McLEOD RUSSEL
Believe in tea

29th June 2019

The Secretary
Bombay Stock Exchange Ltd
P.J. Towers, 25th Floor
Dalal Street,
MUMBAI –400 001
Scrip Code:532654

The Secretary
National Stock Exchange
of India Ltd, Listing Dept.
Exchange Plaza, 5th Fl.
Plot No.C/1, G-Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400 051
Scrip Code:MCLEODRUSS

The Secretary
The Calcutta Stock -
Exchange Ltd
7, Lyons Range
KOLKATA 700001
Scrip Code:10023930

Dear Sir,

OUTCOME OF BOARD MEETING HELD ON 29.06.2019
APPROVAL OF AUDITED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

Further to our letters dated 13th June 2019 and 20th June 2019 we would like to inform you that at the Meeting held today, the Board of Directors of McLeod Russel India Ltd (the "Company") has arrived at the following decisions :-

a) Approved the Financial Results of the Company for the Quarter ended 31st March 2019 and Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2019.

b) The Board of Directors did not recommend any Dividend for the Financial Year ended 31st March 2019.

We now send herewith the following:

i. Audited Standalone and Consolidated Financial Results in the prescribed format duly signed by the Wholetime Director & CFO of the Company.

ii. A copy each of the Report of the Auditors on Standalone and Consolidated Financial Statements respectively.

iii. A statement on impact of Audit Qualification in terms of Regulation 33 (3) (d) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 in the format prescribed by SEBI.

Please acknowledge receipt.

Yours faithfully,
McLEOD RUSSEL INDIA LIMITED

Debanjan Sarkar

DEBANJAN SARKAR
(COMPANY SECRETARY & COMPLIANCE OFFICER)

Encl : as above.

Registered Office :
McLEOD RUSSEL INDIA LIMITED
Corporate Identity Number (CIN) : L51109WB1998PLC087076
FOUR MANGOE LANE, SURENDRA MOHAN GHOSH SARANI, KOLKATA - 700 001
TELEPHONE : 033-2210-1221, 2248-9434 / 35, FAX : 91-33-2248-8114 / 6265
E-mail : administrator@mcleodrussel.com Website : www.mcleodrussel.com
WM *A Williamson Magor Group Enterprise*

McLEOD RUSSEL INDIA LIMITED
Registered Office: 4, Mangoe Lane, Kolkata - 700001
Web : www.mcleodrussel.com, Email id : administrator@mcleodrussel.com, Phone no: 033-2210-1221
Fax no : 033-2248-3683
CIN : L51109WB1998PLC087076

STATEMENT OF FINANCIAL RESULTS FOR THE THREE MONTHS AND TWELVE MONTHS ENDED 31ST MARCH, 2019

Rs. Lakhs except for EPS

Particulars	Standalone			Standalone		Consolidated	
	Quarter ended			Financial year ended		Financial year ended	
	31st March 2019 (Refer Note 13)	31st December 2018	31st March 2018 (Refer Note 13)	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1 Revenue from Operations	17568	46522	37791	130992	159634	171966	205529
2 Other Income (Refer Note 7)	14114	5162	15246	31539	32285	24057	39183
Total Income (1 + 2)	**31682**	**51684**	**53037**	**162531**	**191919**	**196023**	**244712**
3 Expenses							
a) Cost of Materials Consumed (Refer Note 6)	322	2313	568	15887	18780	26766	28884
b) Purchase of Tea	-	-	-	-	-	4970	4627
c) Changes in inventories of finished goods and stock-in-trade	16621	18082	34131	(461)	1447	(1730)	527
d) Employee Benefits Expense	15184	15982	19015	74542	83653	81995	90675
e) Finance Costs	18583	4827	4926	32665	17093	33757	18037
f) Depreciation and Amortisation Expenses	1540	1726	2129	6922	8268	8412	10222
g) Other Expenses (Refer Note 11)	16755	8667	10863	51017	54355	64725	66585
Total Expenses	**69005**	**51597**	**71632**	**180572**	**183596**	**218895**	**219557**
4 Profit/(Loss) before Exceptional Items and Tax (1+2-3)	**(37323)**	**87**	**(18595)**	**(18041)**	**8323**	**(22872)**	**25155**
5 Exceptional Item [Refer Note 8(a) and Note 10]	**3372**	-	-	**18041**	-	**28941**	-
6 Profit/(Loss) before Tax (4+5)	**(33951)**	**87**	**(18595)**	-	**8323**	**6069**	**25155**
7 Tax Expense							
a) Current Tax	(6204)	(1953)	(1648)	710	4391	2137	6070
b) Provisions for tax relating to earlier years written back (net)	(3974)	-	-	(3974)	-	(3974)	-
c) Deferred Tax	8072	(3319)	(2738)	3705	(2794)	4024	(2831)
8 Profit/(Loss) for the period (6-7)	**(31845)**	**5359**	**(14209)**	**(441)**	**6726**	**3882**	**21916**
9 Other Comprehensive Income							
A i) Items that will not be reclassified to profit or loss							
Remeasurements of post-employment defined benefit plans	2152	(1302)	(2936)	(660)	(3046)	(747)	(3135)
Change in Fair Value of Equity instruments through other comprehensive income	(315)	(921)	(1614)	(5372)	2385	(5372)	2385
ii) Income Tax relating to items that will not be reclassified to profit or loss	(688)	416	938	211	973	237	973
B Items that will be reclassified to profit or loss							
Exchange differences on translation of foreign operations	-	-	-	-	-	(5264)	(1143)
Total Other Comprehensive Income/(Loss)	**1149**	**(1807)**	**(3612)**	**(5821)**	**312**	**(11146)**	**(920)**
10 Total Comprehensive Income/(Loss) for the period (8+9)	**(30696)**	**3552**	**(17821)**	**(6262)**	**7038**	**(7264)**	**20996**
11 Profit/(Loss) for the period attributable to :							
Owners' of the Parent Company	-	-	-	-	-	3185	20792
Non-controlling interests	-	-	-	-	-	697	1124
12 Other Comprehensive Income/(Loss) for the period attributable to :							
Owners' of the Parent Company	-	-	-	-	-	(11146)	(456)
Non-controlling interests	-	-	-	-	-	-	(464)
13 Total Comprehensive Income for the period attributable to :							
Owners' of the Parent Company	-	-	-	-	-	(7961)	20336
Non-controlling interests	-	-	-	-	-	697	660
14 Earnings per Share (Rs.) (not annualised)							
Basic and Diluted	**(29.87)**	**5.09**	**(12.98)**	**(0.41)**	**6.15**	**3.56**	**24.25**
15 Paid-up Equity Share Capital : Face Value : Rs. 5/- per share [Refer Note 3]	**5223**	**5223**	**5473**	**5223**	**5473**	**4369**	**4619**
16 Reserves excluding Revaluation Reserve	**-**	**-**	**-**	**129737**	**141752**	**164615**	**178243**

