



McLEOD RUSSEL

*Believe in tea*

14<sup>th</sup> November, 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 / HALF YEAR ENDED 30TH SEPTEMBER 2019**

**OUTCOME OF THE BOARD MEETING HELD ON 14<sup>th</sup> NOVEMBER, 2019**

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we write to inform you that the Board of Directors of the Company, at its meeting held on 14th November, 2019, has considered and approved the Unaudited Standalone and Consolidated Financial Results for the Quarter and Half year ended 30th September, 2019.

In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Unaudited Standalone & Consolidated Financial Results for the Quarter / Half Year ended 30<sup>th</sup> September, 2019 along with copies of the Limited Review Reports furnished by Messrs. Lodha & Co., the Statutory Auditors of the Company.

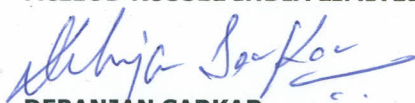
The aforesaid financial results will be posted on the Company's website, [www.mcleodrussel.com](http://www.mcleodrussel.com). We would request you to place the said results on the website of your Exchange.

The meeting commenced at 2:00 PM and concluded at 6:30 PM.

Please acknowledge.

Thanking you,

Yours faithfully,  
**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 and six months ended on September 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. Attention is drawn to the fact that the statement of cashflows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company, but have not been subject to review.
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 the 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 and 8 relating to Inter Corporate Deposits (ICD) aggregating to Rs. 2,91,091 lakhs as on September 30, 2019 (including Interest of Rs. 6,434 lakhs accrued till March 31, 2019) given to certain companies which includes Rs. 1,10,189 Lakhs devolved/given during the period is subject to compliances, as required under Companies Act, 2013 ('the Act'). The amount outstanding as on this date as given above is doubtful of recovery. In absence of provision there against the profit for the period is overstated 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 September 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(b) of the statement regarding non-provision of interest to the extent of Rs. 1,408 lakhs as advised by the lenders, thereby the profit for the period is overstated to that extent.
  - d) Note No. 10(a) and (c) of the Statement regarding certain reconciliations/confirmations with respect to balances of borrowing from lenders pending final determination of amount in this respect and





certain other balances and adjustments arising therefrom, the impact whereof is presently not determinable.

5. Based on our review conducted as above, we report that because of the significance of the matters stated in Para 4 above especially those relating to non-provision of amount given as 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 financial results for the period, 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. 7 of the Statement dealing with going concern assumption for preparation of the accounts of the Company. 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 expected successful outcome of the steps and measures including those concerning rationalisation of costs, restructuring of borrowings and other proposals under consideration as on this date.
7. (a) The comparative financial information of the Company for the corresponding quarter and half year ended September 30, 2018 (excepting cashflows, given under Para ((b) below) were reviewed by the predecessor auditor who expressed unmodified opinion vide their reports dated November 12, 2018.  
  
(b) The Statement of Cash flows for the corresponding period for six months ended September 30, 2018 has been derived based on the figures of the financial results for the said period reviewed by predecessor auditor as per Para (a) above.  
  
(c) The comparative financial information of the Company for the year ended March 31, 2019 were audited by the predecessor auditor who expressed an adverse opinion vide their report dated June 29, 2019.  
  
(d) We have placed reliance on the reports given by the predecessor auditor for the purpose of these financial results and our report thereupon.

