeting.

Remuneration of Directors and their share holdings in the Company:

a) Managing Director:

Consequent upon his resignation from the Board of Directors of the Company with effect from May 12, 2014, Mr. A. Harish Bhat ceased to be the Managing Director and Director of the Company. The Board aided by Nomination and Remuneration Committee is actively looking for suitable person to be appointed as the Managing Director/Whole-Time Director of the Company.

Mr. A. Harish Bhat was not paid any remuneration during the period under review.

b) Non – Executive Directors

At present, the Non-Executive Directors do not draw any remuneration from the Company. Sitting Fees are paid to Non-Executive Directors for attending Board / Committee Meetings. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance and incidental expenses, incurred for attending such meetings. The details of sitting fees paid to the Directors during the year under review are as under:

Name of the Director	Sitting fees (Rs.)
Mr. N. Srinivasan	230000
Mr. R N Pillai*	40000
Mr. M Sreenivasulu Reddy**	190000
Mr. Anil Pisharody **	190000
Ms. Tushita Aakar Patel ***	20000

* resigned with effect from May 31, 2014

** appointed with effect from July 16, 2014

*** appointed with effect from March 20, 2015

c) Particulars of equity shares of the Company currently held by the directors are furnished below:

Name of the Director	No. of Equity Shares held
Mr. N Srinivasan	Nil
Mr. M Sreenivasulu Reddy	Nil
Mr. Anil Pisharody	Nil
Ms. Tushita Aakar Patel	Nil

Performance evaluation of directors

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was re-constituted on 30th July, 2014 and it presently comprises of the following Directors:

Mr. M Sreenivasulu Reddy (Chairman)	Non-Executive Independent Director
Mr. Anil Pisharody	Non-Executive Director

Mr. A. Harish Bhat and Mr. R N Pillai, ceased to be members of the Committee with effect from May 12, 2014 and May 31, 2014 respectively on account of their resignation from the Board of Directors of the Company.

Mr. M. Sreenivasulu Reddy and Mr. Anil Pisharody were appointed as members of the Committee with effect from July 30, 2014 and Mr. Reddy was designated as Chairman of the Committee with effect from that date.

During the financial year, the Committee met once on 12th February, 2015, which was attended by both the above members and the Company Secretary.

In the interest of the investors and for administrative convenience, the Board has authorised a Director and Company Secretary to jointly approve Share Transfer, Transmission etc. upto a specific limit.

During the year under review, 3 complaints were received from the shareholders/investors, which were replied / resolved to their satisfaction. There was no complaint pending as on March 31, 2015. The Company have not received any investors complaints through SEBI or stock exchanges or investors associations.

Compliance Officer:

Mr. Ritesh Shah, Company Secretary, is the Compliance Officer of the Company.

GENERAL BODY MEETINGS

The details of the last three annual general meetings of the Company are furnished below:

Financial Year ended	Date	Time	Venue
March 31, 2012	September 25, 2012	2.30 p.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025
March 31, 2013	September 24, 2013	4.30 p.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025
March 31, 2014	September 30, 2014	10.30 a.m.	UB Tower, Level 1, UB City, 24 Vittal Malya Road, Bangalore – 560 001.

The following special resolutions were passed by the shareholders at the past three annual general meetings:

AGM held on	Subject matter of the Special Resolution
September 30, 2014	Authorisation under Section 180 (1) (c) to borrow money and for creation of charge/ mortgage under Section 180 (1) (a) of the Companies Act, 2013.
September 24, 2013	Nil
September 25, 2012	Re-appointment of Mr. A Harish Bhat as Managing Director

All the resolutions set out in the Notices, including Special Resolution, were passed by the Shareholders.

Voting through electronic means:

Pursuant to section 108 of the Companies Act, 2013 and the rules made thereunder, every listed company is required to provide its members facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with Central Depository Services (India) Limited for this purpose, to facilitate such e-voting for its members.

Detailed procedure for e-voting is given in the Notice of the Eleventh Annual General Meeting and the same is also placed on the website of the Company.

POSTAL BALLOT

The Company has not passed any resolution at the above Annual General Meetings held, which was required to be passed through postal ballot as per the provisions of the Companies Act, 2013, and the rules framed thereunder. At this meeting also, there is no special resolution requiring passing by way of Postal Ballot.

Special Resolution (s) passed through Postal Ballot during the period in review.

Pursuant to Section 110 of the Companies Act, 2013 (the "Act") read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Company had conducted a postal ballot exercise for seeking approval of the shareholders by passing for four special resolutions.

The Board had appointed Mr. Sudhir V. Hulyalkar, Company Secretary in Whole-Time Practice as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

The details of the voting pattern in respect of the Special Resolutions passed are given here are under

1. Special Resolution under Section 13 of the Companies Act, 2013 for alteration of the main Objects Clause of the Memorandum of Association of the Company.

For the Resolution			Against the Resolution			Invalid Votes		Abstain from Voting	
No. of Members voted	No. of vote cast (Shares)	% of Votes cast	No. of Members voted	No. of vote cast (Shares)	% of Votes cast	No. of Members	No. of vote cast (Shares)	No. of Members	No. of vote abstain
100	5430344	80.18	12	1342077	19.82	0	0	2	30

2. Special Resolution under Section 13 of the Companies Act, 2013 for deletion of Other Objects Clause of the Memorandum of Association of the Company.

For the Resolution			Against the Resolution			Invalid Votes		Abstain from Voting	
No. of Members voted	No. of vote cast (Shares)	% of Votes cast	No. of Members voted	No. of vote cast (Shares)	% of Votes cast	No. of Members	No. of vote cast (Shares)	No. of Members	No. of vote abstain
99	5430347	80.18	12	1342054	19.82%	0	0	3	50

3. Special Resolution under Sections 4 and 13 of the Companies Act, 2013 for amendment of the Liability Clause of the Memorandum of Association of the Company.