Deloitte Haskins & Sells LLP Chartered Accountants

McLeod Russel Limited Kolkata

Balance Sheet as at 31st March, 2019

Rs. Lakhs

	Standalone		Consolidated	
	Financial year ended		Financial year ended	
	2019 (Audited)	2018 (Audited)	2019 (Audited)	2018 (Audited)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	107430	158875	125921	179084
Capital Work-in-Progress	4745	9476	8943	10652
Goodwill	-	-	19747	30732
Other Intangible Assets	1467	1755	1849	2205
Financial Assets				
Investments				
- Investment in Subsidiary and Associate	22937	22937	5909	-
- Other Investments	4238	9610	4238	9610
Loans [Refer Note 11]	174468	-	174470	2
Other Financial Assets	10296	3399	10296	3399
Other Non-Current Assets	10269	4439	10341	4572
Sub-total - Non-Current Assets	335850	210491	361714	240256
Current Assets				
Inventories	9352	12473	22610	23361
Biological Assets other than bearer plants	454	516	568	683
Financial Assets				
Trade Receivables	2565	9898	3950	12600
Cash and Cash Equivalents	30658	255	34614	6952
Other Bank Balances	1067	352	1067	1005
Loans	13	64632	14	64693
Other Financial Assets	813	16814	2155	17129
Current Tax Assets (Net)	7007	7257	8270	8451
Other Current Assets	6974	7541	8257	9153
Sub-total - Current Assets	58903	119738	81505	144027
Non-Current Assets held for sale [Refer Note 8(b)]	12719	-	12719	-
TOTAL ASSETS	**407472**	**330229**	**455938**	**384283**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital [Refer Note 3]	5223	5473	4369	4619
Other Equity	162174	175625	197053	212117
Equity attributable to Owners' of the Parent Company	167397	181098	201422	216736
Non-controlling interests	-	-	-	2337
	167397	181098	201422	219073
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	15812	34941	22270	40790
Provisions				
Employee Benefit Obligations	4073	5088	4601	5506
Deferred Tax Liabilities (Net)	17189	13680	19020	15166
Other Non-Current Liabilities	532	534	532	534
Sub-total - Non-Current Liabilities	37606	54243	46423	61996
Current Liabilities				
Financial Liabilities				
Borrowings	134213	49323	142579	52286
Trade Payables				
(a) Total outstanding dues of Micro and Small Enterprises	-	-	-	-
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	15675	10625	17538	12661
Other Financial Liabilities	32490	26566	35950	29167
Other Current Liabilities	16230	623	8089	870
Provisions				
Employee Benefit Obligations	1304	3122	1312	3400
Other Provisions	861	345	861	345
Current Tax Liabilities (Net)	1696	4284	1764	4485
Sub-total - Current Liabilities	202469	94888	208093	103214
TOTAL LIABILITIES	**240075**	**149131**	**254516**	**165210**
TOTAL - EQUITY AND LIABILITIES	**407472**	**330229**	**455938**	**384283**

