



McLEOD RUSSEL  
*Believe in tea*

14<sup>th</sup> August 2019

The Secretary  
BSE Limited PJ. Towers,  
25<sup>th</sup> Floor, Dalal Street, MUMBAI-  
400001  
Scrip Code: 532654

The Secretary  
National Stock Exchange of India Ltd,  
Listing dept. Exchange Plaza,  
5<sup>th</sup> Fl. Plot No. C/1,  
G- Block, Bandra-Kurla Complex,  
Bandra (E) MUMBAI-400051  
Scrip Code: MCLEODRUSS

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

Dear Sir,

**SUB: UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR  
THE QUARTER ENDED 30TH JUNE 2019**

We would advise you that at a Meeting held today the Board of Directors has approved and taken on record the Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter ended 30<sup>th</sup> June, 2019 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We now send herewith the Unaudited Standalone & Consolidated Financial Results for the Quarter ended 30<sup>th</sup> June, 2019 signed by Mr. Aditya Khaitan, Managing Director of the Company along with a copy of the Limited Review Reports furnished by Messrs. Lodha & Co., the Statutory Auditors of the Company.

The aforesaid financial results will be posted on the Company's website, [www.mcleodrussel.com](http://www.mcleodrussel.com). We would request you to place the said results on the website of your Exchange.

Please acknowledge receipt.

**McLeod Russel India Limited**

**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](mailto:administrator@mcleodrussel.com) Website : [www.mcleodrussel.com](http://www.mcleodrussel.com)



**A Williamson Magor Group Enterprise**

**Independent Auditors' Review Report  
The Board of Directors  
McLeod Russel India Limited**

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of **McLeod Russel India Limited** ("the Company") for the Quarter ended on June 30, 2019 ('the Statement'). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("Listing Regulations 2015"), which has been initialed by us for identification purposes.
2. This Statement which is the responsibility of the Company's Management and has been approved by the Board of Directors is to be prepared by Management in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS - 34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the following Notes of the Statement which are subject matter of adverse conclusion as given in Para 5 below:
  - a) Note no. 6 relating to Inter Corporate Deposits (ICD) aggregating to Rs. 2,92,298 lakhs as on June 30, 2019 (including Interest of Rs. 7,703 lakhs accrued till March 31, 2019) given to certain companies which includes Rs. 1,09,029 Lakhs devolved/given during the quarter and is in excess of the limit prescribed under Section 186 of the Companies Act, 2013 ('the Act') and subject to necessary compliances as given in Note no. 8 of the Statement. The amount outstanding as on this date as given above is doubtful of recovery. In absence of provision there against the loss for the period is understated to that extent. Impact in this respect have not been ascertained and disclosed in the Statement.
  - b) The Company had given advance to a body corporate aggregating to Rs. 1,400 lakhs which are outstanding as on June 30, 2019. In absence of appropriate audit evidence and status thereof, we are unable to comment on the validity and recoverability of such advances.





- c) Note No. 9 of the Statement regarding certain reconciliations /confirmations with respect to borrowing from lenders and adjustments to be carried, the impact whereof pending ascertainment of amounts is presently not ascertainable.
5. Based on our review conducted as above, we report that because of the significance of the matters stated in Para 4 above and it's consequential impact on the financial results for the quarter, we have come to the conclusion that the Statement read with notes thereon have not been prepared fairly in all material respect in accordance with aforesaid Indian Accounting Standards and other recognised accounting practices and policies generally accepted in India, has not disclosed fairly the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, including the manner in which it is to be disclosed.
6. Attention is drawn to Note no. 7 of the Statement dealing with going concern assumption for preparation of the accounts of the Company. The Company has incurred net loss of Rs. 1,036 lakhs during the current quarter and Rs. 6,262 lakhs in the previous year and the Company's current liabilities exceeded its current assets. Funds obtained by borrowing and utilised for providing funds to other group companies for meeting their financial obligations has become unserviceable due to non-repayment of outstanding amounts by those companies. These conditions indicate the existence of a material uncertainty about the Company's ability to continue as a going concern. However, the financial statements of the Company due to reasons stated in the Note no. 7 has been prepared by management on going concern basis, based on the assessment of the successful outcome of the steps taken including those concerning rationalisation of costs, monetization of assets, restructuring of borrowings and other proposals.
7. (a) The comparative financial information of the Company for the corresponding quarter ended June 2018 were reviewed by the predecessor auditor who expressed unmodified opinion vide their reports dated August 09, 2018.
- (b) The comparative financial information of the Company for the corresponding quarter and year ended March 31, 2019 were audited by the predecessor auditor who expressed an adverse opinion vide their report dated June 29, 2019.
- (c) We have placed reliance on the reports given by the predecessor auditor for the purpose of our report on the financial results for the current quarter.

