



MCLEOD RUSSEL  
*Believe in tea*

13 August 2021

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 Sirs,

**Sub: Unaudited Financial Results of the Company for the quarter ended 30<sup>th</sup> June 2021**

The Stock Exchange is aware that McLeod Russel India Limited ("the Company") is under Corporate Insolvency Resolution Process vide order dated 6<sup>th</sup> August 2021 passed by Hon'ble National Company Law Tribunal, New Delhi Bench, New Delhi ("NCLT") and the Hon'ble NCLT has appointed Mr. Kanchan Dutta having (Registration Number: IBBI/IPA-001/IP-P00202/2017-18/10391), as Interim Resolution Professional to perform the functions as mentioned under the Insolvency and Bankruptcy Code, 2016 (the Code). Accordingly, Mr. Kanchan Dutta has taken control of the operations and management of the Company.

In compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended 30<sup>th</sup> June 2021 along with the Limited Review Report.

Time of Commencement of Meeting: 6.30 P.M.


Time of Conclusion of Meeting: 9.45 P.M.

This is for your information and records.

Thanking You,

Yours faithfully,

**MCLEOD RUSSEL INDIA LIMITED**

  
**ALOK KUMAR SAMANT**  
**COMPANY SECRETARY**

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



**A Williamson Magor Group Enterprise**

**Independent Auditors' Review Report****The Interim Resolution Professional  
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, 2021 ('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. The Company is under the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') vide order dated August 06, 2021 passed by the National Company Law Tribunal ('NCLT'). The powers of the Board of Directors stand suspended as per the provisions of the Code and such power have been vested with the Interim Resolution Professional (IRP). IRP has since taken control of the management of the Company. This Statement which is the responsibility of the Company's Management and has been signed by the Chief Financial Officer of the Company and approved by the Interim Resolution Professional has been prepared 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 of the Statement 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. 4 dealing with Inter Corporate Deposits (ICD) aggregating to Rs. 2,83,670 lakhs as on June 30, 2021 (including Interest of Rs. 1,934 lakhs accrued till March 31, 2019) given to certain companies which are doubtful of recovery and considering recoverability etc. are prejudicial to the interest of the company. In absence of provision there against, the loss for the period is understated to that extent. Impact in this respect have not been ascertained by the management and recognised 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, 2021. 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. 7(b) regarding non-recognition of Interest of Rs. 5,262 lakhs (including Rs. 647 Lakhs for the period) on Inter Corporate Deposits taken by the company and thereby the loss for the period is understated to that extent. Further, as stated in Note no. 7(a), penal/compound interest and other adjustments in respect of borrowings from banks/financial institution have not been recognised and amount payable to banks and financial institutions as recognised in this respect are subject to confirmation from respective parties and consequential reconciliation. Pending final determination of amount in this respect, adjustments and impacts arising therefrom have not been ascertained and as such cannot be commented upon by us.





- d) Note no 8 regarding non reconciliation of certain debit and credit balances with individual details and confirmations etc. other than borrowings dealt with in Note no. 7(a). Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
- e) As stated in Note no. 6, the predecessor auditor in respect of loans included under paragraph (a) above have reported that it includes amounts given to group companies whereby applicability of Section 185 of the Companies Act, 2013 could not be ascertained and commented upon by them. Further certain ICDs as reported were in nature of book entries and/or are prejudicial to the interest of the company. These amounts are outstanding as on this date and status thereof have remained unchanged and uncertainty and related concerns including utilisation thereof and being prejudicial to the interest of the company are valid for current period also. The matter as reported is under examination and pending before regulatory authorities. Pending final outcome of the matter under examination we are unable to ascertain the impact of non-compliances and comment on the same.
5. Based on our review conducted as above, we report that because of the significance of the matters stated in Para 4 above including those relating to Inter-Corporate Deposits which as stated in Para 4(a) have been considered doubtful of recovery, together with the consequential impact of these matters on the unaudited financial results for the period which are expected to be material, 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 the Listing Regulations, 2015, including the manner in which it is to be disclosed.
6. Attention is drawn to Note no. 5 of the Statement dealing with going concern assumption for preparation of the financial results of the Company. The Company's current liabilities exceeded its current assets. The matters forming part of and dealt with under Para 4 above have significant impact on the net worth of the company. Loans given to promoter group and certain other companies have remained unpaid. This has resulted in insufficiency of company's resources for meeting its obligations. Amount borrowed and interest thereupon could not be repaid as stipulated and other obligations could not be met as well due to insufficiency of resources. The petition filed by one of the lender under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal (NCLT) vide its' order of even date has been admitted and Interim Resolution Professional (IRP) for managing the affairs of the company has been appointed and CIRP to arrive at a Resolution Plan has since been initiated. The ability to continue as a going concern is dependent upon formulation of resolution plan which is not within the control of the company. There is therefore, material uncertainty in this respect as on this date and we are unable to comment and express our view on the matter. Pending finalisation of resolution plan and approval thereof by NCLT the accounts of the company has continued to be prepared on going concern basis. Our conclusion pending CIRP is however not modified in respect of this matter.