Deloitte Haskins & Sells LLP Chartered Accountants

McLEOD RUSSEL INDIA LIMITED Kolkata

SEGMENT WISE REVENUE, RESULTS , ASSETS AND LIABILITIES

Rs. Lakhs

	Standalone Financial year ended 31st March		Consolidated Financial year ended 31st March	
	2019	2018	2019	2018
	Audited	Audited	Audited	Audited
Segment Revenue				
India			130673	159387
Vietnam			7623	6836
Uganda			18135	21109
Rwanda			9381	11831
UK			172	235
Others			5982	6131
Total			**171966**	**205529**
Segment Results				
India			(8059)	(7906)
Vietnam			(1374)	(1350)
Uganda			2291	7229
Rwanda			3664	5161
UK			8665	21028
Others			882	993
Total Profit before Tax	Refer Note 5		**6069**	**25155**
Segment Assets				
India			384345	307235
Vietnam			13352	11858
Uganda			27938	19836
Rwanda			41	10148
UK			27667	33022
Others			2595	2184
Total			**455938**	**384283**
Segment Liabilities				
India			231004	148757
Vietnam			4480	3075
Uganda			10587	3955
Rwanda			127	822
UK			7869	8297
Others			449	304
Total			**254516**	**165210**

Deloitte Haskins & Sells LLP Chartered Accountants

McLEOD RUSSEL INDIA LIMITED Kolkata

Notes :

1 The above results for the three months and twelve months ended 31st March, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 29th June, 2019.

2 These Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules.

3 In the consolidated statement of financial results, the face value of the Company's shares held by a Trust for benefit of the Company's wholly owned subsidiary has been deducted from the Share Capital of the Company.

4 Due to inadequacy of profits, the Board of Directors has not recommended any dividend for the financial year ended 31st March, 2019.

5 Segments have been identified in line with the Ind AS 108- Operating Segments, taking into account the different political and economic environment, risks and returns. These have been identified as India, Vietnam, Uganda, Rwanda, UK and others. However, on standalone basis the Company, being engaged in manufacture of Tea in India, is regarded as single segment. The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

6 Cost of materials consumed represents green leaf purchased from third parties.

7 The standalone statement of financial results includes Interim dividend of Rs. 3,995 lakhs for the quarter ended 31st March, 2019 (Rs. 10,417 lakhs for the quarter ended 31st March,2018), Rs. NIL for the quarter ended 31st December, 2018 and Rs. 8,082 lakhs for the year ended 31st March, 2019 (Rs. 15,395 lakhs for the year ended 31st March, 2018) received from a wholly-owned foreign subsidiary.

8 On 9th August, 2018, the shareholders of the Company approved to sell specified assets of certain tea estates of the Company. In line with such approval:

a) During the year ended 31st March, 2019, the company has sold specified assets of 16 Tea Estates for an aggregate consideration of Rs 61,491 Lakhs. Profit on sale of such assets amounting to Rs. 18,041 Lakhs is shown as Exceptional item in the above standalone and consolidated results.

b) During the year, the committee formed by the Board of the Directors of the Company for the purposes of disposal of assets of tea estates, further identified the assets of 4 tea estates which were approved to be sold. The Company has entered into Memorandum of Understanding/ Term sheet with the proposed buyers to sell certain assets of those 4 Tea Estates for an aggregate consideration of Rs. 17,815 Lakhs, subject to due diligence by the proposed buyers and necessary approvals. Pending such approvals etc. the final binding agreements with proposed buyers are under negotiation. The carrying value of those specified assets of the Tea estates as on 31st March, 2019 has been reclassified from Property, Plant and Equipment to "Assets held for sale" and the agreed sale consideration is higher than their carrying value.

9 On 30th May, 2018, the Board of Directors of the Company approved buy back of Company's equity shares for an amount not exceeding Rs. 10,000 lakhs (being less than 10% of the Equity share capital and free reserves of the Company as on 31st March, 2018) from existing shareholders from open market through stock exchanges. The buy back was closed on 18th December, 2018. The Company has bought back 5,000,000 equity shares for an aggregate consideration of Rs. 6,901 Lakhs.

10 a) During the year ended 31st March, 2019, the Company's subsidiary Borelli Tea Holdings Limited (UK), which held 60% of the Share Capital of Gisovu Tea Company Limited (Rwanda), has sold its entire holding for a consideration of USD 13,200,000. Profit on such sale amounting to Rs. 9,925 Lakhs is shown as Exceptional item in the above consolidated results.

b) During the year ended 31st March, 2019 the Company's subsidiary Borelli Tea Holdings Limited which held 90% of the Share Capital of Pfunda Tea Company Limited (Rwanda) has sold half of its holding for a consideration of USD 7,800,000. Profit on such sale amounting to Rs. 975 Lakhs is shown as Exceptional item in the above consolidated results.

11 The Company has given inter-corporate deposits to certain companies (including promoter group companies). From time to time, these deposits were repaid by the borrowing entities to the Company on demand. The closing balance of such deposits aggregates to Rs. 174,468 Lakhs as at 31st March, 2019. Interest accrued and unpaid on such deposits aggregates to Rs. 7,703 Lakhs (net of provision of Rs. 8,509 lakhs) as at 31st March, 2019. The Company has made provision on account of doubtful interest receivable amounting to Rs. 7,455 Lakhs during the year. Promoter group level restructuring is under way to monetize assets to meet up the various liabilities of those companies (part of the promoter group) including the outstanding inter-corporate deposits. The management therefore believes that the outstanding dues, net of provision for doubtful interest receivable, as mentioned above, shall be recovered/ adjusted and no further provision is required at this stage.