For the Resolution			Against the Resolution			Invalid Votes		Abstain from Voting	
No. of Members voted	No. of vote cast (Shares)	% of Votes cast	No. of Members voted	No. of vote cast (Shares)	% of Votes cast	No. of Members	No. of vote cast (Shares)	No. of Members	No. of vote abstain
97	5430274	80.18	14	1342127	19.82	0	0	3	50

4. Special Resolution under Section 188(1) of the Companies Act, 2013, Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules 2014 for proposed transaction of sale and supply of raw material by the Company to Mangalore Chemicals & Fertilizers Limited for an estimated amount of up to Rs. 50,00,00,000 (Rupees fifty crores only)

For the Resolution			Against the Resolution			Invalid Votes		Abstain from Voting	
No. of Members voted	No. of vote cast (Shares)	% of Votes cast	No. of Members voted	No. of vote cast (Shares)	% of Votes cast	No. of Members	No. of vote cast (Shares)	No. of Members	No. of vote abstain
95	4940796	78.64	13	1342097	21.36	1	489482	5	76

DISCLOSURES

Related Party Transaction

There has not been any related party transaction during the year under review, except that of certain transaction covered under Section 186 of the Companies Act, 2013. The Board had approved policies on Related Party Transactions and the same is uploaded on the Company's website : <http://www.mcdowellholdings.in>

CEO/CFO Certification

A certificate from CEO/CFO to the Board pursuant to Clause 49 (v) of the Listing Agreement with the stock exchanges has been obtained from the Director, since presently the Company has neither a Managing Director nor Manager nor a Chief Financial Office.

Code of Conduct

In compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has adopted a Code of Business Conduct and Ethics for its Board Members, a copy of which is available on the Company's website viz, www.mcdowellholdings.in . All the members of the Board had affirmed compliance with the Code for the year ended March 31, 2015 and a declaration to this effect signed by a Director is forming part of this report.

Prohibition of insider trading

Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a "Code of Conduct for Prevention of Insider Trading", which is applicable to all the Directors, employees and connected persons. The code ensures prevention of dealing in shares of the Company by persons having access to price sensitive information.

Whistle Blower Policy

The Company believes in the conduct of the affairs of the Company in a fair and transparent manner by adopting high standards of professionalism, honesty, integrity and ethical behavior. It has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee.

Details of non-compliance

There were no instances of non-compliance by the Company with any legal requirements nor have there have been any strictures passed by Stock Exchange or Securities and Exchange Board of India, on any matters relating to the capital market during the last three years.

Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement except to the extent of CEO/CFO certification. The details of these compliances have been given in the relevant sections of this Report. The status of compliance with the Non mandatory requirements is given at the end of the Report.

MEANS OF COMMUNICATION

The unaudited quarterly results and audited annual results are sent to all the Stock Exchanges, where the equity shares of the Company are listed. The results are normally published in 'Business Standard, (English Daily) and 'Vijaya Karnataka' (Kannada Daily). The results are also displayed on the Company's Website www.mcdowellholdings.in

Designated e-mail ID for investors complaints

The Company has designated an exclusive e-mail id viz, mhlinvestor@ubmail.com to enable the investors to post their grievances and monitor its redressal.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement, Management Discussion and Analysis Report is appended and forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

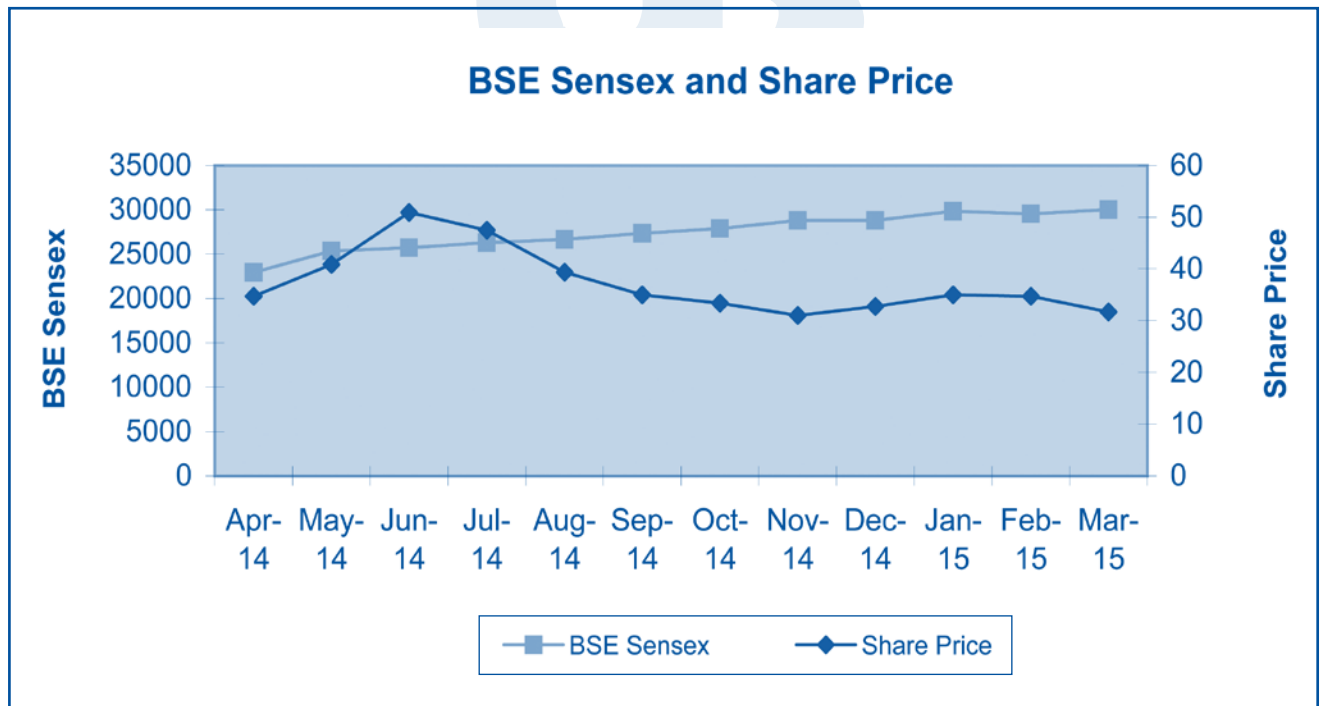
a)	Annual General Meeting Date, Time and Venue	Monday, September 28, 2015, at 2:30 p.m. at UB Tower, Level 01, UB City, 24, Vittal Mallya Road, Bangalore – 560 001.
b)	Financial Year	April 01, to March 31
	First Quarterly Results	By August 14th
	Second Quarterly Results	By November 14th
	Third Quarterly Results	By February 14th
	Audited Financial Results	By May 30th
c)	Dates of Book Closure	Friday, September 25, 2015 to Monday, September 28, 2015 (both days inclusive).
d)	Dividend payment date	NA
e)	Listing on Stock Exchanges:	The shares of the Company are listed on the following Stock Exchanges: Bombay Stock Exchange Limited, (BSE) National Stock Exchange of India Limited (NSE) The annual listing fees for the years 2015-16 have been paid.
f)	Stock Code	
	BSE	532852
	NSE	SYMBOL – MCDHOLDING