Our conclusion is not qualified in respect of matters stated in Para 6 and 7 above.

For Lodha & Co,  
**Chartered Accountants**  
Firm's ICAI Registration No. 301051E



Place: Kolkata  
Date: August 14, 2019

*R. P. Singh*

R. P. Singh  
Partner

Membership No. 052438  
UDIN: 19052438AAAAAZ3544

**MCLEOD RUSSEL INDIA LIMITED**

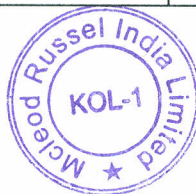
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Web : www.mcleodrussel.com, Email id : administrator@mcleodrussel.com, Phone no: 033-2210-1221, Fax no.: 033-2248-3683

CIN : L51109WB1998PLC087076

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019**
**Rs. Lakhs except for EPS**

Particulars	Standalone			
	Quarter ended			Financial Year ended
	30th June 2019	31st March 2019	30th June 2018	31st March 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>1 Revenue from Operations</b>	15,116	17,568	22,296	1,30,992
<b>2 Other Income</b>	4,628	14,114	4,694	31,539
<b>Total Income ( 1 + 2 )</b>	<b>19,744</b>	<b>31,682</b>	<b>26,990</b>	<b>1,62,531</b>
<b>3 Expenses</b>				
a) Cost of Materials Consumed	564	322	5,608	15,887
b) Purchase of Tea				
c) Changes in Inventories of Finished Goods	(5,229)	16,621	(21,238)	(461)
d) Employee Benefits Expense	15,412	15,184	23,839	74,542
e) Finance Costs	8,496	18,583	4,280	32,665
f) Depreciation and Amortisation Expenses	1,418	1,540	1,955	6,922
g) Other Expenses	5,797	16,755	12,368	51,017
<b>Total Expenses</b>	<b>26,458</b>	<b>69,005</b>	<b>26,812</b>	<b>1,80,572</b>
<b>4 Profit/(Loss) before Exceptional items and Tax (1+2-3)</b>	<b>(6,714)</b>	<b>(37,323)</b>	<b>178</b>	<b>(18,041)</b>
<b>5 Exceptional items</b>	<b>8,445</b>	<b>3,372</b>	<b>-</b>	<b>18,041</b>
<b>6. Profit/(Loss) before Tax (4+5)</b>	<b>1,731</b>	<b>(33,951)</b>	<b>178</b>	<b>-</b>
<b>7. Tax Expense</b>				
a) Current Tax	354	(6,204)	35	710
b) Provisions for tax relating to earlier years written back (net)		(3,974)		(3,974)
c) Deferred Tax	(319)	8,072	(8)	3,705
<b>8 Profit/(Loss) for the period (6-7)</b>	<b>1,696</b>	<b>(31,845)</b>	<b>151</b>	<b>(441)</b>
<b>9 Other Comprehensive Income</b>				
A i) Items that will not be reclassified to profit or loss				
a) Remeasurements of post-employment defined benefit plans	(763)	2,152	(802)	(660)
b) Change in Fair Value of Equity instruments through other comprehensive income	(2,213)	(315)	(3,360)	(5,372)
ii) Income Tax relating to items that will not be reclassified to profit or loss	244	(688)	256	211
<b>Total Other Comprehensive Income/(Loss)</b>	<b>(2,732)</b>	<b>1,149</b>	<b>(3,906)</b>	<b>(5,821)</b>
<b>10 Total Comprehensive Income/(Loss) for the period (comprising of profit and loss and other comprehensive income for the period) (8+9)</b>	<b>(1,036)</b>	<b>(30,696)</b>	<b>(3,755)</b>	<b>(6,262)</b>
<b>11 Earnings per Equity Share (EPS) (Rs.) (not annualised)</b>				
Basic and Diluted	<b>1.62</b>	<b>(29.87)</b>	<b>0.14</b>	<b>(0.41)</b>
<b>12 Paid-up Equity Share Capital : Face Value : Rs. 5/- per share</b>	<b>5,223</b>	<b>5,223</b>	<b>5,431</b>	<b>5,223</b>
<b>13 Other Equity excluding Revaluation Reserve</b>				<b>1,29,737</b>


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## Notes to Standalone Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June 2019

1. (a) The above financial result have been prepared in accordance with the Indian Accounting Standards ("Ind AS") - 34 "Interim Financial Reporting" as prescribed under section 133 of Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 (as amended) and have been compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). These results were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on 14<sup>th</sup> August, 2019 and have been subject to Limited Review by the Auditors.  
  