Place: Kolkata  
Date: August 13, 2021



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

*R. P. Singh*

R. P. Singh  
Partner

Membership No. 052438  
UDIN: 21052438AAAADN6270

**MCLEOD RUSSEL INDIA LIMITED**

Registered Office: Four 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 STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021****(Rs. in Lakhs except for EPS)**

Particulars		Standalone			Financial Year ended March 31, 2021 (Audited)
		Quarter ended			
		June 30, 2021 (Unaudited)	March 31, 2021 (Audited)	June 30, 2020 (Unaudited)	
1	Revenue from Operations	15,309	22,725	11,158	1,11,187
2	Other Income	50	550	25	848
Total Income ( 1 + 2 )		15,359	23,275	11,183	1,12,035
3	Expenses				
	a) Cost of Materials Consumed	5,855	1,424	830	10,335
	b) Changes in Inventories of Finished Goods	(13,027)	15,363	(5,059)	(818)
	c) Employee Benefits Expense	14,539	10,344	12,043	53,114
	d) Finance Costs	4,157	3,383	5,259	18,720
	e) Depreciation and Amortisation Expenses	1,378	1,721	1,492	7,075
	f) Other Expenses	8,187	7,235	5,032	32,029
Total Expenses		21,089	39,470	19,597	1,20,455
4.	Profit/(Loss) before Tax (1+2-3)	(5,730)	(16,195)	(8,414)	(8,420)
5.	Tax Expense				
	a) Current Tax	-	(374)	-	-
	b) Tax relating to earlier years (net)	-	1,778	-	1,778
	c) Deferred Tax	42	(5,319)	(480)	(4,915)
6	Profit/(Loss) for the period (4-5)	(5,772)	(12,280)	(7,934)	(5,283)
7	Other Comprehensive Income				
	i) Items that will not be reclassified to profit or loss				
	a) Remeasurements of post-employment defined benefit plans	(564)	340	(701)	(1,765)
	b)Change in Fair Value of Equity instruments through other comprehensive income	460	1,430	641	4,221
	ii) Income Tax relating to items that will not be reclassified to profit or loss	180	(108)	224	565
Total Other Comprehensive Income/(Loss)		76	1,662	164	3,021
8	Total Comprehensive Income/(Loss) for the period (comprising of profit and loss and other comprehensive income for the period) (6+7)	(5,696)	(10,618)	(7,770)	(2,262)
9	Earnings per Equity Share (EPS) (Rs.) (not annualised)				
	Basic and Diluted	(5.53)	(11.76)	(7.60)	(5.06)
10	Paid-up Equity Share Capital : Face Value : Rs. 5/- per share	5,223	5,223	5,223	5,223
11	Other Equity excluding Revaluation Reserve	-	-	-	1,28,136





## Notes to Standalone Un-audited Financial Results for the Quarter ended June 30, 2021

1. The above Standalone unaudited financial result (hereinafter referred to as "Financial Results") attached herewith 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 and compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The petition filed by one of the lenders under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal (NCLT) has been admitted on August 06, 2021 vide its order of even date in terms of IBC and related rules and regulation issued thereunder. Mr. Kanchan Dutta (having Registration No: IBBI/IPA-001/IP-P00202/2017-18/10391) has been appointed as Interim Resolution Professional (IRP) and Corporate Insolvency Resolution Process (CIRP) under his supervision and direction has since been initiated. The powers of the Board of Directors has been suspended and such power have been vested with IRP. IRP has since taken control of the management of the Company. As the power of the Board of Directors have been suspended, the above unaudited financial results have not been recommended by the Audit Committee and approved by the Board of Directors. Consequently, the same has been signed by the Chief Financial Officer of the Company and approved by the IRP on August 13, 2021. The same have also been subjected to Limited Review by the Statutory Auditors.
2. (a) Cost of materials consumed represents green leaf purchased from external sources.  
  
(b) The Company is primarily engaged in the business of cultivation, manufacture and sale of tea across various geographical locations. In term of Ind AS 108 "Operating Segment", the Company has one business segment i.e. Manufacturing and Selling of Tea.  
  