g)	ISIN No.	INE836H01014 (NSDL & CDSL) – for equity shares
h)	Market price data	As per Annexure - I.
i)	Stock performance in comparison to BSE Sensex	As per Annexure - I I.
j)	Registrar and Transfer Agents	Integrated Enterprises (India) Limited Registered Office: 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003 Tel. nos. (080) 2346 0815 – 0818 Fax no. (080) 2346 0819 E-mail id : bglsta@integratedindia.in
k)	Share Transfer System	In addition to the Committee of Directors, the Board has also authorized a Director and Company Secretary to jointly approve Share Transfer, Transmission etc., upto a specific limit as indicated under the heading Shareholders / Investors Grievance Committee. The requirements under the Listing Agreement / Statutory regulations in this regard are being followed.
l)	Distribution of Shareholding	As per Annexure-III
m)	Dematerialisation of shares	As on March 31, 2015, 96.67% of the paid-up share capital was held in dematerialized form.
n)	Outstanding GDRs/ ADRs / Warrants or any other Convertible instruments	N.A.
o)	Plant Locations	N.A.
p)	Shareholder correspondence	Shareholder correspondence should be addressed to the Company's Registrars and Transfer Agents: Integrated Enterprises (India) Limited Registered Office: 30, Ramana Residency, 4th Cross Sampige Road Malleswaram, Bangalore 560 003 Tel. Nos. (080) 2346 0815-818 Fax No.080 2346 0819 E-mail id : bglsta@integratedindia.in Investors may also write or contact the Company Secretary, at the Registered Office of the Company at UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore 560 001. Tel. Nos. (080) 3985 6500 Fax No. (080) 2227 4890 e-mail : mhlinvestor@ubmail.com

MARKET PRICE DATA OF MCDOWELLS HOLDINGS LIMITED

Monthly BSE				Monthly NSE			
Month	High (₹)	Low (₹)	Volume	Month	High (₹)	Low (₹)	Volume
Apr-14	38.5	31	338643	Apr-14	38.65	30.40	1877627
May-14	47.7	34.1	503962	May-14	47.80	33.50	1687226
Jun-14	63.7	38.2	1177213	Jun-14	63.50	37.25	3600496
Jul-14	53.35	41.65	248744	Jul-14	54.35	41.15	808159
Aug-14	47.25	31.55	147427	Aug-14	46.00	31.15	577502
Sep-14	39.5	30.5	166789	Sep-14	39.00	30.10	550926
Oct-14	37.5	29.25	43262	Oct-14	33.45	28.35	141139
Nov-14	33.7	28.35	68667	Nov-14	34.00	28.00	261683
Dec-14	38.4	27.1	206691	Dec-14	38.45	27.00	590390
Jan-15	40.7	29.35	401118	Jan-15	40.40	29.35	1362170
Feb-15	37.45	32	78349	Feb-15	37.45	32.05	259067
Mar-15	37.4	26	124765	Mar-15	37.40	25.40	325700

STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX



DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on March 31, 2015 is given below:

VALUE WISE

Shareholding of nominal value (₹)	No. of Shareholders	% to Total	Share Capital in Rupees	% to Total
Upto 5000	51439	99.78	36875500	26.35
5001 -- 10000	50	0.10	3942440	2.82
10001 – 20000	26	0.05	3668540	2.62
20001 – 30000	11	0.02	2779610	1.99
30001 – 40000	3	0.01	1067660	0.76
40001 – 50000	3	0.01	1414450	1.01
50001 – 100000	5	0.01	3847620	2.75
100001 and Above	13	0.03	86326760	61.70
TOTAL	51550	100.00	139922580	100.00

CATEGORY WISE

Category	No. of Shares	% of Equity
Promoter Group	2517392	17.99
Resident Body Corporate	1015106	7.25
Banks / FI / FII / MF / Trust	5605275	40.06
NRI / OCB / FFI	504218	3.60
Resident Individuals	4269415	30.51
Clearing Members	80852	0.58
TOTAL	13992258	100.00

NON MANDATORY REQUIREMENTS

Shareholders Rights

The Company's half yearly results are published in english and kannada newspapers. Hence the same are not sent to the shareholders.

Audit qualifications

With regard to audit qualification necessary explanations are being furnished in the financial notes to accounts.

Separate posts of Chairman and CEO

The Board is looking for a suitable person to be appointed as Managing Director / Whole-Time Director of the Company.

Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

CERTIFICATE

The members of
McDOWELL HOLDINGS LIMITED.

We have examined the compliance of conditions of Corporate Governance by **McDOWELL HOLDINGS LIMITED** ("the Company"), for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the management of the Company, we certify that, it has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement except the following condition;.

(i) *It has not obtained a certificate required to be obtained from CEO/CFO in terms of Clause 49(V) of the listing agreement since it does not have a CEO/CFO.*

We state that no investor grievance is pending for a period exceeding one month as on March 31, 2015 against the Company as per the records maintained by the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Vishnu Ram & Co.**
Chartered Accountants
Firm Registration No. 004742S

(S. Vishnumurthy)
Proprietor
Membership No. 22715

Place: MUmbai
Date: May 29, 2015

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of Clause 49 of the Listing Agreement, the Code of Conduct as approved by the Board of Directors of the Company, has been displayed at the Company's website www.mcdowellholdings.com. All the members of the Board had affirmed compliance with the Code for the period March 31, 2015.

Place: Mumbai
Date: May 29, 2015

Anil Pisharody
Director

Management Discussion & Analysis Report

Overview – Financial Performance

This has been comprehensively covered in the Report of the Directors for the year under review.

Industry Structure & Developments

Your Company is essentially a financing / investment holding company having investments in the UB Group companies, which are engaged in the business of Property Development & Exports, Manufacture and Sale of Beer, Chemicals & Fertilizers etc. The profitability of the Company is linked to the performance of the investee companies as well as fluctuations in the quotations on the Stock Market. As the performance of the major investee companies is on the growth path, it is expected that the dividend distribution by such investee companies would increase progressively.

Opportunities and Risks

The Company continues to hold significant investments in equity share capital of investee companies engaged in the business of Manufacture and Sale of Beer and Chemicals & Fertilizers etc., which are characterized by fluctuations in prices, regulation and excessive taxation. Any downward movement of product prices of the investee Companies could affect their margins, which could be a threat to the Company's fortunes. The Company is exploring opportunities to enter into some other activities, such as trading etc.

Internal Control System

Your Company has a system of internal control which is reviewed by the Audit Committee of the Board of Directors. An independent firm of Chartered Accountants evaluates the functioning and quality of the internal controls and provides assurance through periodic reporting. The Audit Committee reviews the Internal Audit Reports and the adequacy of internal control on regular basis, which also acts as a tool for minimizing any possible risk in the operations of the Company.