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



Place: Kolkata  
Date: November 14, 2019

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

*R. P. Singh*

R. P. Singh  
Partner

Membership No. 052438  
UDIN: 19052438AAAAACF5303

**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 AND SIX MONTHS ENDED SEPTEMBER 30, 2019**

Rs. Lakhs except for EPS

Particulars	Standalone					
	Quarter ended			Six Months ended		Financial
	September 30, 2019	30th June 2019	September 30, 2018	September 30, 2019	September 30, 2018	Year ended 31st March 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Revenue from Operations	26,880	15,116	44,606	41,996	66,902	1,30,992
2 Other Income	3,257	4,628	7,569	7,885	12,263	31,539
<b>Total Income ( 1 + 2 )</b>	<b>30,137</b>	<b>19,744</b>	<b>52,175</b>	<b>49,881</b>	<b>79,165</b>	<b>1,62,531</b>
<b>3 Expenses</b>						
a) Cost of Materials Consumed	340	564	7,644	904	13,252	15,887
b) Purchase of Tea	-	-	-	-	-	-
c) Changes in Inventories of Finished Goods	(10,206)	(5,229)	(13,926)	(15,435)	(35,164)	(461)
d) Employee Benefits Expense	13,881	15,412	19,537	29,293	43,376	74,542
e) Finance Costs	5,296	8,496	4,975	13,792	9,255	32,665
f) Depreciation and Amortisation Expenses	1,471	1,418	1,701	2,889	3,656	6,922
g) Other Expenses	10,314	5,797	13,227	16,111	25,595	51,017
<b>Total Expenses</b>	<b>21,096</b>	<b>26,458</b>	<b>33,158</b>	<b>47,554</b>	<b>59,970</b>	<b>1,80,572</b>
<b>4 Profit/(Loss) before Exceptional items and Tax (1+2-3)</b>	<b>9,041</b>	<b>(6,714)</b>	<b>19,017</b>	<b>2,327</b>	<b>19,195</b>	<b>(18,041)</b>
<b>5 Exceptional items</b>	<b>3,324</b>	<b>8,445</b>	<b>14,669</b>	<b>11,769</b>	<b>14,669</b>	<b>18,041</b>
<b>6 Profit/(Loss) before Tax (4+5)</b>	<b>12,365</b>	<b>1,731</b>	<b>33,686</b>	<b>14,096</b>	<b>33,864</b>	<b>-</b>
<b>7 Tax Expense</b>						
a) Current Tax	(354)	354	8,832	-	8,867	710
b) Provisions for tax relating to earlier years written back (net)	-	-	-	-	-	(3,974)
c) Deferred Tax	3,659	(319)	(1,040)	3,340	(1,048)	3,705
<b>8 Profit/(Loss) for the period (6-7)</b>	<b>9,060</b>	<b>1,696</b>	<b>25,894</b>	<b>10,756</b>	<b>26,045</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	(762)	(763)	(708)	(1,525)	(1,510)	(660)
b) Change in Fair Value of Equity instruments through other comprehensive income	(700)	(2,213)	(776)	(2,913)	(4,136)	(5,372)
ii) Income Tax relating to items that will not be reclassified to profit or loss	244	244	227	488	483	211
<b>Total Other Comprehensive Income/(Loss)</b>	<b>(1,218)</b>	<b>(2,732)</b>	<b>(1,257)</b>	<b>(3,950)</b>	<b>(5,163)</b>	<b>(5,821)</b>
<b>10 Total Comprehensive Income/(Loss) for the period</b>	<b>7,842</b>	<b>(1,036)</b>	<b>24,637</b>	<b>6,806</b>	<b>20,882</b>	<b>(6,262)</b>
<b>11 Earnings per Equity Share (EPS) (Rs.) (not annualised)</b>						
Basic and Diluted	8.68	1.62	24.14	10.30	24.05	(0.41)
<b>12 Paid-up Equity Share Capital : Face Value : Rs. 5/- per share</b>	<b>5,223</b>	<b>5,223</b>	<b>5,321</b>	<b>5,223</b>	<b>5,321</b>	<b>5,223</b>
<b>13 Other Equity excluding Revaluation Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,29,737</b>