(b) Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to its leases under modified retrospective approach with cumulative effect of initial recognition being given effect to on the date of application. This however does not have any significant impact on the Results and Earning Per Share for the period.
2. (a) As the Company is engaged in business of cultivation, manufacture and sale of tea, which is seasonal in character, figures for the quarter ended 30th June, 2019 should not be construed as indicative of likely result for year ended 31st March, 2020.  
  
(b) Cost of materials consumed represents green leaf purchased from third parties.  
  
(c) The Company is primarily engaged in the business of cultivation, manufacture and sale of tea across various geographical location. In term of Ind AS 108 "Operating Segment", the Company has one business segment i.e. Manufacturing and Selling of Tea.
3. On 9th August, 2018, the shareholders of the Company approved to sell specified assets of certain tea estates. In continuation of the steps initiated in this respect in earlier years, during the quarter:
  - The company has sold specified assets of 3 Tea Estates for an aggregate consideration of Rs 15,045 Lakhs. Profit on sale of such assets amounting to Rs. 4,004 Lakhs has been shown as Exceptional items.
  - The specified assets of one more tea estate have been identified and approved for sale. Memorandum of Understanding/ Term sheet with the proposed buyer for an aggregate consideration of Rs. 2,815 Lakhs, subject to due diligence and necessary approvals, etc. have also been entered by the company. Pending final binding agreement and completion of the transaction, such sales has not been recognised in this quarter.
4. a) During the year ended 31<sup>st</sup> March , 2019, the company's subsidiary Borelli Tea Holdings Limited (UK) (BTHL) had agreed to buy back 60,000 shares (out of total 3,62,000 shares held by the company) for an aggregate consideration of GBP 93,00,000, and Rs. 8,391 lakhs received in this respect had been shown as advance from subsidiaries. During the period the said buy-back after obtaining necessary clearances and completion of related formalities, has



been given effect to and profit on such shares amounting to Rs. 4,441 lakhs has been shown as exceptional items.

b) Subsequent to the reporting date, BTHL vide it's Board Meeting dated 1<sup>st</sup> July 2019 have further agreed to buy back 50,000 shares for a consideration of GBP 77,50,000 which will be given effect to in subsequent period on completion of the transaction.

5. Exceptional Items represent:

Particulars	Quarter 30 <sup>th</sup> June 2019	Quarter 30 <sup>th</sup> June 2018	Quarter 31 <sup>st</sup> March 2019	Year ended 31 <sup>st</sup> March 2019
Profit on Sale of Specified Assets of the Tea Estates	4,004	-	3,372	18,041
Profit on buyback of shares by subsidiaries (Refer Note no. 4)	4,441	-	-	-
<b>Total</b>	<b>8,445</b>	<b>-</b>	<b>3,372</b>	<b>18,041</b>

6. In respect of Inter-Corporate Deposits (ICDs) given to Promoter group and certain other companies, the amount outstanding aggregates to Rs. 2,84,595 Lakhs as at 30<sup>th</sup> June, 2019. Interest accrued upto 31<sup>st</sup> March 2019 and remaining unpaid as on 30<sup>th</sup> June 2019 aggregates to Rs. 7,703 Lakhs (net of provision of Rs. 7,617 lakhs). Interest on such ICDs has not been accrued during the period. Steps are being taken to restructure the financial obligations of the company as well as of various group companies and ensure repayment/reduction of outstanding amounts. The management believes that the outstanding dues, net of provision for doubtful interest receivable, as mentioned above, shall be recovered/ adjusted in due course of time and no further provision is required at this stage.
7. The Company's financial performance has continued to be sluggish due to cyclical effect in the industry and prevailing market conditions. Moreover, the Inter-Corporate Deposits given to various group companies to fund them for meeting their various financial obligations are outstanding as on this date and interest against these have largely not been received. All these have resulted in working capital mismatch and liquidity constraints causing hardship in servicing the short term and long-term borrowings and other financial obligations of the company. The company has taken various measures to resolve these issues which inter-alia include reduction in operational costs, monetising the Company's/group's assets including holding of other group companies and also restructuring the borrowings, so that to reduce the overall debt burden and related cost thereto and infuse liquidity in the system.