Human Resources Management

The Company presently has 2 employees who are professionals in their field and are given independent responsibilities to perform significant roles in the Company's development. The Company will strengthen its operative staff as and when the need arises.

To,
The Members of
McDOWELL HOLDINGS LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of **McDOWELL HOLDINGS LIMITED** ('the Company') which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

4. Basis for qualified opinion

- a. *A beneficiary of the company's corporate guarantee and pledge of shares who had extended loans to certain group companies has demanded repayment of such loans amounting to Rs. 312.06 crore for defaults by the borrowers and has invoked the guarantee extended and exercised the pledge on the shares provided by the company. The borrowers are in negotiation with the lender for restoration of the credit facilities and on that basis the company continues to disclose its exposure as contingent liability. The appropriateness of such disclosure instead of recognizing it in the accounts would depend upon the lender restoring the facilities that have been withdrawn. (Ref note no. 19).*
- b. *The company has prepared its financial statements on "Going Concern" basis for the reasons mentioned in note no. 20. The appropriateness of such basis would depend upon the lender agreeing to restore the credit facilities (as mentioned in note 19) and granting sufficient time to the borrowers for repayment of the dues.*
- c. *The company has treated a sum of Rs 61.64 crores due from one of the group companies which is a defendant in several litigations, including winding up petitions, as good and recoverable (Ref note no. 21). The appropriateness of such treatment would depend upon such group company being able to defend the litigations and the winding up petitions, successfully.*
- d. *The company carries investments in certain group companies. The carrying value of such investments is Rs. 30.30 crores. There are significant declines in the carrying value of these investments but the company has not quantified and provided for such declines. Had the company provided for such decline, the profit stated in the Statement of Profit and Loss would have been lower by such amount and the carrying value of those investments shown in the Balance Sheet would have been lower by an equal amount (refer note 24).*

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph above*, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

6. Emphasis of Matter

- a. Attention is invited to note no. 19 regarding provision made to the extent of Rs. 10.98 crores for the probable non-recovery of dues from one of the borrowers.
- b. Attention is invited to note no. 17 regarding write off of an amount of Rs. 20.50 crores dues from one of the group company.

7. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. The matters described in the Basis for Qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
- f. On the basis of the written representations received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position.
 - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses *except for the matters specified in the Basis for Qualified Opinion paragraph*.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Vishnu Ram & Co.**
Chartered Accountants
Firm Registration No. 004742S

(S. Vishnumurthy)
Proprietor
Membership No. 22715

Place : Mumbai
Date : May 29, 2015

Re: McDowell Holdings Limited

Referred to in paragraph 7(i) of our report of even date

- (a) The company did not have any fixed assets. Therefore, the provisions of clause 3(i)(a) to 3(i)(b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (b) The company did not have any stocks of goods. Therefore, the provisions of clause 3(ii)(a) to 3(ii)(c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (c) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii)(a) to 3(iii)(b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (d) In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of the audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (e) The company has not accepted any deposits from the public in contravention of the provisions of sections 73 to 76 and any other relevant provisions of the Companies Act and the rules framed thereunder. Therefore, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (f) Provisions with regard to maintenance of cost records under section 148(1) of the Companies Act, 2013 are not applicable to this company.
- (g) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax and other material statutory dues applicable to it.
- (h) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31-3-2015 for a period of more than six months from the date they became payable.
- (i) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (j) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (k) Accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit. The company has incurred cash losses during the immediately preceding financial year.
- (l) The company has not taken any loans from banks or financial institutions nor issued any debentures. Therefore, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (m) According to the information and explanations given to us, during the year, the company has not given any guarantees in favour of banks or financial institutions for loans taken by others. Therefore, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (n) The company has not raised any term loans during the year. Therefore, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (o) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **Vishnu Ram & Co.**
Chartered Accountants
Firm Registration No. 004742S

(S. Vishnumurthy)
Proprietor
Membership No. 22715

Place : Mumbai
Date : May 29, 2015

	Note No.	As at 31-03-2015 ₹	As at 31-03-2014 ₹
I. Equity and Liabilities			
1. Shareholders' Funds			
a. Share Capital	2	139,922,580	139,922,580
b. Reserves and Surplus	3	393,378,243	338,798,307
2. Non-current liabilities			
a. Long term borrowings	4	-	500,000,000
b. Other long term liabilities	5	-	1,041,147
3. Current Liabilities			
a. Short-term borrowings	6	200,000,000	200,000,000
b. Other Current Liabilities	7	601,009,980	4,897,556
c. Short term provision	8	13,240,106	13,240,106
		1,347,550,909	1,197,899,696
II. Assets			
1. Non-current Assets			
a. Non Current Investments	9	619,177,404	626,032,177
2. Current Assets			
a. Trade Receivables	10	17,988,061	14,330,386
b. Cash and Cash Equivalents	11	5,635,785	2,513,768
c. Short term Loans and Advances	12	632,929,702	552,658,872
d. Other Current Assets	13	71,819,957	2,364,493
		1,347,550,909	1,197,899,696
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES			
	1		

The accompanying notes are an integral part of the accounts.

As per our report of even date.

For Vishnu Ram & Co.,
Chartered Accountants
Firm Registration No.004742S

N. Srinivasan
Chairman
DIN :00004195

M.S. Reddy
Director
DIN : 0003521

Anil Pisharody
Director
DIN : 02500666

(S. Vishnumurthy)
Proprietor
Membership No. 22715

Tushita Aakar Patel
Director
DIN :07017591

Ritesh Shah
Company Secretary
ACS : A14037

Mumbai
29th May 2015

Statement of Profit and Loss for the year ended March 31, 2015

	Note No.	For the year ending 31-03-2015 ₹	For the year ending 31-03-2014 ₹
I. Revenue			
a. Revenue from operations	14	<u>140,885,782</u>	<u>128,588,029</u>
		140,885,782	128,588,029
II. Expenses			
a. Employee benefit expenses	15	5,173,322	3,412,463
b. Finance costs	16	140,083,922	124,756,228
c. Other expenses	17	5,553,899	3,692,036
d. Provision for doubtful advances	18	109,782,640	205,070,767
		<u>260,593,783</u>	<u>336,931,494</u>
III. Loss before Exceptional item		(119,708,001)	(208,343,465)
Exceptional item : Profit on sale of pledged shares		174,287,937	-
IV. Profit /(Loss) for the year		<u>54,579,936</u>	<u>(208,343,465)</u>
V. Earning per share (Face value of ₹ 10 each)			
a. Basic / Diluted earning per share (before exceptional item)		(8.56)	(14.89)
b. Basic / Diluted earning per share (after exceptional item)		3.90	(14.89)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES 1

The accompanying notes are an integral part of the accounts.