12 The Ministry of Corporate Affairs (MCA), on 28th March, 2018, notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standard) Amendment Rules, 2018. The new standard is effective from accounting periods beginning on or after 1 April ,2018. The Company has adopted the standard using the modified retrospective approach. The adoption of the standard did not have any significant impact to the financial results of the Company for the quarter and year ended 31st March, 2019.

13 The figures of last quarter for the current year and for the previous year are the balancing figures between the audited figures in respect of the full financial year ended 31st March and the unaudited published year-to-date figures up to the third quarter ended 31st December which was subject to limited review.

14 The Company's financial performance has been adversely affected due to downturn of the tea industry and operational issues mainly because of increased cost of production. However, the Company could mitigate such increased cost through several cost reduction measures and increase in sales prices. Further, the Company had sold the assets of certain tea estates during the year in order to repay its financial obligations. However, in addition to the cash flows from sale of assets and cost reduction measures, the Company had to seek short- term borrowings to fund various promoter group companies to enable them to meet their financial obligations. This has resulted in higher finance cost during the year and increase in current liabilities. There have been working capital constraints and external factors beyond the control of the Company. The liquidity issues faced by the Company are being discussed with the Lenders. As a suggestion on mitigation options, one of the options suggested is to finance the short- term loans from lenders to long-term loans to ease of liquidity constraint on the Company, along with further sale of assets of certain tea estates. The Company is hopeful that the proposal of the Company for refinancing will be favourably considered. Additionally, the Company is taking various cost reduction measures which shall improve its operational efficiencies. The management is confident that with the Lenders' support on the Company's proposal and various other measures, the Company will be able to generate sufficient cash flows through profitable operations improving its net working capital position to discharge its short term and long term liabilities. Hence, financial statements have been prepared on a going concern basis.

15 Figures for the previous period have been regrouped/rearranged, wherever necessary.

16 The Auditors' reports on the standalone as well as the consolidated statement of financial results are modified.

Deloitte Haskins & Sells LLP
Chartered Accountants

McLeod Russel India Limited

K. K. Baheti
Whole time Director & CFO

McLeod Russel India Limited
Kolkata

Kolkata
29th June, 2019

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
MCLEOD RUSSEL INDIA LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **McLeod Russel India Limited** ("the Company"), for the year ended 31 March 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.

2. **Management Responsibility**

   This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act") read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

3. **Auditor's Responsibility**

   We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

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

   We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our adverse audit opinion.

4. **Basis for Adverse Opinion**

   (a) During the year, the Company had extended advances aggregating to Rs. 84,175 lacs to certain promoter group companies, as capital advances. The promoter group companies to whom such advances were given have substantially lent these onward to another promoter group company. Of the total capital advances, Rs. 77,575 lacs was converted to Inter-Corporate Deposits (ICD) as of 31 March, 2019. With respect to the grant of capital advances which were converted to ICDs at the year end, considering the financial condition of the parties to whom these amounts were given, consequent to which interest income has not been fully recognised and since the balances are unsecured, these are prejudicial to the interests of the Company and the initial recording of these amounts as capital advance was reflected only by book entries.

(b) As at 31 March, 2019, ICDs of Rs. 174,468 lacs given to promoter group companies and other companies [including Rs. 77,575 lacs referred to in paragraph (a) above] and Rs. 7,703 lacs interest accrued on such ICDs (net of provision of Rs. 8,509 lacs), respectively, are doubtful of recovery considering the financial condition of the promoter group companies and the other companies to whom these ICDs have been given. However, the Company has not made any provision for the outstanding amounts recorded as ICDs and interest accrued thereon. Consequently, the non-current portion of loans and interest accrued thereon are overstated and loss for the year is understated by Rs. 182,171 lacs.

(c) The aggregate amount of Rs. 174,468 lacs disclosed as ICDs outstanding as at 31 March, 2019 are in excess of limits on lending prescribed under section 186 to the Act by Rs. 61,156 lacs for which approval has not been obtained from the members of the Company. Further, in view of the matter described in paragraph (e) below, we are unable to state if any of the promoter group companies are companies whose Board of Directors or Managing Director or Manager, whereof is accustomed to act in accordance with the directions of any director of the Company, and therefore covered under section 185 of the Act and any non-compliance thereto.

(d) The Company has recognised Rs. 6,782 lacs as sundry income from one of the promoter group companies. In our opinion and according to the information obtained by us, the sundry income may have been funded to the said promoter group company through monies indirectly lent by the Company as more fully described in paragraph (a) above or through ICDs granted and therefore may not have been actually realised. These therefore may have been reflected only by book entries and prejudicial to the interest of the Company. However, considering the amount already quantified as a modification of the audit opinion in respect of outstanding balance of ICDs from these promoter group companies described in paragraph (b) above, this recognition of sundry income will not have any further impact on the loss for the year.