(c) As the Company is engaged in business of cultivation, manufacture and sale of tea, which is seasonal in character, figures for the quarter ended June 30, 2021 should not be construed as indicative of possible result for year ending March 31, 2022.
3. Remuneration to the extent of Rs. 299 Lakhs (net of recovery of Rs. 40 lakhs thereagainst) paid to Managing Director for the period from April 01, 2018 to March 31, 2020 which had become in excess of the limit laid down under the Companies Act, 2013. Further, the company has paid Remuneration of Rs. 576 lakhs (including Rs. 135 lakhs for the period) to Managing Director and Wholtime Director for the period from April 01, 2020 to June 30, 2021 as decided in by the Shareholder vide their special resolution in the Annual General Meeting (AGM) dated December 02, 2020. The company prior to the AGM as required in terms of Schedule V of the Companies Act, 2013 had made Application to the banks and public financial institution for their approval and the same is awaited as on this date. Accordingly, these amounts being held in trust has been recognised as advances pending recovery/adjustment in due course of time.
4. In respect of Inter-Corporate Deposits (ICDs) given to Promoter group and certain other companies, the amount outstanding aggregates to Rs. 2,81,736 Lakhs as at June 30, 2021 (March 31, 2021: Rs. 2,82,396 Lakhs) (net of provision of Rs. 1,098 Lakhs). Interest accrued upto March 31, 2019 and remaining unpaid as on June 30, 2021 aggregates to Rs. 1,934 Lakhs (March 31, 2021: Rs. 1,934 Lakhs) (net of provision of Rs. 7,999 Lakhs). Interest on such ICDs considering the waiver sought by borrower companies and uncertainties involved with respect to recovery and determination of amount thereof, has not been accrued since April 01, 2019. Over and above, the company had issued letters of comfort to lenders of these companies. On commencement of CIRP as mentioned above restructuring and other proposals earlier under consideration has been kept in abeyance. Any adjustments required consequent to finalisation of resolution plan under CIRP will be given effect to on determination of the amount thereof.



5. Operational earnings and performance of the company even though has improved over the period, the Company's financial position has continued to be under stress. The Inter-Corporate Deposits (ICDs) given to various group companies to provide them funds for strategic reasons for meeting their various obligations along with interest to the extent applicable are outstanding as on this date. These have resulted in mismatch of company's resources vis-à-vis its commitments and obligations and financial constraints, causing hardship in servicing the short term and long-term debts and meeting other liabilities.

One of the banker had issued a notice of default and recalled the amount granted under various facilities and had commenced the proceeding before Debt recovery Tribunal (DRT) for realisation of their debt to the company. The said banker and one other lender had filed petitions under Insolvency and Bankruptcy Code, 2016 (IBC) with Hon'ble National Company Law Tribunal, Kolkata (NCLT).

Meanwhile, lenders initiated the Resolution process of the company in terms of circular dated June 07, 2019 issued by the Reserve Bank of India. Pursuant to such resolution process, Techno Economic Viability (TEV) study and valuation of the company had been carried out by Independent professional. Further, SBI Capital Markets Limited, one of the leading investment banker had prepared the plan and submitted its recommendations concerning the resolution plan and the same were under consideration of the lenders. The forensic audit for utilisation of funds borrowed in the past, conducted on behest of lenders had been completed and finding on utilisation of funds borrowed had been accepted by the lenders. Inter-Creditor Agreement (ICA) for arriving at and implementing the resolution plan had been confirmed and signed by certain lenders and was in the process of being approved by remaining lenders. The lenders were in the process of re-vetting of the TEV Study and also obtaining the possible credit rating of the company so that to implement the resolution plan recommended by SBI Capital Markets Limited.

Pending completion of the Resolution Process as given herein above, petition filed under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal (NCLT) by one of the lender have been admitted by NCLT on August 06, 2021 vide its order of even date and IRP for managing the affairs of the company has been appointed. However, the petition filed by the banker has subsequently been dismissed by the Bench upon noting that such petition has become infructuous as the company has since been admitted into CIRP by NCLT.

CIRP comprising of claim from creditors, formation of committee of creditors (COC), analysis and acceptance of expression of interest from the interested entities and finalisation of resolution plan and approval thereof by NCLT will be undertaken in due course of time. Pending this and measures to be adopted as a part of CIRP and approval of resolution plan by NCLT, the financial results have been continued to be prepared on a going concern basis.