As per our report of even date.

For Vishnu Ram & Co.,
Chartered Accountants
Firm Registration No.004742S

N. Srinivasan
Chairman
DIN :00004195

M.S. Reddy
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(S. Vishnumurthy)
Proprietor
Membership No. 22715

Tushita Aakar Patel
Director
DIN :07017591

Ritesh Shah
Company Secretary
ACS : A14037

Mumbai
29th May 2015

Cash Flow Statement for the year ended March 31, 2015

	For the year ending 31.03.2015 ₹	For the year ending 31.03.2014 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	54,579,936	(208,343,465)
Adjustments for :		
Provision for doubtful advances	109,782,640	205,070,767
Provision made/(reversed) on loans and advances	-	(442,722)
Exceptional item (Profit and Sale of pledged shares)	<u>(174,287,937)</u>	-
Operating profit/(loss) before working capital changes	<u>(9,925,361)</u>	<u>(3,715,420)</u>
Adjustments for :		
(Increase)/Decrease in trade and other receivables/ other liabilities	(260,743,539)	8,887,056
Increase/(Decrease) in trade payables	<u>95,071,277</u>	<u>(7,705,855)</u>
	<u>(165,672,262)</u>	<u>1,181,201</u>
Cash generated from/(used in) operations	<u>(175,597,623)</u>	<u>(2,534,219)</u>
Direct taxes paid	<u>(2,423,070)</u>	<u>(10,332,244)</u>
Net cash used in operations	<u>(178,020,693)</u>	<u>(12,866,463)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Pledged Investment	<u>181,142,710</u>	-
Cash flow generated from investing activities	<u>181,142,710</u>	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net increase/(decrease) in cash and cash equivalents	<u>3,122,017</u>	<u>(12,866,463)</u>
Cash and cash equivalents at the beginning of the year	<u>2,513,768</u>	<u>15,380,231</u>
Closing Balance of Cash and cash equivalents	<u>5,635,785</u>	<u>2,513,768</u>
Cash and cash equivalents comprises of:		
Bank Deposit	-	-
Balance with banks	<u>5,635,785</u>	<u>2,513,768</u>
	<u>5,635,785</u>	<u>2,513,768</u>

As per our report of even date.

For Vishnu Ram & Co.,
Chartered Accountants
Firm Registration No.004742S

N. Srinivasan
Chairman
DIN :00004195

M.S. Reddy
Director
DIN : 0003521

Anil Pisharody
Director
DIN : 02500666

(S. Vishnumurthy)
Proprietor
Membership No. 22715

Tushita Aakar Patel
Director
DIN :07017591

Ritesh Shah
Company Secretary
ACS : A14037

Mumbai
29th May 2015

Nature of Company's Operations

In terms of a Composite Scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka, the investment business of McDowell & Company Limited (now known as United Spirits Limited), was demerged into McDowell India Spirits Limited (now known as McDowell Holdings Limited) with retrospective effect from the opening hours of April 1, 2005. As a part of the Scheme, the name of the Company was changed from McDowell India Spirits Limited to McDowell Holdings Limited.

The Company has obtained registration from the Reserve Bank of India, to carry on the business of a Non-Banking (Non Deposit accepting) Financial Company. Presently, the company is engaged in the business of investment and financing.

1. Significant accounting policies

i. Basis for preparation of financial statements:

The financial statements are prepared under the historical cost convention, having due regard to the fundamental accounting assumptions of going concern, consistency, accrual and in compliance with the mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006.

ii. Use of estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii. Investments:

Investments are stated at cost. Permanent decline in the value of long-term investments is recognized. Temporary declines in the value of long-term investments are ignored.

iv. Revenue recognition:

Revenues are generally recognized on accrual basis except where there is an uncertainty of ultimate realization.

- i. Dividend from investment in shares is recognized as and when the company's right to receive payment is established.
- ii. Security commission and interest income are recognized on accrual basis.

v. Provision and contingencies:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

vi. Tax expense:

Tax expense comprises of current tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

vii. Segmental reporting :

The operations of the company are divided into investment and financial services. Accordingly, the primary segment reporting comprises the performance under these segments.

viii. Employee Benefit :

a. Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognized as expenses during the period in which the employees perform the services that the payment covers.

	As at 31-03-2015 ₹	As at 31-03-2014 ₹
2. Share Capital		
Authorised		
15,000,000 Equity shares of ₹ 10 each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, Subscribed and Paid-up		
13,992,258 (2014: 13,992,258) Equity shares of ₹ 10 each fully paid up	139,922,580	139,922,580
	139,922,580	139,922,580

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	No. of Shares	₹ 31-03-2015	No. of Shares	₹ 31-03-2014
As at the beginning of the period	13,992,258	139,922,580	13,992,258	139,922,580
Issued during the year.	-	-	-	-
Outstanding at the end of the period	13,992,258	139,922,580	13,992,258	139,922,580

b. Terms and rights attached to equity shares

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. The rights of shareholder is governed by the Articles of Association of the Company and the Companies Act, 2013.

c. Details of shareholders holding more than 5% shares in the company

	31-03-2015		31-03-2014	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 10 each fully paid				
Kingfisher Finvest India Limited	2,027,707	14.49%	2,027,707	14.49%
Acacia Partners LP	776,269	5.55%	776,269	5.55%
SBIMF - Magnum Sector Funds				
Umbrella- Emerging Business Fund	1,287,340	9.20%	1,287,340	9.20%
Barca Global Master Fund LP	1,341,909	9.59%	795,535	5.69%

	As at 31-03-2015 ₹	As at 31-03-2014 ₹
3. Reserves and Surplus		
General Reserve		
As per last Balance Sheet	314,815,495	314,815,495
Statutory Reserve		
As per last Balance Sheet	17,330,746	17,330,746
Add: Addition during the year	<u>10,915,987</u>	<u>-</u>
	28,246,733	17,330,746
Securities Premium Account		
As per last Balance Sheet	156,649,203	156,649,203
Surplus/(deficit) as per statement of Profit and Loss		
As per last Balance Sheet	(149,997,136)	58,346,328
Profit /(loss) for the year	<u>54,579,936</u>	<u>(208,343,465)</u>
	(95,417,200)	(149,997,137)
Appropriations		
Transfer to Statutory Reserve	<u>10,915,987</u>	<u>-</u>
	<u>(106,333,188)</u>	<u>(149,997,137)</u>
	<u>393,378,243</u>	<u>338,798,307</u>
4. Long Term Borrowings		
Secured		
From others	500,000,000	500,000,000
Less: Current maturities of long term borrowings	<u>500,000,000</u>	<u>-</u>
	<u>-</u>	<u>500,000,000</u>

Nature of security and terms of repayment for secured borrowings

Nature of security

Loan from ECL Finance Limited amounting to ₹ 500 Million (Previous Year ₹ 500 million) is secured by the pledge of 27,36,000 Shares of United Breweries Limited.