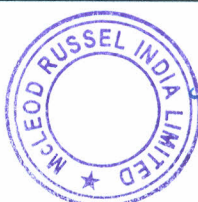


## Annexure I

## STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

Rs. Lakhs

Particulars	As at	
	September 30, 2019	March 31, 2019
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	1,01,415	1,07,430
Capital Work-in-Progress	5,318	4,745
Other Intangible Assets	1,333	1,467
Financial Assets		
Investments		
-Investment in Associate	15,967	22,937
-Other Investments	1,325	4,238
Loans	2,84,657	1,74,468
Other Financial Assets	8,018	10,296
Other Non-current Assets	3,582	10,269
<b>Total Non-Current Assets</b>	<b>4,21,615</b>	<b>3,35,850</b>
<b>Current Assets</b>		
Inventories	23,816	9,352
Biological Assets other than Bearer Plants	850	454
Financial Assets		
Trade Receivables	9,732	2,565
Cash and Cash Equivalents	5,603	30,658
Other Bank Balances	317	1,067
Loans	534	13
Other Financial Assets	771	813
Current Tax Assets (Net)	7,007	7,007
Other Current Assets	7,555	6,974
<b>Total Current Assets</b>	<b>56,185</b>	<b>58,903</b>
Non-Current Assets held for Sale	1,648	12,719
<b>TOTAL</b>	<b>4,79,448</b>	<b>4,07,472</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	5,223	5,223
Other Equity	1,68,980	1,62,174
<b>Total Equity</b>	<b>1,74,203</b>	<b>1,67,397</b>
<b>Non-current Liabilities</b>		
Financial Liabilities		
Borrowings	9,274	15,812
Provisions		
Employee Benefit Obligations	4,072	4,073
Deferred Tax Liabilities (Net)	20,027	17,189
Other Non-current Liabilities	532	532
<b>Total Non-current Liabilities</b>	<b>33,905</b>	<b>37,606</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings	1,99,035	1,34,213
Trade Payables		
Total outstanding dues of Micro and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro and Small Enterprises	16,245	15,675
Other Financial Liabilities	35,246	32,490
Other Current Liabilities	14,239	16,230
Provisions		
Employee Benefit Obligations	3,699	1,304
Other Provisions	1,179	861
Current Tax Liabilities (Net)	1,697	1,696
<b>Total Current Liabilities</b>	<b>2,71,340</b>	<b>2,02,469</b>
<b>TOTAL</b>	<b>4,79,448</b>	<b>4,07,472</b>



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## STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019

Particulars	Rs. Lakhs	
	Six Months ended September 30, 2019	September 30, 2018
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit before tax</b>	<b>14,096</b>	<b>33,864</b>
Adjustments to reconcile profit for the year to net cash generated from operating activities:-		
Depreciation and Amortisation Expense	2,889	3,656
Loss/(Profit) on disposal of Property, Plant and Equipment	244	-
Changes in Fair Value of Biological Assets	(396)	(459)
Exceptional Item	(11,769)	(14,669)
Dividend Income	(6,670)	(4,112)
Interest Income	(216)	(7,232)
Finance Costs	13,792	9,255
Fair Value Loss/(Gain) on Derivatives (Net)	(496)	422
Liabilities no longer required written back	(13)	(179)
Provisions no longer required written back	-	(75)
Bad Debts Written off	-	15
<b>Operating Profit Before Working Capital Changes</b>	<b>11,461</b>	<b>20,486</b>
<b>Adjustment for:</b>		
Trade Receivables, Loans, Other Financial Assets and Other Assets	(13,390)	(3,400)
Inventories	(14,464)	(31,947)
Trade Payables, Employee Benefit Obligations, Other Financial Liabilities, Other Current Liabilities	8,413	24,111
<b>Cash Generated/(Used) from Operations</b>	<b>(7,980)</b>	<b>9,250</b>
Income taxes paid	-	(47)
<b>Net cash flow from Operating Activities</b>	<b>(7,980)</b>	<b>9,203</b>
<b>B. Cash flows from Investing Activities:</b>		
Purchases of Property, Plant and Equipment and Intangibles Assets	(650)	(35,361)
Proceeds from sale of property, plant and equipment including Advances refund	21,536	(472)
Loans Given (net of Repayment)	(1,10,189)	(17,863)
Investment in Fixed deposits (Net)	750	-
Proceeds from Buy-back of Shares by subsidiaries	14,735	-
Dividends Received	6,670	4,112
Interest Received	2,623	2,429
<b>Net cash flow used in Investing Activities</b>	<b>(64,525)</b>	<b>(47,155)</b>
<b>C. Cash flows from Financing Activities</b>		
Payment for buyback of shares including transaction cost	-	(4,315)
Proceeds/(Repayment) from Long Term Borrowings (Net)	(4,709)	(5,926)
Proceeds/(Repayment) from Short Term Borrowings (Net)	66,230	58,519
Interest paid	(14,071)	(9,037)
Dividends paid	-	(537)
<b>Net cash flow from/ (used in) financing activities</b>	<b>47,450</b>	<b>38,704</b>
Net Increase/(decrease) in Cash and Cash Equivalents	(25,055)	752
Opening Cash and Cash Equivalents	30,658	255
<b>Closing Cash and Cash Equivalents</b>	<b>5,603</b>	<b>1,007</b>
Notes:		
1. The above Cash Flow Statement has been prepared under the "indirect method" as set out in the Ind AS 7 on Statement of Cash Flows.		