6. The predecessor auditors' had issued an adverse opinion on the audited financial results for the year ended March 31, 2019. Inter-Corporate Deposits to companies as dealt herein above in Note no. 4 include amounts reported upon by predecessor auditor being in the nature of book entries. This includes amounts given to group companies whereby applicability of Section 185 of the Companies Act, 2013 and related non-compliances, if any could not be ascertained and commented upon by them. Loan of Rs. 2,81,736 Lakhs given to various parties as given in Note no. 4 are outstanding as on June 30, 2021. The issues raised including utilisation of these loans etc. are also being examined by relevant authorities. Information required by the authorities have been provided and final outcome and/or directions if any are awaited as on this date.
7. (a) Pending completion of CIRP and consequential adjustment in this respect as per Note No. 5 above, Interest on borrowings have been continued to be provided on simple interest basis based on the rates specified in term sheet or otherwise stipulated/advised from time to time and penal/compound interest if any has not been considered. Further, pending completion of CIRP, amount repaid to lenders and/or recovered by them including by executing securities etc., have been adjusted against principal amount outstanding. The amount payable to the lenders in respect of outstanding amount including interest thereagainst is subject to confirmation and determination and consequential reconciliation thereof on completion of CIRP as on this date. Adjustments, if any required in this respect will be recognised on determination thereof and will then be given effect to in the financial results.






(b) Interest on Inter Corporate Deposits taken by the company has not been recognised to the extent of Rs. 5,262 Lakhs (including Rs. 647 Lakhs for the period) pending finalisation of resolution plan.

8. Certain debit and credit balances other than borrowings dealt with in Note no. 7(a) including clearing accounts, other receivables/ Payables, advances from customers, loans and advances, other current assets and certain other liabilities are subject to reconciliation with individual details and balances and confirmation thereof. Adjustments/ Impact in this respect are currently not ascertainable.

9. (a) The observations concerning Auditors' Opinion on the standalone financial statements for the year ended March 31, 2021 have been dealt with under Para 4 to 8 above. These are expected to be resolved on the outcome of the CIRP as per Note no. 5 above and will then suitably be addressed in the subsequent periods.

(b) The figures for the quarters ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year and the year to date upto the quarter ended December 31, 2020 which were subject to limited review by the Statutory Auditors.

(c) Figures for the previous periods have however, been regrouped/ rearranged, wherever necessary to confirm to the current periods' presentation.

**For McLeod Russel India Limited**  
  
(Kanchan Dutta)  
Interim Resolution Professional  
(IBBI/PA-001/IP-P00202/2017-18/10391)

  
(Pradip Bhar)  
Chief Financial Officer

Place: Kolkata  
Dated: August 13, 2021



**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") for the quarter ended June 30, 2021 ("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.
2. The Parent is under the corporate insolvency resolution process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') vide order dated August 06, 2021 passed by the National Company Law Tribunal ('NCLT'). The powers of the Board of Directors stand suspended as per the provisions of the Code and such power have been vested with the Interim Resolution Professional (IRP). IRP has since taken control of the management of the Parent. This Statement which is the responsibility of the Parent's Management and has been signed by the Chief Financial Officer of the Parent and approved by the Interim Resolution Professional 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 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 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 have also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India 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 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





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. 4 dealing with Inter Corporate Deposits (ICD) aggregating to Rs. 2,83,670 lakhs as on June 30, 2021 (including Interest of Rs. 1,934 lakhs accrued till March 31, 2019) given to certain companies by the Parent which are doubtful of recovery and considering recoverability etc. are prejudicial to the interest of the Parent. In absence of provision there against, the loss for the period is understated to that extent. Impact in this respect have not been ascertained by the management and recognised in the statement.
  - b) The Parent had given advance to a body corporate aggregating to Rs. 1,400 lakhs which are outstanding as on June 30, 2021. 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. 7(b) regarding non-recognition of Interest of Rs. 5,262 lakhs (including Rs. 647 Lakhs for the period) on Inter Corporate Deposits taken by the Parent and thereby the loss for the period is understated to that extent. Further, as stated in Note no. 7(a), penal/compound interest and other adjustments in respect of borrowings from banks/financial institution have not been recognised and amount payable to banks and financial institutions as recognised in this respect are subject to confirmation from respective parties and consequential reconciliation. Pending final determination of amount in this respect, adjustments and impacts arising therefrom have not been ascertained and as such cannot be commented upon by us.
  - d) Note no 8 regarding non reconciliation of certain debit and credit balances with individual details and confirmation etc. other than borrowings dealt with in Note no. 7(a) by the Parent. Adjustments/ Impact with respect to these are currently not ascertainable and as such cannot be commented upon by us.
  - e) As stated in Note no. 6, the predecessor auditor in respect of loans included under paragraph (a) above have reported that it includes amounts given to group companies whereby applicability of Section 185 of the Companies Act, 2013 could not be ascertained and commented upon by them. Further certain ICDs as reported were in nature of book entries and/or are prejudicial to the interest of the Parent. These amounts are outstanding as on this date and status thereof have remained unchanged and uncertainty and related concerns including being prejudicial to the interest of the Parent are valid for current period also. The matter as reported is under examination and pending before regulatory authorities. Pending final outcome of the matter under examination we are unable to ascertain the impact of non-compliances and comment on the same.
7. Based on our review conducted as above, we report that because of the significance of the matters stated in Para 6 above including those relating to Inter-Corporate Deposits which as stated in Para 6(a) have been considered doubtful of recovery, together with the consequential impact of these matters on the consolidated unaudited financial results for the period which are expected to be material, 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 the Listing Regulations, 2015, including the manner in which it is to be disclosed.
8. Attention is drawn to Note no. 5 of the Statement dealing with going concern assumption for preparation of the unaudited consolidated financial results of the Group. The Parent's current liabilities exceeded its current assets. The matters forming part of and dealt with under Para 6 above have significant impact on the net worth of the Parent. Loans given to promoter group and certain other companies have remained unpaid. This has resulted in insufficiency of parent's resources for meeting its obligations. Amount