Terms of repayment

Repayable on March 30th 2016; Rate of interest @ 19.02% p.a

	As at 31-03-2015 ₹	As at 31-03-2014 ₹
5. Other long term liabilities		
Interest accrued but not due	-	1,041,147
	-	1,041,147
6. Short Term Borrowings		
Unsecured		
Inter Corporate Deposit	200,000,000	200,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
Nature of security and terms of repayment for unsecured borrowings		
Intercompany deposit of ₹ 200 Million (Previous Year ₹ 200 million)		Repayable on June 30th 2015; Rate of interest @ 18% p.a
7. Other Current Liabilities		
Interest accrued and due	2,751,781	-
Interest accrued but not due	94,716,676	-
Employee payables	315,162	327,815
TDS payable	1,369,340	1,904,537
Professional tax payable	400	400
Provision for standard assets	1,272,000	1,272,000
Audit fees payable	175,000	179,130
Service tax payable	-	1,201,528
Other liabilities	409,621	12,145
Current maturities of long term borrowings	500,000,000	-
	<u>601,009,980</u>	<u>4,897,555</u>
8. Short term provision		
Provision for tax	13,240,106	13,240,106
	<u>13,240,106</u>	<u>13,240,106</u>

	No. of shares	Face value	As at 31-03-2015 ₹	No. of shares	Face value	As at 31-03-2014 ₹
9. Non-current Investments						
Trade investments						
Quoted						
Fully paid Equity shares						
Mangalore Chemicals & Fertilizes Limited	5,826,828	10	29,308,945	5,826,828	10	29,308,945
UB Engineering Limited *	452,243	10	18,996,712	452,243	10	18,996,712
United Breweries (Holdings) Limited	5,260,002	10	284,013,853	5,260,002	10	284,013,853
United Breweries Limited	10,457,344	1	286,730,894	10,707,344	1	293,585,667
			619,050,404			625,905,177
* Trading is suspended temporarily						
Non-Trade Other Investments						
Unquoted						
U.B. Electronics Instruments Limited	1,991	100	127,000	1,991	100	127,000
Total Investments			619,177,404			626,032,177
Aggregate value of :						
Quoted Investments:			619,050,404			625,905,177
Un quoted Investments::			127,000			127,000
Market value quoted Investments			11,095,209,546			9,292,432,255

Note :

87,86,000 shares of United Breweries Limited are under pledge to secure the borrowing availed by the Company as well as Group Companies. The carrying cost of such investments is ₹ 240.90 million and the market value is ₹ 8,807.97 million.

MOVEMENTS IN SHAREHOLDING DURING THE YEAR

PARTICULARS	No. of Shares	Cost ₹
SALES DURING THE YEAR		
United Breweries Limited	250,000	6,854,773
Total		6,854,773

	As at 31-03-2015 ₹	As at 31-03-2014 ₹
10. Trade Receivables		
(Unsecured, considered good unless stated otherwise)		
Outstanding for more than six months	828,383	4,430,891
Others: Considered Good	<u>17,159,678</u>	<u>9,899,495</u>
	<u>17,988,061</u>	<u>14,330,386</u>
11. Cash and Cash Equivalents		
Balances with Banks:		
In Current accounts with scheduled bank	<u>5,635,785</u>	<u>2,513,768</u>
	<u>5,635,785</u>	<u>2,513,768</u>
12. Short Term Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Loan and Advances	618,582,640	713,870,767
Interest accrued and due on loan	93,385,670	16,037,670
Advance tax & tax deducted at source	29,891,112	27,468,042
Staff deposits	<u>852,920</u>	<u>353,160</u>
	<u>742,712,342</u>	<u>757,729,639</u>
Provision for doubtful loans and advances	<u>109,782,640</u>	<u>205,070,767</u>
	<u>632,929,702</u>	<u>552,658,872</u>
13. Other Current Assets		
Balance with statutory authorities	186,947	-
Prepaid insurance	272,940	-
Other receivables	<u>71,360,070</u>	<u>2,364,493</u>
	<u>71,819,957</u>	<u>2,364,493</u>
14. Revenue from operations		
Dividends	16,403,804	14,487,335
Commission	15,982,266	19,721,093
[Tax deducted at source 2015 : ₹ 19,02,545 (2014 : ₹14,14,770)]		
Interest	108,120,000	94,340,470
[Tax deducted at source 2015 : ₹ 1,08,12,000 (2014 : ₹ 94,34,047)]		
Other income	<u>379,712</u>	<u>39,131</u>
	<u>140,885,782</u>	<u>128,588,029</u>

	As at 31-03-2015 ₹	As at 31-03-2014 ₹
15. Employee benefit expenses		
Salaries	4,771,859	3,143,635
Contribution to provident & Superannuation fund	401,463	268,828
	<u>5,173,322</u>	<u>3,412,463</u>
16. Finance costs		
Interest on loan /Inter Corporate Deposits	140,083,922	124,756,228
	<u>140,083,922</u>	<u>124,756,228</u>
17. Other expenses		
Travel and communication expenses	1,194,223	772,512
Secretarial expenses	599,725	630,128
Printing & stationery expenses	21,634	690,964
Provision reversed on reclassification of loans and advance	-	(442,722)
Insurance	24,814	314,608
Director's sitting fees	670,000	140,000
Auditor's remuneration	185,000	185,000
Donation	-	10,000
Advertising expenses	485,401	359,576
Depository and listing fees	961,251	820,638
Professional charges	1,055,211	53,765
Filing fees	38,550	30,494
Interest on TDS	194,729	51,689
Bad advance written off	20,50,70,767	
Less : Provision withdrawn	<u>(20,50,70,767)</u>	-
Miscellaneous expenses	123,361	75,384
	<u>5,553,899</u>	<u>3,692,036</u>
18. Provisions		
Provision for doubtful advances	109,782,640	205,070,767
	<u>109,782,640</u>	<u>205,070,767</u>

19. The company has provided corporate guarantee, pledge besides cash margins retained by the bank all totaling to ₹ 330.17 crore in favour of a lender to secure the borrowings of certain group companies. Of the cash margin amounting to ₹ 18.11 crore, the lender has appropriated a sum of ₹ 10.98 crore, for the dues of one of the borrowers. The Board of Directors has reviewed and carried out a critical appraisal of the amount recoverable from the borrower entity and, taking into consideration its financial ability to repay and, as a matter of prudence, has provided for the entire amount of ₹ 10.98 crore due from this entity.