The management is confident that with the lenders support and cost reduction and other ameliorative measures taken, the company will be able to generate sufficient cashflows and strengthen its financial performance by discharging its short term and long-term liabilities. Considering that these measures are under implementation and/or under active consideration as on this date, the financial statements have been prepared on going concern basis.

8. The predecessor auditors' have issued an adverse opinion on the financial statements for the year ended 31<sup>st</sup> March 2019. These matters include the issues relating to Inter-Corporate Deposits to group companies including certain cases considered by them to be in nature of book entries, being in excess of the limit prescribed under Section 186 of the Companies Act, 2013 ('the Act') and pending compliance thereof including under Section 185 of the Act, if applicable in respect of amounts given to the related parties. These matters are procedural in nature and/or are subject to review by the authorities and do not have any impact as such on the profit or loss for the period. Steps are being taken to regularise these matters and ensure the compliances and the explanations sought for and information required by Registrar of Companies on the matters are being provided.

Other Auditors' observations regarding non-recoverability of inter-corporate deposits and accounts being prepared on going concern basis which have bearing on the financial results for the quarter have been dealt with in Note no. 6 and 7 above.

9. Interest on borrowings have been provided for considering the rates and terms and conditions as per agreed term sheet or otherwise stipulated/advised in this respect and are subject to confirmation of balances by the lenders and reconciliation thereof. Adjustments, if any required in this respect will be given effect to on ascertainment of the amount thereof.
10. The figures of last quarter for the preceding 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.
11. In view of Sale of Specified Assets pertaining to Tea Estates in the previous year as well as in current quarter (Note no. 3), figures of the previous periods' are not comparable with the figures of current quarter. Figures for the previous period have however, been regrouped/rearranged, wherever necessary.

For McLeod Russel India Limited



(Aditya Khaitan)  
Managing Director  
(DIN No: 00023788)



Place: Kolkata

Dated: 14<sup>th</sup> August 2019

**Independent Auditors' Review Report  
The Board of Directors  
McLeod Russel India Limited**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **McLeod Russel India Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of net profit after tax and total comprehensive income of its associates for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Parent Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations 2015"), which has been initialed by us for identification purposes. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018, as reported in these financial results have been taken as approved by the Parent's Board of Directors but have not been subjected to review or audit.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We due to the reasons stated in Note no. 2(a) and 11(a) have not performed procedures for review in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
5. The Statement includes the results of the following
  - I. Subsidiaries (including step down subsidiaries):
    - a) Borelli Tea Holdings Limited
    - b) McLeod Russel Uganda Limited
    - c) Phu Ben Tea Company Limited
    - d) McLeod Russel Africa Limited
    - e) McLeod Russel Middle East DMCC
  - II. Pfunda Tea Company Limited, an Associate Company till 3<sup>rd</sup> May 2019





6. Attention is drawn to the following Notes of the Statement which are subject matter of adverse conclusion as given in Para 7 below:
  - a) Note no. 7 relating to Inter Corporate Deposits (ICD) aggregating to Rs. 2,92,298 lakhs (including Interest of Rs. 7,703 lakhs accrued till March 31, 2019) given to certain companies which includes Rs. 1,09,029 Lakhs devolved/given during the quarter and is in excess of the limit prescribed under Section 186 of the Companies Act, 2013 ('the Act') and subject to necessary compliances as given in Note no. 9 of the Statement. The amount outstanding as on this date as given above is doubtful of recovery. In absence of provision there against the loss for the period is understated to that extent. Impact in this respect have not been ascertained and disclosed in the Statement.
  - b) The Parent Company had given advance to a body corporate aggregating to Rs. 1,400 lakhs which are outstanding as on June 30, 2019. In absence of appropriate audit evidence and status thereof, we are unable to comment on the validity and recoverability of such advances.
  - c) Note No. 10 of the Statement regarding certain reconciliations /confirmations with respect to borrowing from lenders and adjustments to be carried, the impact whereof pending ascertainment of amounts is presently not ascertainable.
  - d) In absence of full financial Statement and details of the subsidiaries, required procedures as stated in para 4 have not being carried out, figures with respect to June 30, 2018 and those relating to quarter ended March 31, 2019 and disclosure with respect to segment assets and liabilities and other disclosures have not been provided (Refer Note no. 11(a)).
7. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 10 below, we report that because of the significance of the matters stated in Para 6 above and it's consequential impact on the financial results for the quarter, we have come to the conclusion that the Statement read with notes thereon have not been prepared fairly in all material respect in accordance with aforesaid Indian Accounting Standards and other recognised accounting practices and policies generally accepted in India and has not disclosed fairly the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, including the manner in which it is to be disclosed.
8. Attention is drawn to Note no. 8 of the Statement dealing with going concern assumption for preparation of the accounts of the Parent Company. The Parent has incurred net loss of Rs. 1,036 lakhs during the current quarter and Rs. 6,262 lakhs in the previous year and the Parent current liabilities exceeded its current assets. Funds obtained by borrowing and utilised for providing funds to other group companies for meeting their financial obligations has become unserviceable due to non-repayment of outstanding amounts by those companies. These conditions indicate the existence of a material uncertainty about the Parent Company's ability to continue as a going concern. However, the financial statements of the Parent Company due to reasons stated in the Note no. 8 has been prepared by the management on going concern basis, based on the assessment of the successful outcome of the steps taken including those concerning rationalisation of costs, monetization of assets, restructuring of borrowings and other proposals.
9. The comparative financial information of the Group for the corresponding quarter and year ended March 31, 2019 were audited by the predecessor auditor who expressed an adverse opinion vide their report dated June 29, 2019. We have placed reliance on the reports given by the predecessor auditor for the purpose of these reports.