borrowed and interest thereupon could not be repaid as stipulated and other obligations could not be met as well due to insufficiency of resources. Amount borrowed and interest thereupon could not be repaid as stipulated and other obligations could not be met as well due to insufficiency of resources. The petition filed by one of the lender under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal (NCLT) vide its' order of even date has been admitted and IRP for managing the affairs of the Parent has been appointed and CIRP has since been initiated. The ability to continue as a going concern is dependent upon formulation of resolution plan which is not within the control of the parent. There is therefore, material uncertainty in this respect as on this date and we are unable to comment and express our view on the matter. Pending finalisation of resolution plan and approval thereof by NCLT the accounts of the parent has continued to be prepared on going concern basis. Our conclusion pending CIRP is however not modified in respect of this matter.

9. We did not review the unaudited consolidated financial statement of Subsidiaries (including four stepdown subsidiaries) whose consolidated unaudited financial statements reflect total revenues of Rs. 7,685 lakhs, total net profit/(loss) after tax of (Rs. 931 lakhs) and total comprehensive income of (Rs. 931 lakhs) for the period ended June 30, 2021 as considered in the consolidated unaudited financial results. These consolidated financial statements 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 is based solely on the reports of the other auditors.
10. Our conclusion on the Statement is not modified in respect of the matters stated in Para (8) and (9) above.

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

Place: Kolkata  
Date: August 13, 2021



*R. P. Singh*  
R. P. Singh  
Partner  
Membership No. 052438  
UDIN:21052438AAAADO7414



**MCLEOD RUSSEL INDIA LIMITED**

Registered Office: Four 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 CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021**

(Rs. in Lakhs except for EPS)