(e) The promoter group companies referred to in paragraphs (a) and (b) above have not been considered as related parties by the Management under the Companies Act, 2013 and under the applicable accounting standards (Ind AS). Considering the commonality of some of the directors of the promoter group companies referred to in paragraphs (a) and (b) above and the Company and its employees, including key managerial personnel, we are unable to ascertain if the aforesaid promoter group companies could, in substance, be deemed to be related parties to the Company, in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". We are unable to ascertain the impact of non-compliance with the disclosure requirements for related parties in this Statement and the provisions of the Act and consequential impact, if any, in this Statement.

(f) During the year, the Company had given advance to a body corporate aggregating to Rs. 1,400 lacs which was outstanding as at 31 March, 2019. In the absence of appropriate audit evidences, we are unable to comment on the validity and recoverability of such advance.

Deloitte Haskins & Sells LLP
Chartered Accountants

Deloitte
Haskins & Sells LLP

5. **Adverse Opinion**

In our opinion and to the best of our information and according to the explanations given to us, due to the significance of the matters described in the Basis for Adverse Opinion section above, the Statement:

(i) is not presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016; and

(ii) does not gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information of the Company for the year ended 31 March 2019.

6. **Material Uncertainty Related to Going Concern**

We draw attention to note 14 of this Statement. The Company has incurred net loss of Rs. 441 lacs during the year ended 31 March, 2019, and current liabilities exceed current assets by Rs. 143,566 lacs as on 31 March, 2019. During the year ended 31 March, 2019, the Company was unable to discharge its obligations for repayment of loans and settlement of other financial and non-financial liabilities including statutory liabilities. The Company's management is currently in discussion with the lenders for carrying out a refinancing proposal. These events and conditions, including for those matters stated in the Basis for Adverse Opinion section above, indicate a material uncertainty which cast a significant doubt on the Company's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Company to continue as a going concern is solely dependent on the acceptance of the refinancing proposal, which is not wholly within the control of the Company.
The Management of the Company has prepared the statement on going concern basis based on their assessment of the successful outcome of the refinancing proposal and accordingly no adjustments have been made to the carrying value of the assets and liabilities and their presentation/classification in the Balance Sheet.

Our opinion is not modified in respect of this matter.

7. The Statement includes the results for the Quarter ended 31 March 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Deloitte Haskins & Sells LLP
Chartered Accountants

A. Bhattacharya
Partner
(Membership No. 054110)

Kolkata, 29 June 2019

Deloitte
Haskins & Sells LLP

Chartered Accountants
13[th] & 14[th] Floor
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INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
MCLEOD RUSSEL INDIA LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **McLeod Russel India Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the year ended 31 March 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.

2. **Management Responsibility**
This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

3. **Auditor's Responsibility**
We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 7 below is sufficient and appropriate to provide a basis for our adverse audit opinion.

4. **Basis for Adverse Opinion**
(a) During the year, the Parent had extended advances aggregating to Rs. 84,175 lacs to certain promoter group companies, as capital advances. The promoter group companies to whom such advances were given have substantially lent these onward to another promoter group company. Of the total capital advances, Rs. 77,575 lacs was converted to Inter-Corporate Deposits (ICD) as of 31 March, 2019. With respect to the grant of capital advances which were converted to ICDs at the year end, considering the financial condition of the parties to whom these amounts were

given, consequent to which interest income has not been fully recognised and since the balances are unsecured, these are prejudicial to the interests of the Parent and the initial recording of these amounts as capital advance was reflected only by book entries.

(b) As at 31 March, 2019, ICDs of Rs. 174,468 lacs given to promoter group companies and other companies [including Rs. 77,575 lacs referred to in paragraph (a) above] and Rs. 7,703 lacs interest accrued on such ICDs (net of provision of Rs. 8,509 lacs), respectively, are doubtful of recovery considering the financial condition of the promoter group companies and the other companies to whom these ICDs have been given. However, the Parent has not made any provision for the outstanding amounts recorded as ICDs and interest accrued thereon. Consequently, the non- current portion of loans and interest accrued thereon are overstated and loss for the year is understated by Rs. 182,171 lacs.

(c) The aggregate amount of Rs. 174,468 lacs disclosed as ICDs outstanding as at 31 March, 2019 are in excess of limits on lending prescribed under section 186 to the Act by Rs. 61,156 lacs for which approval has not been obtained from the members of the Company. Further, in view of the matter described in paragraph (e) below, we are unable to state if any of the promoter group companies are companies whose Board of Directors or Managing Director or Manager, whereof is accustomed to act in accordance with the directions of any director of the Parent, and therefore covered under section 185 of the Act and any non-compliance thereto.