10. We did not review the financial results of Subsidiaries (including four stepdown subsidiaries) included in the consolidated unaudited financial results and have also not performed the procedure specified for the purpose with respect to these as stated in paragraph 4 above. The financial results of these subsidiaries reflect total revenues of Rs. 8,582 lakhs, total net profit after tax of Rs. 783 lakhs and total comprehensive income of Rs. 783 lakhs, for the quarter ended June 30, 2019, respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 40 lakhs and total comprehensive income of Rs. 40 lakhs for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results, in respect of one associate. These financial results have been reviewed by the auditor of Borelli Tea Holdings Limited (Step one subsidiary) whose report have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries as stated in Note no. 11(a) of the Statement is based solely on the reports of the other auditors.

Our conclusion on the Statement is not modified in respect of the matters stated in Para 9 and 10 above.

For Lodha & Co,  
Chartered Accountants  
Firm's ICAI Registration No. 301051E



Place: Kolkata  
Date: August 14, 2019

*R. P. Singh*

R. P. Singh  
Partner

Membership No. 052438  
UDIN: 19052438AAAABA2747



**McLEOD RUSSEL INDIA LIMITED**

Registered Office: 4, Mangoe Lane, Kolkata - 700001

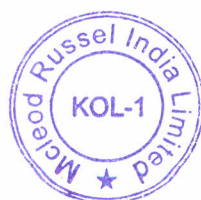
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CIN : L51109WB1998PLC087076

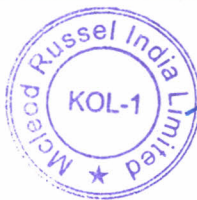
**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019**