Particulars	Consolidated			
	Quarter ended			Financial Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1 Revenue from Operations	21,898	29,863	19,330	1,43,844
2 Other Income	271	1,255	310	1,999
<b>Total Income ( 1 + 2 )</b>	<b>22,169</b>	<b>31,118</b>	<b>19,640</b>	<b>1,45,843</b>
<b>3 Expenses</b>				
a) Cost of Materials Consumed	6,860	3,704	1,739	17,441
b) Purchase of Tea	376	(237)	1,551	3,624
c) Changes in Inventories of Finished Goods	(11,126)	13,926	(3,417)	160
d) Employee Benefits Expense	15,940	12,186	13,460	59,692
e) Finance Costs	4,564	3,720	5,833	20,451
f) Depreciation and Amortisation Expenses	1,714	2,297	1,788	9,038
g) Other Expenses	10,669	10,698	8,176	43,409
<b>Total Expenses</b>	<b>28,997</b>	<b>46,294</b>	<b>29,130</b>	<b>1,53,815</b>
<b>4 Profit/(Loss) before share of profit and Tax (1+2-3)</b>	<b>(6,828)</b>	<b>(15,176)</b>	<b>(9,490)</b>	<b>(7,972)</b>
<b>5 Share of Profit/(Loss) of Associate</b>	-	-	-	-
<b>6 Profit/(Loss) before Tax (4+5)</b>	<b>(6,828)</b>	<b>(15,176)</b>	<b>(9,490)</b>	<b>(7,972)</b>
<b>7 Tax Expense</b>				
a) Current Tax	(108)	(384)	42	168
b) Tax relating to earlier years (net)	-	1,778	-	1,778
c) Deferred Tax	(17)	(5,083)	(480)	(4,679)
<b>8 Profit/(Loss) for the period (6-7)</b>	<b>(6,703)</b>	<b>(11,487)</b>	<b>(9,052)</b>	<b>(5,239)</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	(564)	179	(701)	(1,926)
b) Change in Fair Value of Equity Instruments through other comprehensive income	460	1,430	641	4,221
ii) Income Tax relating to Items that will not be reclassified to profit or loss	180	(60)	224	613
B i) Items that will be reclassified to profit or loss				
a) Exchange differences on translation of foreign operations	408	372	(168)	(784)
<b>Total Other Comprehensive Income/(Loss)</b>	<b>484</b>	<b>1,921</b>	<b>(4)</b>	<b>2,124</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>(6,219)</b>	<b>(9,566)</b>	<b>(9,056)</b>	<b>(3,115)</b>
<b>11 Profit/(Loss) for the period attributable to :</b>				
Owners' of the Parent Company	(6,703)	(11,487)	(9,052)	(5,239)
Non-controlling interests	-	-	-	-
<b>12 Other Comprehensive Income/(Loss) for the period attributable to :</b>				
Owners' of the Parent Company	484	1,921	(4)	2,124
Non-controlling interests	-	-	-	-
<b>13 Total Comprehensive Income for the period attributable to :</b>				
Owners' of the Parent Company	(6,219)	(9,566)	(9,056)	(3,115)
Non-controlling interests	-	-	-	-
<b>14 Earnings per Equity Share (EPS) (Rs.) (not annualised)</b>				
Basic and Diluted	(6.42)	(11.00)	(8.67)	(5.02)
<b>15 Paid-up Equity Share Capital : Face Value : Rs. 5/- per share</b>	<b>5,223</b>	<b>5,223</b>	<b>5,223</b>	<b>5,223</b>
<b>16 Other Equity excluding Revaluation Reserve</b>	-	-	-	1,48,559



(Rs. in Lakhs)				
Segment Information:				
Particulars	Consolidated			Financial
	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Segment Revenue:</b>				
India	14,619	22,605	11,139	1,11,018
Vietnam	1,447	2,210	1,528	7,737
Uganda	5,086	5,048	4,627	20,488
UK	220	-	250	238
Others	526	-	1,786	4,363
<b>Total</b>	<b>21,898</b>	<b>29,863</b>	<b>19,330</b>	<b>1,43,844</b>
<b>Segment Result:</b>				
India	(6,234)	(15,552)	(8,414)	(7,775)
Vietnam	(249)	(331)	(595)	(1,351)
Uganda	(213)	839	(640)	1,008
UK	(141)	(191)	37	65
Others	9	59	122	81
<b>Profit/(Loss) before Share of Profit and Tax</b>	<b>(6,828)</b>	<b>(15,176)</b>	<b>(9,490)</b>	<b>(7,972)</b>
Share of Profit of Associate	-	-	-	-
<b>Profit/(Loss) before Taxation</b>	<b>(6,828)</b>	<b>(15,176)</b>	<b>(9,490)</b>	<b>(7,972)</b>
Less Taxation :				
Current tax	(108)	(384)	42	168
Income tax relating to earlier years (net)	-	1,778	-	1,778
Deferred tax	(17)	(5,083)	(480)	(4,679)
	<b>(125)</b>	<b>(3,689)</b>	<b>(438)</b>	<b>(2,733)</b>
<b>Profit/(Loss) after taxation</b>	<b>(6,703)</b>	<b>(11,487)</b>	<b>(9,052)</b>	<b>(5,239)</b>
<b>Depreciation and amortisation relating to segments:</b>				
India	1,378	1,721	1,492	7,075
Vietnam	30	102	27	568
Uganda	291	460	254	1,336
UK	15	14	14	56
Others	-	-	1	3
<b>Total</b>	<b>1,714</b>	<b>2,297</b>	<b>1,788</b>	<b>9,038</b>
<b>Segment Assets</b>				
India	4,49,224	4,43,626	4,51,821	4,43,626
Vietnam	12,479	13,246	13,419	13,246
Uganda	28,354	27,660	29,069	27,660
UK	4,309	4,502	4,543	4,502
Others	1,443	1,534	2,529	1,534
<b>Total</b>	<b>4,95,809</b>	<b>4,90,568</b>	<b>5,01,381</b>	<b>4,90,568</b>
<b>Segment Liabilities</b>				
India	2,92,064	2,80,344	2,94,228	2,80,344
Vietnam	5,393	6,023	5,020	6,023
Uganda	21,862	21,258	24,570	21,258
UK	148	477	806	477
Others	234	139	158	139
<b>Total</b>	<b>3,19,701</b>	<b>3,08,241</b>	<b>3,24,782</b>	<b>3,08,241</b>





