McDOWELL HOLDINGS LIMITED

Date: 22-05-2018

The Asst. Vice President
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block – G
Bandra-Kurla Complex, Bandra (East)
Mumbai-400051
NSE Symbol: MCDHOLDING

Ref: Letter NO: NSE/LIST/FR/5821 dated 21st May,2018.

Sub: resubmission of Statement on Impact of Audit Qualification for the financial year ended 31st March, 2018.

Dear Sir,

In reference to your letter no. NSE/LIST/FR/5821 dated 21st May,2018, we would like to submit the following;

1. Pursuant to the provisions under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at its meeting held on 17th May, 2018 have approved the Audited Financial Results of the Company together with notes to the financial statement for the quarter and year ended 31st March, 2018 and took on record the Audit Reports of the Statutory Auditors there on.

2. A copy of Audited Financial Results of the Company for the quarter and year ended 31st March, 2018 together with notes on financial statement and Audit Reports of the Statutory Auditors were submitted with the Exchange on 17th May, 2018.

3. The Auditors have issued their Report with modified (qualified) opinion on the Financial Statements for the year ended March 31, 2018. Statement on impact of audit qualification for the year ended 31st March, 2018 was submitted on 17th May, 2018 along with the Audited financial results in Quick Results.

4. Since the Company does not have a CEO/MD, the Statement on Impact of Audit Qualification for the year ended 31st March, 2018 was signed by the Chairman of the Audit Committee, all other Directors of the Company, Chief Financial Officer and the statutory auditors of the Company.

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5. We regret that the Statement on Impact of Audit Qualification submitted on 17th May, 2018 did not contain the signature of the CFO. Accordingly we resubmit Statement on Impact of Audit Qualification for the financial year ended 31st March, 2018 duly signed by the Chairman of the Audit Committee, all other Directors of the Company, Chief Financial Officer and the Statutory Auditors of the Company.

You are kindly request to take the same on record.

Thanking You

Yours Faithfully

For **McDowell Holdings Limited**

Manoj Kumar
DGM-Legal & Company Secretary

Encl: as above

McDowell Holdings Limited

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

ANNEXURE - I

Amounts in Rs. Lakhs

Statement on Impact of Audit Qualification for the Year Ended March 31, 2018

[see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl.No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjustment for Audit Qualifications	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	103.96	-	104
	2	Total Expenditure *	264.71	1,239	1,504
	3	Exceptional item	-	-	-
	4	Net Profit / (Loss)	(160.74)	(1,239)	(1,400)
	5	Earnings Per Share		-	
		a. Basic / Diluted earning per share (before exceptional item)	(1.15)	-	(15.25)
		b. Basic / Diluted earning per share (after exceptional item)	(1.15)	-	(10.01)
	6	Total Assets	3,414	(1,239)	2,174
	7	Total Liabilities	2,495	-	2,495
	8	Net Worth	919	(1,239)	(321)
	9	Any other financial item(s) (as felt appropriate by the management)			
		* Expenditure includes the following :			
		a. Provision for doubtful advances and receivables	-	-	-
		b. Advances no longer recoverable	-	-	-

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

i. The Company's income streams are not sufficient to meet its recurring financial obligations. The Company has defaulted in repaying the inter-corporate deposits taken by it. These factors have adversely affected the going concern assumptions used in the preparation of financial statements.

ii. United Breweries (Holdings) Limited, (UBHL) in which the company holds 52,60,002 shares with a carrying value of 10.49 crores has been ordered to be wound up pursuant to an order dated 07-02-2017 of the Honourable High Court of Karnataka. The decline, other than temporary, in the value of such investments as a result of this development has not been quantified and provided for in the accounts

iii. UB Engineering Limited in which company holds 4,52,243 shares with a book value of Rs. 1.90 crores has been ordered for liquidation pursuant to an order dated 05-12-2017 of the Honourable National Company Law Tribunal (NCLT), Mumbai. The decline, other than temporary, in the value of such investments as a result of this development has not been quantified and provided for, in the accounts

b. Type of Audit Qualification : **All three are Qualified Opinion**

c. Frequency of qualification :

1. Point a (i) - Repetitive since FY 2013-14
2. Point a (ii) - Repetitive since FY 2016-17
3. Point a (iii) - First time FY 2017-18

d. For Audit Qualification(s) where the Impact is quantified by the auditor, Management's views:

Management View:

For Qualification a (ii) above : The Company is yet to assess the impact of the winding up order.
For Qualification a (iii) above : The Company is yet to assess the impact of the winding up order.

e. For Audit Qualification(s) where the Impact is not quantified by the auditor: -

(i) Management's estimation on the Impact of audit qualification:

For Qualification (i) above : Not ascertained

(ii) If management is unable to estimate the Impact, reasons for the same: - Not Applicable

(iii) Auditors' Comments on (i) or (ii) above:

McDOWELL HOLDINGS LIMITED BANGALORE

III. Signatories:

- Audit Committee Chairman :
  M S Kapur
- Director
  Nitin Kochhar
- Director :
  Tushita Patel
- Statutory Auditor:
  Vishwas Shetty T
  Partner, B V C & Co.

Place : Bengaluru
Date : May 17, 2018

Chief Financial Officer :
Arindam Ash

BVC & CO. Bangalore Chartered Accountants

MCDOWELL HOLDINGS LTD. BANGALORE