**Rs. Lakhs except for EPS**

Particulars	Consolidated		
	Quarter ended		Financial Year ended
	30th June 2019	30th June 2018	31st March 2019
	(Unaudited)	(Unaudited)	(Audited)
<b>1 Revenue from Operations</b>	23,290	26,025	1,71,966
<b>2 Other Income</b>	1,293	4,085	24,057
<b>Total Income ( 1 + 2 )</b>	<b>24,583</b>	<b>30,110</b>	<b>1,96,023</b>
<b>3 Expenses</b>			
a) Cost of Materials Consumed	1,733	6,580	26,766
b) Purchase of Tea	1,160	437	4,970
c) Changes in Inventories of Finished Goods	(3,755)	(21,357)	(1,730)
d) Employee Benefits Expense	16,836	24,505	81,995
e) Finance Costs	8,956	4,378	33,757
f) Depreciation and Amortisation Expenses	1,631	2,088	8,412
g) Other Expenses	8,178	13,622	64,725
<b>Total Expenses</b>	<b>34,739</b>	<b>30,253</b>	<b>2,18,895</b>
<b>4 Profit/(Loss) before Exceptional items and Tax (1+2-3)</b>	<b>(10,156)</b>	<b>(143)</b>	<b>(22,872)</b>
<b>5 Exceptional items</b>	<b>9,070</b>	<b>-</b>	<b>28,941</b>
<b>6 Profit/(Loss) before Tax (4+5)</b>	<b>(1,086)</b>	<b>(143)</b>	<b>6,069</b>
<b>7 Tax Expense</b>			
a) Current Tax	437	163	2,137
b) Provisions for tax relating to earlier years written back (net)	-	-	(3,974)
c) Deferred Tax	(319)	20	4,024
<b>8 Profit/(Loss) for the period (6-7)</b>	<b>(1,204)</b>	<b>(326)</b>	<b>3,882</b>
<b>9 Share of Profit of associate</b>	<b>40</b>	<b>-</b>	<b>-</b>
<b>10 Net Profit/(Loss) after taxes and share of profit of associate (8+9)</b>	<b>(1,164)</b>	<b>(326)</b>	<b>3,882</b>
<b>11 Other Comprehensive Income</b>			
A i) Items that will not be reclassified to profit or loss			
a) Remeasurements of post-employment defined benefit plans	(763)	(810)	(747)
b) Change in Fair Value of Equity instruments through other comprehensive income	(2,213)	(3,360)	(5,372)
ii) Income Tax relating to items that will not be reclassified to profit or loss	244	258	237
B i) Items that will be reclassified to profit or loss			
a) Exchange differences on translation of foreign operations	-	-	(5,264)
<b>Total Other Comprehensive Income/(Loss)</b>	<b>(2,732)</b>	<b>(3,912)</b>	<b>(11,146)</b>
<b>12 Total Comprehensive Income/(Loss) for the period (comprising of profit and loss and other comprehensive income for the period) (10+11)</b>	<b>(3,896)</b>	<b>(4,238)</b>	<b>(7,264)</b>
<b>13 Profit/(Loss) for the period attributable to :</b>			
Owners' of the Parent Company	(1,164)	(388)	3,185
Non-controlling interests	-	62	697
<b>14 Other Comprehensive Income/(Loss) for the period attributable to :</b>			
Owners' of the Parent Company	(2,732)	(3,912)	(11,146)
Non-controlling interests	-	-	-
<b>15 Total Comprehensive Income for the period attributable to :</b>			
Owners' of the Parent Company	(3,896)	(4,301)	(7,961)
Non-controlling interests	-	62	697
<b>16 Earnings per Equity Share (EPS) (Rs.) (not annualised)</b>			
Basic and Diluted	<b>(1.33)</b>	<b>(0.42)</b>	<b>3.56</b>
<b>17 Paid-up Equity Share Capital : Face Value : Rs. 5/- per share</b>	<b>4,369</b>	<b>4,619</b>	<b>4,369</b>
<b>18 Other Equity excluding Revaluation Reserve</b>			<b>1,64,615</b>



Particulars	Consolidated		
	Quarter ended		Financial Year ended
	30th June 2019	30th June 2018	31st March 2019
	(Unaudited)	(Unaudited)	(Audited)
<b>Segment Information:</b>			
<b>Segment Revenue:</b>			
India	15,116	22,283	1,30,673
Vietnam	1,759	681	7,623
Uganda	4,844	1,621	18,134
Rwanda	-	-	9,381
UK	172	67	172
Others	1,399	1,373	5,983
<b>Total</b>	<b>23,290</b>	<b>26,025</b>	<b>1,71,966</b>
<b>Segment Result:</b>			
India	(1,952)	(487)	(8,059)
Vietnam	40	(77)	(1,374)
Uganda	174	(235)	2,291
Rwanda	-	-	3,664
UK	657	(16)	8,665
Others	(5)	672	882
<b>Profit/(Loss) before taxation</b>	<b>(1,086)</b>	<b>(143)</b>	<b>6,069</b>
<b>Share of Profit of associate</b>	<b>40</b>	<b>-</b>	<b>-</b>
Less Taxation :			
Current tax	437	163	2,137
Provision relating to earlier years, written back	-	-	(3,973)
Deferred tax	(319)	20	4,023
	<b>118</b>	<b>183</b>	<b>2,187</b>
<b>Profit/(Loss) after taxation</b>	<b>(1,164)</b>	<b>(326)</b>	<b>3,882</b>
<b>Depreciation and amortisation relating to segments:</b>			
India	1,418	1,955	6,922
Vietnam	28	47	529
Uganda	171	81	904
Rwanda	-	-	-
UK	13	5	53
Others	1	-	4
<b>Total</b>	<b>1,631</b>	<b>2,088</b>	<b>8,412</b>





## Notes to Consolidated Unaudited Financial Results for the quarter ended 30<sup>th</sup> June 2019

1. (a) The above consolidated financial results of McLeod Russel India Limited ('the Parent Company') and its subsidiaries (together referred to as the 'Group') and its associates have been prepared in accordance with the Indian Accounting Standards ("Ind AS") - 34 "Interim Financial Reporting" as prescribed under section 133 of Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 (as amended) and have been compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). These results were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on 14<sup>th</sup> August, 2019 and have been subject to Limited Review by the Auditors.