**Notes to Consolidated Un-audited Financial Results for the Quarter ended June 30, 2021**

1. (a) The above consolidated unaudited financial result of McLeod Russel India Limited ('the Parent') and its subsidiaries (together referred to as the 'Group') (hereinafter referred to as "Consolidated Financial Results") attached herewith 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 and complied keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The petition filed by one of the lenders under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal (NCLT) against the Parent has been admitted on August 06, 2021 vide its order of even date in terms of IBC and related rules and regulation issued thereunder. Mr. Kanchan Dutta (having Registration No: IBBI/PA-001/IP-P00202/2017-18/10391) has been appointed as Interim Resolution Professional (IRP) and Corporate Insolvency Resolution Process (CIRP) under his supervision and direction has since been initiated. The powers of the Board of Directors has been suspended and such power have been vested with the IRP. IRP has since taken control of the management of the Parent. As the power of the Board of Directors have been suspended, the above unaudited financial results have not been recommended by the Audit Committee and approved by the Board of Directors. Consequently, the same has been signed by the Chief Financial Officer of the Parent and have been approved by the IRP on August 13, 2021. The same have also been subjected to Limited Review by the Statutory Auditors.  
  
(b) The consolidated financial results for the quarter ended June 30, 2021 include the figures of the Parent 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 Limited (Kenya) and McLeod Russel Middle East DMCC (Dubai)
2. (a) Cost of materials consumed represents green leaf purchased from external sources.  
  
(b) 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 locations and accordingly India, Vietnam, Uganda, UK and others have been considered to be reportable segment.  
  
(c) As the Group is engaged in business of cultivation, manufacture and sale of tea, which is seasonal in character, figures for the quarter ended June 30, 2021 should not be construed as indicative of possible result for year ending March 31, 2022.
3. Remuneration to the extent of Rs. 299 Lakhs (net of recovery of Rs. 40 lakhs thereagainst) paid to Managing Director of the Parent for the period from April 01, 2018 to March 31, 2020 which had become in excess of the limit laid down under the Companies Act, 2013. Further, the Parent has paid Remuneration of Rs. 576 lakhs (including Rs. 135 lakhs for the period) to Managing Director and Wholetime Director for the period from April 01, 2020 to June 30, 2021 as decided in by the Shareholder vide their special resolution in the Annual General Meeting (AGM) dated December 02, 2020. The Parent prior to the AGM as required in terms of Schedule V of the Companies Act, 2013 had made Application to the banks and public financial institution for their approval and the same is awaited as on this date. Accordingly, these amounts being held in trust has been recognised as advances, pending adjustment in due course of time.
4. In respect of Inter-Corporate Deposits (ICDs) given to Promoter group and certain other companies by the Parent, the amount outstanding aggregates to Rs. 2,81,736 Lakhs as at June 30, 2021 (March 31, 2021: Rs. 2,82,396 Lakhs) (net of provision of Rs. 1,098 Lakhs). Interest accrued upto March 31, 2019 and remaining unpaid as on June 30, 2021 aggregates to Rs. 1,934 Lakhs (March 31, 2021: Rs. 1,934 Lakhs) (net of provision of Rs. 7,999 Lakhs). Interest on such ICDs considering the waiver sought by borrower companies and uncertainties involved with respect to recovery and determination of amount thereof, has not been accrued since April 01, 2019. Over and above, the Parent had issued letters of comfort to lenders of these companies. On commencement of CIRP as mentioned above restructuring



and other proposals earlier under consideration has been kept in abeyance. Any adjustments required consequent to finalisation of resolution plan under CIRP will be given effect to on determination of the amount thereof.

5. Operational earnings and performance of the Parent even though has improved over the period, the Parent's financial position has continued to be under stress. The Inter-Corporate Deposits (ICDs) given to various group companies to provide them funds for strategic reasons for meeting their various obligations along with interest to the extent applicable are outstanding as on this date. These have resulted in mismatch of Parent's resources vis-à-vis its commitments and obligations and financial constraints, causing hardship in servicing the short term and long-term debts and meeting other liabilities.