**Notes to Standalone Unaudited Financial Results for the Quarter and six months ended September 30, 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 provisions 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 November 14, 2019 and have been subject to Limited Review by the Auditors.

(b) Statement of Assets and Liabilities is attached in Annexure I

(c) Statement of Cash Flow is attached in Annexure II

(d) 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 and six months ended September 30, 2019 should not be construed as indicative of possible result for year ended March 31, 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. (a) On August 09, 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 ended June 30, 2019:

- 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 under 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. Advance of Rs 550 Lakhs received during the period from the proposed buyer against sale consideration has been shown under 'Other Financial Liabilities'

(b) During the quarter, part of a building belonging to the Company has been sold to a financial institution at a consideration of Rs. 4,477 Lakhs and has been adjusted against their outstanding dues. Loss of Rs. 238 Lakhs arising in this respect has been shown under exceptional items.

4. a) During the year ended March 31, 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 quarter ended June 30, 2019, the said buy-back after obtaining necessary clearances and completion of related formalities has been given effect to and profit of Rs. 4,441 Lakhs arising in this respect has been shown under exceptional items.



*Khuram*

b) Further, BTHL vide it's Board Resolution dated July 01, 2019 has agreed to buy back 50,000 shares for a consideration of GBP 77,50,000 (Rs. 6,581 Lakhs). This transaction has also been concluded during the current quarter and profit of Rs 3,562 Lakhs arising in this respect has been shown under exceptional items.

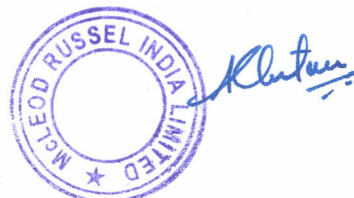
5. Exceptional Items represent:

Particulars	Quarter ended			Half-year ended		(Rs. Lakhs)
	Sept 30, 2019	June 30, 2019	Sept 30, 2018	Sept 30, 2019	Sept 30, 2018	Year ended March 31, 2019
Profit on Sale of Specified Assets of the Tea Estates (Refer Note no. 3(a))	-	4,004	14,669	4,004	14,669	18,041
Loss on Sale of Fixed Assets (Refer Note no. 3(b))	(238)	-	-	(238)	-	-
Profit on buyback of shares by subsidiaries (Refer Note no. 4)	3,562	4,441	-	8,003	-	-
<b>Total</b>	<b>3,324</b>	<b>8,445</b>	<b>14,669</b>	<b>11,769</b>	<b>14,669</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. 2,84,657 Lakhs as at September 30, 2019 (net of provision of Rs. 1,098 Lakhs). Interest accrued upto March 31, 2019 and remaining unpaid as on September 30, 2019 aggregates to Rs. 6,434 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 borrowings and related financial obligations of the company as well as of various group companies so that to make them sustainable over a period of time and ensure repayment/reduction of outstanding amounts. The management believes that the outstanding dues, net of provision for amount considered doubtful, 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 under stress, inspite of the earnings being positive during the quarter. The Inter-Corporate Deposits given to various group companies to provide them funds for strategic reasons for meeting their various financial obligations are outstanding as on this date and interest against these remain substantially unrealised and have not therefore been further accrued during the period. All these have resulted in mismatch of company's current resources vis-à-vis it's commitments and obligations and liquidity constraints, causing hardship in servicing the short term and long-term debts and meeting other liabilities on their falling due for payment.