(d) The Parent has recognised Rs. 6,782 lacs as sundry income from one of the promoter group companies. In our opinion and according to the information obtained by us, the sundry income may have been funded to the said promoter group company through monies indirectly lent by the Parent as more fully described in paragraph (a) above or through ICDs granted and therefore may not have been actually realised. These therefore may have been reflected only by book entries and prejudicial to the interest of the Parent. However, considering the amount already quantified as a modification of the audit opinion in respect of outstanding balance of ICDs from these promoter group companies described in paragraph (b) above, this recognition of sundry income will not have any further impact on the loss for the year.

(e) The promoter group companies referred to in paragraphs (a) and (b) above have not been considered as related parties by the Management under the Companies Act, 2013 and under the applicable accounting standards (Ind AS). Considering the commonality of some of the directors of the promoter group companies referred to in paragraphs (a) and (b) above and the Parent and its employees, including key managerial personnel, we are unable to ascertain if the aforesaid promoter group companies could, in substance, be deemed to be related parties to the Parent, in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". We are unable to ascertain the impact of non-compliance with the disclosure requirements for related parties in this Statement and the provisions of the Act and consequential impact, if any, in this Statement.

(f) During the year, the Parent had given advance to a body corporate aggregating to Rs. 1,400 lacs which was outstanding as at 31 March, 2019. In the absence of appropriate audit evidences, we are unable to comment on the validity and recoverability of such advance.

Deloitte Haskins & Sells LLP
Chartered Accountants

5. **Adverse Opinion**

In our opinion and to the best of our information and according to the explanations given to us, due to the significance of the matters described in the Basis for Adverse Opinion section above, the Statement:

(i) is not presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016; and

(ii) does not gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive loss and other financial information of the Group for the year ended 31 March 2019.

The Statement includes the results of the following subsidiaries (including step down subsidiaries):
a. Borelli Tea Holdings Limited
b. McLeod Russel Uganda Limited
c. Phu Ben Tea Company Limited
d. Gisovu Tea Company Limited
e. Pfunda Tea Company Limited
f. McLeod Russel Africa Limited
g. McLeod Russel Middle East DMCC

6. **Material Uncertainty Related to Going Concern**

We draw attention to note 14 of this Statement. The Parent has incurred net loss of Rs. 441 lacs during the year ended 31 March, 2019, and current liabilities exceed current assets by Rs. 143,566 lacs as on 31 March, 2019. During the year ended 31 March, 2019, the Parent was unable to discharge its obligations for repayment of loans and settlement of other financial and non-financial liabilities including statutory liabilities. The Parent's management is currently in discussion with the lenders for carrying out a refinancing proposal. These events and conditions, including for those matters stated in the Basis for Adverse Opinion section above, indicate a material uncertainty which cast a significant doubt on the Parent's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Parent to continue as a going concern is solely dependent on the acceptance of the refinancing proposal, which is not wholly within the control of the Parent.
The Management of the Parent has prepared the statement on going concern basis based on their assessment of the successful outcome of the refinancing proposal and accordingly no adjustments have been made to the carrying value of the assets and liabilities and their presentation/classification in the Balance Sheet.

Our opinion is not modified in respect of this matter.

7. We did not audit the financial information of 7 subsidiaries (including step down subsidiaries) included in the consolidated financial results, whose financial information reflect total assets of Rs. 64,669 lacs as at 31 March 2019, total revenues of Rs. 41,293 lacs, total net profit after tax of Rs. 12,683 lacs and total comprehensive income of Rs. 7,358 lacs for the year ended on that date, as

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Chartered Accountants

considered in the consolidated financial results. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

8. The comparative financial information for the year ended 31 March 2018 in respect of 7 subsidiaries prepared in accordance with the Ind AS and included in this Statement have been audited by other auditors whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries made in this Statement, is based solely on the reports of the other auditors.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Deloitte Haskins & Sells LLP
Chartered Accountants

A. Bhattacharya
Partner
(Membership No. 054110)

Kolkata, 29 June 2019

McLeod Russel India Limited

Statement on Impact of Audit Qualifications submitted along-with Annual Audited Financial Results - (*Standalone*)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019				
[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
			Rs. In Lacs	Rs. In Lacs
	1	Turnover / Total income (including exceptional income)	180,572	180,572
	2	Total Expenditure (including tax expense)	181,013	181,013
	3	Net Profit/(Loss)	(441)	(441)
	4	Earnings Per Share	(0.41)	(0.41)
	5	Total Assets	407,472	407,472
	6	Total Liabilities	240,075	240,075
	7	Net Worth	167,397	167,397
	8	Any other financial item(s) (Exceptional Income)	18,041	18,041
II	**Audit Qualification (each audit qualification separately):**			
	a. Details of Audit Qualifications:			
	(i) During the year, the Company had extended advances aggregating to Rs. 84,175 lacs to certain promoter group companies, as capital advances. The promoter group companies to whom such advances were given have substantially lent these onward to another promoter group company. Of the total capital advances, Rs. 77,575 lacs was converted to Inter-Corporate Deposits (ICD) as of 31 March, 2019. With respect to the grant of capital advances which were converted to ICDs at the year end, considering the financial condition of the parties to whom these amounts were given, consequent to which interest income has not been fully recognised and since the balances are unsecured, these are prejudicial to the interests of the Company and the initial recording of these amounts as capital advance was reflected only by book entries.			
	(ii) As at 31 March, 2019, ICDs of Rs. 174,468 lacs given to promoter group companies and other companies [including Rs. 77,575 lacs referred to in paragraph (i) above] and Rs. 7,703 lacs interest accrued on such ICDs (net of provision of Rs. 8,509 lacs), respectively, are doubtful of recovery considering the financial condition of the promoter group companies and the other companies to whom these ICDs have been given. However, the Company has not made any provision for the outstanding amounts recorded as ICDs and interest accrued thereon. Consequently, the non- current portion of loans and interest accrued thereon are overstated and loss for the year is understated by Rs. 182,171 lacs.			