One of the banker had issued a notice of default to the Parent and recalled the amount granted under various facilities and had commenced the proceeding before Debt recovery Tribunal (DRT) for realisation of their debt to the company. The said banker and one other lender had filed petitions under Insolvency and Bankruptcy Code, 2016 (IBC) with Hon'ble National Company Law Tribunal, Kolkata (NCLT).

Meanwhile, lenders initiated the Resolution process of the Parent in terms of circular dated June 07, 2019 issued by the Reserve Bank of India. Pursuant to such resolution process, Techno Economic Viability (TEV) study and valuation of the Parent had been carried out by Independent professional. Further, SBI Capital Markets Limited, one of the leading investment banker had prepared the plan and submitted its recommendations concerning the resolution plan and the same were under consideration of the lenders. The forensic audit for utilisation of funds borrowed in the past, conducted on behest of lenders had been completed and finding on utilisation of funds borrowed had been accepted by the lenders. Inter-Creditor Agreement (ICA) for arriving at and implementing the resolution plan had been confirmed and signed by certain lenders and was in the process of being approved by remaining lenders. The lenders were in the process of re-vetting of the TEV Study and also obtaining the possible credit rating of the company so that to implement the resolution plan recommended by SBI Capital Markets Limited.

Pending completion of the Resolution Process as given herein above, petition filed under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal (NCLT) by one of the lender have been admitted by NCLT on August 06, 2021 vide its order of even date and IRP for managing the affairs of the Parent has been appointed. However, the petition filed by the banker has subsequently been dismissed by the Bench upon noting that such petition has become infructuous as the Parent has since been admitted into CIRP by NCLT.

CIRP comprising of claim from creditors, formation of committee of creditors (COC), analysis and acceptance of expression of interest from the interested entities and finalisation of resolution plan and approval thereof by NCLT will be undertaken in due course of time. Pending this and measures to be adopted as a part of CIRP and approval of resolution plan by NCLT, the consolidated financial results have been continued to be prepared on a going concern basis.

6. The predecessor auditors' had issued an adverse opinion on the consolidated audited financial results for the year ended March 31, 2019. Inter-Corporate Deposits to companies as dealt herein above in Note no. 4 include amounts reported upon by predecessor auditor being in the nature of book entries. This includes amounts given to group companies whereby applicability of Section 185 of the Companies Act, 2013 and related non-compliances, if any could not be ascertained and commented upon by them. Loan of Rs. 2,81,736 Lakhs given to various parties as given in Note no. 4 are outstanding as on June 30, 2021. The issues raised including utilisation of these loans etc. are also being examined by relevant authorities. Information required by the authorities have been provided and final outcome and/or directions if any are awaited as on this date.





7. (a) Pending completion of CIRP and consequential adjustment in this respect as per Note No. 5 above, Interest on borrowings have been continued to be provided on simple interest basis based on the rates specified in term sheet or otherwise stipulated/advised from time to time and penal/compound interest if any has not been considered. Further, pending completion of CIRP, amount repaid to lenders and/or recovered by them including by executing securities etc., have been adjusted against principal amount outstanding. The amount payable to the lenders in respect of outstanding amount including interest thereagainst is subject to confirmation and determination and consequential reconciliation thereof on completion of CIRP as on this date. Adjustments, if any required in this respect will be recognised on determination thereof and will then be given effect to in the consolidated financial results.

(b) Interest on Inter Corporate Deposits taken by the Parent has not been recognised to the extent of Rs. 5,262 Lakhs (including Rs. 647 Lakhs for the period) pending finalisation of resolution plan.

8. Certain debit and credit balances other than borrowings dealt with in Note no. 7(a) including clearing accounts, other receivables/ Payables, advances from customers, loans and advances, other current assets and certain other liabilities of the Parent are subject to reconciliation with individual details and balances and confirmation thereof. Adjustments/ Impact in this respect are currently not ascertainable.
9. (a) The observations concerning Auditors' Opinion on the consolidated financial statements for the year ended March 31, 2021 have been dealt with under Para 4 to 8 above. These are expected to be resolved on the outcome of the CIRP as per Note no. 5 above and will then suitably be addressed in the subsequent periods.

(b) The figures for the quarters ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year and the year to date upto the quarter ended December 31, 2020 which were subject to limited review by the Statutory Auditors.

(c) Figures for the previous periods have however, been regrouped/ rearranged, wherever necessary to confirm to the current periods' presentation.



For McLeod Russel India Limited

(Pradip Bhar)  
Chief Financial Officer

Place: Kolkata  
Dated: August 13, 2021

(Kaichan Dutta)  
Interim Resolution Professional  
(IBBI/IPA-001/IP-P00202/2017-18/10391)