Although the said lender has also invoked the corporate guarantee and pledge of securities and demanded repayment of loans amounting to ₹ 312.06 crore, the borrowers are in negotiation with lender and are regular in servicing their respective obligations. Hence, the company continues to treat its obligations as contingent.

20. The company's net worth, taking into account the market value of investments, would be more than adequate to meet all its liabilities and continue to operate in the future. Accordingly, the accounts of the company are presented on principles applicable to a going concern.
21. An amount of ₹ 61.64 crores (including interest) is due from a Group company, which has substantial marketable assets, in view of which no provision is considered necessary at this time.
22. The Company is registered with Reserve Bank of India as a Non-Banking (no deposit accepting) Financial Company. Certain regulatory requirements prescribed by the Reserve Bank of India under 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.
23. The position of Managing Director fell vacant on 12th May 2014 and efforts are being made to identify a successor. The Company presently does not have any Managerial Personnel namely Managing Director and Chief Financial Officer.
24. Decline in the carrying value of long term investments of ₹ 30.30 crores, is considered temporary, having regard to the strategic nature of such investments.
25. There is no income tax liability on the profits of the year, taking into account the exempted profit on sale of securities. Further, having regard to the adjustments required to be made to the book profit in respect of write off of certain advances against the provision made for such advances, there would also not be any liability on account of Minimum Alternate Tax.
26. Estimated amount of contracts remaining to be executed on capital account and not provided for is Nil (Previous year ₹ Nil).

27. Remuneration to Auditors :

	2014-15	2013-14
Statutory Audit	125,000	125,000
Limited Review & Certification of Corporate Governance	50,000	50,000
Certification Fees	10,000	10,000
Total	185,000	185,000

28. Figures for the previous year have been regrouped /reclassified where ever necessary.
29. Figures in the Balance Sheet, Statement of Profit and Loss and Schedules have been rounded off to the nearest rupee.

30. Segmental reporting:

Segment-wise business performance for the year ended March 31, 2015 is as follows:

Primary Segment Information

1. Segment Revenue

	31.03.2015	31.03.2014
	(₹)	(₹)
Investments	16,403,804	14,487,335
Financial Services	124,481,978	114,100,694
Total Revenue	140,885,782	128,588,029

2. Segment Results

Investments	11,040,194	10,713,725
Financial Services	(20,965,555)	(13,986,423)
Total result	(9,925,361)	(3,272,698)
Add: Provision for doubtful loans and advances	109,782,640	205,070,767
Exceptional item : Profit on sale of pledged shares	174,287,937	Nil
Profit / (loss) before tax	54,579,936	(208,343,465)

Other information	31.03.2015		31.03.2014	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Investments	619,177,404	Nil	626,032,177	Nil
Financial services	728,373,505	814,250,086	571,867,519	719,178,808

Notes:

1. Income under the segment 'investments' represents dividends received and profit on sale of investments.
2. Segment results represent profit / (loss) before tax and provision for doubtful loans & advances.
3. Segment assets include Non- Current Assets and Current Assets.
4. Segment liabilities include Non-Current Liabilities and Current Liabilities.

31. Deferred tax

Particulars	2014-15	2013-14
Deferred Tax Asset in respect of :		
Allowance for carried forward losses	12,340,443	48,71,146
Total	12,340,443 *	48,71,146*

Note: * In the absence of virtual certainty supported by convincing evidence that future taxable income will be available, deferred tax asset has not been recognized.

Notes to the financial statements for the year ended March 31, 2015



32. Related Party disclosures as required as per Accounting Standard (AS-18) are as below:

United Breweries (Holdings) Limited

The following are the transaction during the period with the related party:

Company	Particulars	FY 2014-15	FY 2013-14
United Breweries (Holdings) Limited	Opening Balance	52,74,98,089	49,59,68,253
	Loan given	-	53,92,18,000
	Loan repaid	-	51,12,36,000
	Interest income	10,81,20,000	8,49,06,421
	Interest income received	1,99,60,000	8,40,19,004
	Security Commission income	1,24,99,991	1,25,68,492
	Security Commission received	-	1,00,00,000
	Finance (including loans in cash or in kind paid)	3,12,379	91,927
	Finance (including loans in cash or in kind received)	1,20,61,999	-
	Balance outstanding	61,64,08,460	52,74,98,089
	Guarantee Given	2,500 Million	2,500 Million

33. The Company has adopted Accounting Standard – 20, “Earning Per Share” for calculation of EPS and the disclosures in this regard are as given below:

Earnings per share (before exceptional items)	2014-15	2013-14
Loss before exceptional items	(119,708,001)	(208,343,465)
Number of equity shares	13,992,258	13,992,258
Earnings per share (Basic)/ (Diluted) - in ₹	(8.56)	(14.89)
Earnings per share (after exceptional items)	2014-15	2013-14
Profit / (Loss) after exceptional items and tax	54,579,936	(208,343,465)
Number of equity shares	13,992,258	13,992,258
Earnings per share (Basic)/ (Diluted) - in ₹	3.90	(14.89)

As per our report of even date.

For Vishnu Ram & Co.,
Chartered Accountants
Firm Registration No.004742S

N. Srinivasan
Chairman
DIN :00004195

M.S. Reddy
Director
DIN : 0003521

Anil Pisharody
Director
DIN : 02500666

(S. Vishnumurthy)
Proprietor
Membership No. 22715

Tushita Aakar Patel
Director
DIN :07017591

Ritesh Shah
Company Secretary
ACS : A14037

Mumbai
29th May 2015

Schedule to Balance Sheet

Particulars		Amount outstanding
2.	<u>Unquoted:</u> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)	Nil Nil Nil Nil Nil Nil
Long Term investments :		
1.	<u>Quoted:</u> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)	6190.50 Nil Nil Nil Nil Nil
2.	<u>Unquoted:</u> (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)	1.27 Nil Nil Nil Nil Nil
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above:	
	Please see Note 2 below	
	Category	Amount net of provisions
		Secured Unsecured Total
1.	Related Parties** (a) Subsidiaries (b) Companies in the same group (c) Other related parties	Nil 5088.00 Nil
2.	Other than related parties	Nil
	Total	5088.00
(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	
	Please see note 3 below	
1.	Related Parties** (a) Subsidiaries (b) Companies in the same group (c) Other related parties	Nil 6190.50 Nil
2.	Other than related parties	Nil
	Total	6190.50
	** As per Accounting Standard of ICAI (please see Note 3)	