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	(iii) The aggregate amount of Rs. 174,468 lacs disclosed as ICDs outstanding as at 31 March, 2019 are in excess of limits on lending prescribed under section 186 to the Act by Rs. 61,156 lacs for which approval has not been obtained from the members of the Company. Further, in view of the matter described in paragraph (v) below, we are unable to state if any of the promoter group companies are companies whose Board of Directors or Managing Director or Manager, whereof is accustomed to act in accordance with the directions of any director of the Company, and therefore covered under section 185 of the Act and any non-compliance thereto.
	(iv) The Company has recognised Rs. 6,782 lacs as sundry income from one of the promoter group companies. In our opinion and according to the information obtained by us, the sundry income may have been funded to the said promoter group company through monies indirectly lent by the Company as more fully described in paragraph (i) above or through ICDs granted and therefore may not have been actually realised. These therefore may have been reflected only by book entries and prejudicial to the interest of the Company. However, considering the amount already quantified as a modification of the audit opinion in respect of outstanding balance of ICDs from these promoter group companies described in paragraph (ii) above, this recognition of sundry income will not have any further impact on the loss for the year.
	(v) The promoter group companies referred to in paragraphs (i) and (ii) above have not been considered as related parties by the Management under the Companies Act, 2013 and under the applicable accounting standards (Ind AS). Considering the commonality of some of the directors of the promoter group companies referred to in paragraphs (i) and (ii) above and the Company and its employees, including key managerial personnel, we are unable to ascertain if the aforesaid promoter group companies could, in substance, be deemed to be related parties to the Company, in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". We are unable to ascertain the impact of non-compliance with the disclosure requirements for related parties in this Statement and the provisions of the Act and consequential impact, if any, in this Statement.
	(vi) During the year, the Company had given advance to a body corporate aggregating to Rs. 1,400 lacs which was outstanding as at 31 March, 2019. In the absence of appropriate audit evidences, we are unable to comment on the validity and recoverability of such advance.
	b. **Type of Audit Qualification :** Adverse Opinion
	c. **Frequency of qualification:** Appeared first time
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** (i) The Capital advances given to Promoter group companies were subsequently converted to ICDs as on 31.03.2019. Promoter group level restructuring is underway to monetise assets to meet up the liabilities of those companies including these ICDs..The management believes that the outstanding dues shall be recovered/adjusted and no further provision is required at this stage. (ii) Promoter group level restructuring is underway to monetise assets to meet up the liabilities of those companies including these ICDs..The management believes that the outstanding dues shall be recovered/adjusted and no further provision is required at this stage. (iii) ICDs given until the end of the year was within the limit of Section 186 of the Companies Act,2013. This limit was exceeded only due to conversion of advances into ICDs. Necessary steps are being taken to regularise the same and make it compliant with Section 186 of the Companies Act,2013. In our opinion the promoter group companies are not accustomed to act in accordance with the directions of any directors of the Company.

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	(iv) The sundry income has been earned on the advances and loans extended to one of the promoter group company and the same has been received in the normal course of business. (v) As per legal opinion taken by the company these promoter group companies are not related parties as per the provisions of theCompanies Act,2013 and the applicable Accounting Standard. (vi) The Company is taking necessary steps to recover the money given to a body corporate as advance.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) **Management's estimation on the impact of audit qualification:** Not applicable
	(ii) **If management is unable to estimate the impact, reasons for the same:** Not applicable
	(iii) **Auditors' Comments on (i) or (ii) above:** Not applicable
iii	**Signatories:**
	. **CEO/Managing Director**
	. **CFO**
	. **Audit Committee Chairman**
	. **Statutory Auditor**
	Place: Kolkata **Date: 29.06.2019**

McLeod Russel India Limited

Statement on Impact of Audit Qualifications submitted along-with Annual Audited Financial Results - (*Consolidated*)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

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

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			Rs. In Lacs	Rs. In Lacs
	1	Turnover / Total income (including exceptional income)	2,24,964	2,24,964
	2	Total Expenditure (including tax expense)	2,21,082	2,21,082
	3	Net Profit/(Loss)	3882	3882
	4	Earnings Per Share	3.56	3.56
	5	Total Assets	4,55,938	4,55,938
	6	Total Liabilities	2,54,516	2,54,516
	7	Net Worth	2,01,422	2,01,422
	8	Any other financial item(s) (Exceptional Income)	28,941	28,941

II Audit Qualification (each audit qualification separately):

a. Details of Audit Qualifications:

(i) During the year, the Parent had extended advances aggregating to Rs. 84,175 lacs to certain promoter group companies, as capital advances. The promoter group companies to whom such advances were given have substantially lent these onward to another promoter group company. Of the total capital advances, Rs. 77,575 lacs was converted to Inter-Corporate Deposits (ICD) as of 31 March, 2019. With respect to the grant of capital advances which were converted to ICDs at the year end, considering the financial condition of the parties to whom these amounts were given, consequent to which interest income has not been fully recognised and since the balances are unsecured, these are prejudicial to the interests of the Parent and the initial recording of these amounts as capital advance was reflected only by book entries.