(b) The consolidated Accounts for the quarter ended 30<sup>th</sup> June 2019 include the figures of the Company together with its subsidiary, Borelli Tea Holding Limited (UK) (Step one subsidiary) and step-down subsidiaries i.e. Phuben Tea Company Limited (Vietnam), McLeod Russel Uganda Limited (Uganda), McLeod Russel Africa Ltd (Kenya) and McLeod Russel Middle East DMCC (Dubai) and Pfunda Tea Company Limited, an Associate till 3<sup>rd</sup> May 2019.

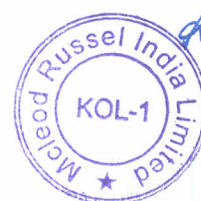
(c) In the consolidated financial results, the face value of the Parent Company's shares held by a Trust for benefit of the Company's wholly owned subsidiary has been deducted from the Equity Share Capital of the Parent Company and earning per share has accordingly been computed and disclosed in these consolidated financial results.

(d) Effective 1<sup>st</sup> April, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to its leases under modified retrospective approach with cumulative effect of initial recognition being given effect to on the date of application. This however does not have any significant impact on the results and Earning Per Share for the period.

2. (a) The entire equity shareholding in Gisovu Tea Company Limited and half of the such holding in Pfunda Tea Company Limited was divested in March 2019. The balance shares held in Pfunda Tea Company Limited as stated in Note no. 2(b) has been divested in April 2019. Thereby, Comparative figures of Gisovu Tea Company Ltd and Pfunda Tea Company Ltd for the corresponding quarter ended 30<sup>th</sup> June 2018 are not available due to change in ownership and management of these Companies.

(b) The Company's subsidiary Borelli Tea Holding Limited which was holding 45% shares of Pfunda Tea Company Limited has disposed-off it's balance shareholding of 45 shares (after sale of 45 number of shares in the previous year) for a consideration of USD 78,73,963. The profit of Rs. 6,25 Lakhs arising on such sale has been shown as an exceptional item.

3. (a) As the Group is engaged in business of cultivation, manufacturing and selling of tea, which is seasonal in character, figures for the quarter ended 30<sup>th</sup> June, 2019 should not be construed as indicative of likely result for year ended 31<sup>st</sup> March, 2020.



(b) Cost of materials consumed represents green leaf purchased from third parties.

(c) 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. The Group, being engaged in manufacture and selling of Tea, the operating segment have been considered on the basis of various geographical location and accordingly India, Vietnam, Uganda, Rwanda, UK and others have been considered to be reportable segment.

4. On 9th August, 2018, the shareholders of the Parent Company approved to sell specified assets of certain tea estates. In continuation of the steps initiated in this respect in earlier years, during the quarter:

- The Parent Company has sold specified assets of 3 Tea Estates for an aggregate consideration of Rs 15,045 Lakhs. Profit on sale of such assets amounting to Rs. 4,004 Lakhs has been shown as Exceptional items.
- The specified assets of one more tea estate have been identified and approved for sale. Memorandum of Understanding/ Term sheet with the proposed buyer for an aggregate consideration of Rs. 2,815 Lakhs, subject to due diligence and necessary approvals, etc. have also been entered by the company. Pending final binding agreement and completion of the transaction, such sales has not been recognised in this quarter.

5. a) During the year ended 31<sup>st</sup> March, 2019, the Parent company's subsidiary Borelli Tea Holdings Limited (UK) (BTHL) had agreed to buy back 60,000 shares (out of total 3,62,000 shares held by the company) for an aggregate consideration of GBP 93,00,000, and Rs. 8,391 lakhs received in this respect had been shown as advance from subsidiaries. During the period the said buy-back after obtaining necessary clearances and completion of related formalities, has been given effect to and profit on such shares amounting to Rs. 4,441 lakhs has been shown as exceptional items.

b) Subsequent to the reporting date, BTHL vide it's Board Meeting dated 1<sup>st</sup> July 2019 have further agreed to buy back 50,000 shares for a consideration of GBP 77,50,000 which will be given effect to in subsequent period on completion of the transaction.