Particulars		Amount outstanding
(7)	Other Information	
	(i) Gross Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	Nil
	(ii) Net Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	Nil
	(iii) Assets acquired in satisfaction of debt	Nil

Notes:

- As defined in paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

Schedule to Balance Sheet

Additional Disclosures by a Systemically Important Non-Deposit taking Non-Banking Financial Company as required by Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1) Capital to Risk Assets Ratio (CRAR)

Sr. No.	Particulars	Current Year	Previous Year
1.	CRAR (%)	(24.51)	(24.81)
2.	CRAR – Tier I Capital (%)	(24.51)	(24.81)
3.	CRAR – Tier II Capital (%)	Nil	Nil

2) Exposure to Real Estate Sector

Sr. No.	Category	Current Year	Previous Year
A.	DIRECT EXPOSURE		
	(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans up to Rs.15 lacs may be shown separately)	Nil	Nil
	(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises., multi-family building, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits	Nil	Nil
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – a) Residential b) Commercial Real Estate	Nil Nil	Nil Nil
B.	INDIRECT EXPOSURE		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil

3) Maturity pattern of certain items of assets and liabilities

	1 day to one month (30/31 days)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 Years	TOTAL
Liabilities									
Borrowings from Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Market Borrowings	Nil	Nil	Nil	2000.00	5000.00	Nil	Nil	Nil	Nil
Assets									
Advances (net of NPAs)	Nil	Nil	Nil	Nil	Nil	5088.00	Nil	Nil	Nil
Investments (net of Provisions)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For and behalf of the Board of Directors

N. Srinivasan

Chairman
DIN : 00004195

Tushita Aakar Patel

Director
DIN : 07017591

M.S. Reddy

Director
DIN : 0003521

Ritesh Shah

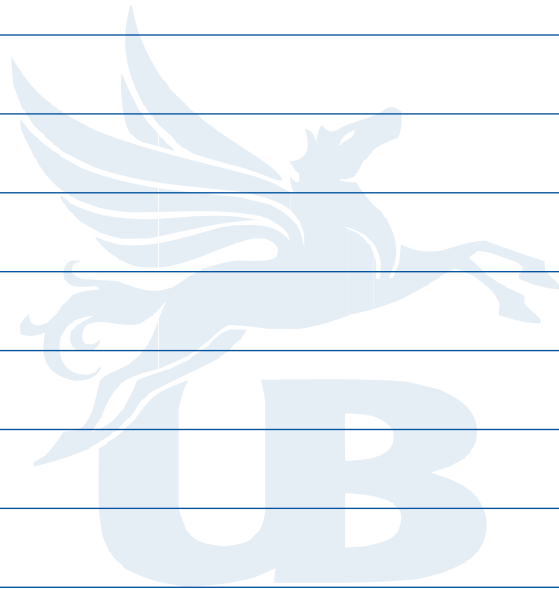
Company Secretary
ACS : A14037

Anil Pisharody

Director
DIN : 02500666

Mumbai
29th May 2015

NOTES





McDowell Holdings Limited

CIN: L05190KA2004PLC033485


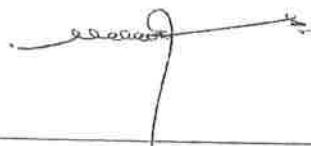
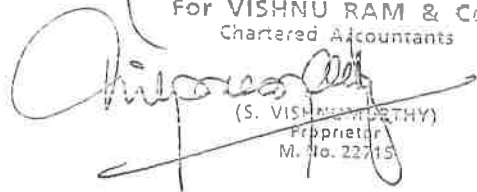
Registered Office: UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore – 560 001

E-mail: mhlinvestor@ubmail.com , Website: www.mcdowellholdings.in

Tel. : +91 80 3985 6500 Fax : +91 80 2227 4890

FORM B

1.	Name of the Company	McDowell Holdings Limited
2.	Annual Financial Statements for the year ended	March 31, 2015
3.	Type of Audit observation	Qualified Opinion
4.	Frequency of Audit qualification	Audit qualification in Clause 4 (a) to (c) are repetitive since 2013-14 and Clause 4 (d) is appearing for the first time.
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	<p><u>Gist of qualifications:</u></p> <p>a. A beneficiary of the company's corporate guarantee and pledge of shares who had extended loans to certain group companies has demanded repayment of such loans amounting to Rs. 312.06 crore for defaults by the borrowers and has invoked the guarantee extended and exercised the pledge on the shares provided by the company. The borrowers are in negotiation with the lender for restoration of the credit facilities and on that basis the company continues to disclose its exposure as contingent liability. The appropriateness of such disclosure instead of recognizing it in the accounts would depend upon the lender restoring the facilities that have been withdrawn. (Ref note no. 19).</p> <p>b. The company has prepared its financial statements on "Going Concern" basis for the reasons mentioned in note no. 20. The appropriateness of such basis would depend upon the lender agreeing to restore the credit facilities (as mentioned in note 19) and granting sufficient time to the borrowers for repayment of the dues.</p> <p>c. The company has treated a sum of Rs 61.64 crores due from one of the group companies which is a defendant in several litigations, including winding up petitions, as good and recoverable (Ref note no. 21). The appropriateness of such treatment would depend upon such group company being able to defend the litigations and the winding up petitions, successfully.</p> <p>d. The company carries investments in certain group companies. The carrying value of such investments is Rs. 30.30 crores. There are significant declines in the carrying value of these investments but the company has not quantified and provided for such declines. Had the company provided for such decline, the profit stated in the Statement of Profit and Loss would have been lower by such amount and the carrying value of those investments shown in the Balance Sheet would have been lower by an equal amount (refer note 24).</p> <p>Management Response:</p> <p>The management response against each of the qualifications mentioned in Clause 4 (a) to Clause 4 (d) above has been adequately mentioned in the respective Notes to Accounts.</p>
	Additional comments from the Board / Audit Committee	Please refer to the Report of the Directors

	Additional comments from the Board / Audit Committee Chairman	Please refer to the Report of the Directors
5.	To be signed by:	
	• Director*	
	• Audit Committee Chairman	
	• Auditor of the Company	 For VISHNU RAM & Co., Chartered Accountants (S. VISHWANATHY) Proprietor M. No. 22715
	Refer our Audit Report dated 29 th May, 2015 on the financial statement of the Company attached.	

*The Managing Director of the Company has resigned and the replacement is not yet identified.