(ii) As at 31 March, 2019, ICDs of Rs. 174,468 lacs given to promoter group companies and other companies [including Rs. 77,575 lacs referred to in paragraph (i) above] and Rs. 7,703 lacs interest accrued on such ICDs (net of provision of Rs. 8,509 lacs), respectively, are doubtful of recovery considering the financial condition of the promoter group companies and the other companies to whom these ICDs have been given. However, the Parent has not made any provision for the outstanding amounts recorded as ICDs and interest accrued thereon. Consequently, the non- current portion of loans and interest accrued thereon are overstated and loss for the year is understated by Rs. 182,171 lacs.

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(iii) The aggregate amount of Rs. 174,468 lacs disclosed as ICDs outstanding as at 31 March, 2019 are in excess of limits on lending prescribed under section 186 to the Act by Rs. 61,156 lacs for which approval has not been obtained from the members of the Company. Further, in view of the matter described in paragraph (v) below, we are unable to state if any of the promoter group companies are companies whose Board of Directors or Managing Director or Manager, whereof is accustomed to act in accordance with the directions of any director of the Parent, and therefore covered under section 185 of the Act and any non-compliance thereto.

(iv) The Parent has recognised Rs. 6,782 lacs as sundry income from one of the promoter group companies. In our opinion and according to the information obtained by us, the sundry income may have been funded to the said promoter group company through monies indirectly lent by the Parent as more fully described in paragraph (i) above or through ICDs granted and therefore may not have been actually realised. These therefore may have been reflected only by book entries and prejudicial to the interest of the Parent. However, considering the amount already quantified as a modification of the audit opinion in respect of outstanding balance of ICDs from these promoter group companies described in paragraph (ii) above, this recognition of sundry income will not have any further impact on the loss for the year.

(v) The promoter group companies referred to in paragraphs (i) and (ii) above have not been considered as related parties by the Management under the Companies Act, 2013 and under the applicable accounting standards (Ind AS). Considering the commonality of some of the directors of the promoter group companies referred to in paragraphs (a) and (b) above and the Parent and its employees, including key managerial personnel, we are unable to ascertain if the aforesaid promoter group companies could, in substance, be deemed to be related parties to the Parent, in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". We are unable to ascertain the impact of non-compliance with the disclosure requirements for related parties in this Statement and the provisions of the Act and consequential impact, if any, in this Statement.

(vi) During the year, the Parent had given advance to a body corporate aggregating to Rs. 1,400 lacs which was outstanding as at 31 March, 2019. In the absence of appropriate audit evidences, we are unable to comment on the validity and recoverability of such advance.

b. **Type of Audit Qualification :** Adverse Opinion

c. **Frequency of qualification:** Appeared first time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

(i) The Capital advances given to Promoter group companies were subsequently converted to ICDs as on 31.03.2019. Promoter group level restructuring is underway to monetise assets to meet up the liabilities of those companies including these ICDs.The management believes that the outstanding dues shall be recovered/adjusted and no further provision is required at this stage.

(ii) Promoter group level restructuring is underway to monetise assets to meet up the liabilities of those companies including these ICDs..The management believes that the outstanding dues shall be recovered/adjusted and no further provision is required at this stage.

(iii) ICDs given until the end of the year was within the limit of Section 186 of the Companies Act,2013. This limit was exceeded only due to conversion of advances into ICDs. Necessary steps are being taken to regularise the same and make it compliant with Section 186 of the Companies Act,2013.
In our opinion the promoter group companies are not accustomed to act in accordance with the directions of any directors of the Company.

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	(iv) The sundry income has been earned on the advances and loans extended to one of the promoter group company and the same has been received in the normal course of business. (v) As per legal opinion taken by the company these promoter group companies are not related parties as per the provisions of theCompanies Act,2013 and the applicable Accounting Standard. (vi) The Company is taking necessary steps to recover the money given to a body corporate as advance.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) **Management's estimation on the impact of audit qualification:** Not applicable
	(ii) **If management is unable to estimate the impact, reasons for the same:** Not applicable
	(iii) **Auditors' Comments on (i) or (ii) above:** Not applicable
iii	**Signatories:**
	. **CEO/Managing Director**
	. **CFO**
	. **Audit Committee Chairman**
	. **Statutory Auditor**
	Place: Kolkata **Date: 29.06.2019**