6. Exceptional Items represent:

Particulars	Quarter 30 <sup>th</sup> June 2019	Quarter 30 <sup>th</sup> June 2018	Year ended 31 <sup>st</sup> March 2019
Profit on Sale of Specified Assets of the Tea Estates	4,004	-	18,041
Profit on buyback of shares by subsidiaries (Refer Note no. 5(a))	4,441	-	-



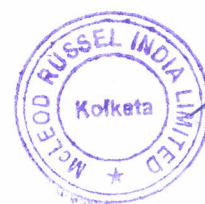


Particulars	Quarter 30 <sup>th</sup> June 2019	Quarter 30 <sup>th</sup> June 2018	Year ended 31 <sup>st</sup> March 2019
Profit on Sale of Subsidiary/ Associates (Refer Note no. 2(b))	625	-	10,900
<b>Total</b>	<b>9,070</b>	<b>-</b>	<b>28,941</b>

7. In respect of Inter-Corporate Deposits (ICDs) given to Promoter group and certain other companies, the amount outstanding aggregates to Rs. 2,84,595 Lakhs as at 30<sup>th</sup> June, 2019. Interest accrued upto 31<sup>st</sup> March 2019 and remaining unpaid as on 30<sup>th</sup> June 2019 aggregates to Rs. 7,703 Lakhs (net of provision of Rs. 7,617 lakhs). Interest on such ICDs has not been accrued during the period. Steps are being taken to restructure the financial obligations of the Parent Company as well as of various group companies and ensure repayment/reduction of outstanding amounts. The management believes that the outstanding dues, net of provision for doubtful interest receivable, as mentioned above, shall be recovered/ adjusted in due course of time and no further provision is required at this stage.
8. The Parent Company's financial performance has continued to be sluggish due to cyclical effect in the industry and prevailing market conditions. Moreover, the Inter-Corporate Deposits given to various group companies to fund them for meeting their various financial obligations are outstanding as on this date and interest against these have largely not been received. All these have resulted in working capital mismatch and liquidity constraints causing hardship in servicing the short term and long-term borrowings and other financial obligations of the Parent company. The Parent company has taken various measures to resolve these issues which inter-alia include reduction in operational costs, monetising the Parent Company's/group's assets including holding of other group companies and also restructuring the borrowings, so that to reduce the overall debt burden and related cost thereto and infuse liquidity in the system.

The management is confident that with the lenders support and cost reduction and other ameliorative measures taken, the Parent company will be able to generate sufficient cashflows and strengthen its financial performance by discharging its short term and long-term liabilities. Considering that these measures are under implementation and/or under active consideration as on this date, the financial statements have been prepared on going concern basis.

9. The predecessor auditors' have issued an adverse opinion on the consolidated financial statements for the year ended 31<sup>st</sup> March 2019. These matters include the issues relating to Inter-Corporate Deposits to group companies including certain cases considered by them to be in nature of book entries, being in excess of the limit prescribed under Section 186 of the Companies Act, 2013 ('the Act') and pending compliance thereof including under Section 185 of the Act, if applicable in respect of amounts given to the related parties. These matters are procedural in nature and/or are subject to review by the authorities and do not have any impact as such on the profit or loss for the period. Steps are being taken to regularise these



matters and ensure the compliances and the explanations sought for and information required by Registrar of Companies on the matters are being provided.

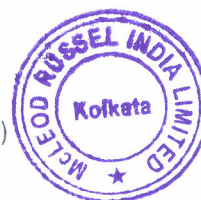
Other Auditors' observations regarding non-recoverability of inter-corporate deposits and accounts being prepared on going concern basis which have bearing on the Consolidated financial results for the quarter have been dealt with in Note no. 7 and 8 above.

10. Interest on borrowings have been provided for considering the rates and terms and conditions as per agreed term sheet or otherwise stipulated/advised in this respect and are subject to confirmation of balances by the lenders and reconciliation thereof. Adjustments, if any required in this respect will be given effect to on ascertainment of the amount thereof.
11. (a) This being the initial quarter for publication of consolidated quarterly results, limited review for the step-down subsidiaries by their respective auditors could not be undertaken. The figures pertaining to these subsidiaries as compiled by the management of respective companies were consolidated at step one subsidiary level and reviewed by its Auditors. The compilation with respect to assets and liabilities were however could not be undertaken and as such related segmental information could not be provided.
- (b) Further, the figures for the quarter ended March 31, 2019 could not be disclosed as figures for the period upto 31<sup>st</sup> December 2018 in respect of the subsidiaries could not be compiled.
- (c) In view of Sale of Specified Assets pertaining to Tea Estates in the previous year as well as in current quarter (as stated in Note no. 4) and disposal of certain subsidiaries/associates (as stated in Note no. 2) and due to the reasons given in Note 2(a) above, figures of the previous periods are not comparable with the figures of current quarter.

For McLeod Russel India Limited



(Aditya Khaitan)  
Managing Director  
(DIN No: 00023788)



Place: Kolkata  
Dated: 14<sup>th</sup> August 2019