During the quarter, one of the banker has issued a notice of default and recalled the amount granted under various facilities. The said banker and one other lender have filed petitions to initiate proceedings under Insolvency and Bankruptcy Code, 2016 (IBC) with Hon'ble National Company Law Tribunal, Kolkata (NCLT). These petitions are however yet to be admitted by NCLT. Further, certain lenders including those concerning another group company have obtained injunction against disposal of the Company's assets, pending settlement of their dues.





The company has taken various measures to overcome the financial constraints currently faced by it which inter-alia include reduction in operational costs, monetising the Company's/group's assets including holding of other group companies and also proposal for restructuring/reducing the borrowings so that to make them sustainable and rationalising the costs thereof and infusing liquidity in the system over a period of time.

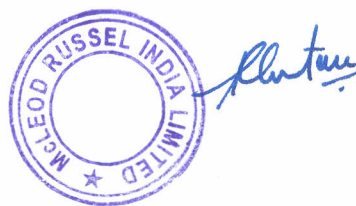
The Resolution process of stressed assets vide circular dated June 07, 2019 issued by the Reserve Bank of India has been initiated by the bankers and Inter Creditor Agreement (ICA) for working out a suitable resolution plan is currently under consideration. The lenders have appointed an Independent professional for carrying out Techno Economic Viability (TEV) study and to recommend the overall plan and possible course of action on the matter.

The management is confident that with the lenders support in restructuring their debt and related and other cost reductions, etc. and other ameliorative measures taken, the company will be able to generate sufficient cashflow to meet it's obligations and strengthen it's financial performance over a period of time. 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 March 31, 2019. These matters include the issues relating to Inter-Corporate Deposits to companies including certain cases considered by them to be in the nature of book entries, being in excess of the limit prescribed under Section 186 of the Companies Act, 2013 ('the Act'). This includes amounts given to group companies whereby applicability of Section 185 and related non-compliances, if any could not be ascertained and commented upon by them. Approvals sought from the shareholders under Section 186 of the Act could not be obtained and will therefore be required to be regularised in due course of time. Information required by relevant authorities including Registrar of Companies are being provided and directions, if any received on conclusion of the proceeding will be dealt with appropriately to ensure necessary compliances. These matters are procedural in nature and/or are subject to decision by the authorities and do not have any impact as such on the profit or loss for the period.

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 have been dealt with in Note no. 6 and 7 above.

9. Remuneration to the extent of Rs. 619 Lakhs paid to Managing Director for the period from April 01, 2017 to September 30, 2019 has become in excess of the limit laid down under the Companies Act, 2013, since required shareholders' approval could not be obtained. Accordingly, the said amount being held in trust has been recognised as advances under "Loans" pending recovery/adjustment in due course of time.
10. (a) Interest on borrowings have been provided for considering the rates and terms and conditions as per term sheet or otherwise stipulated/advised excluding penal interest in this respect. Interest payable by the company is subject to determination on completion of the Resolution process as stated in Note no. 7 above and agreement with the lenders. These are, therefore, subject to confirmation and consequential reconciliation thereof. Adjustments, if any required in this respect will be given effect to on ascertainment of the amount thereof.
- (b) Interest of Rs. 1,408 Lakhs as advised by the lenders to be on account of penal interest has not been recognised in these financial statements.
- (c) Besides, certain debit and credit balances including inter-unit balances are subject to confirmation, reconciliation and adjustments at the end of the year. This, however, is not likely to have any material impact on the financial results for the period.



11. In view of Sale of Specified Assets pertaining to Tea Estates in the previous year as well as in current period (Note no. 3), figures of the previous periods are not comparable with those of the current period. Figures for the previous period have however, been regrouped/ rearranged, wherever necessary.

For McLeod Russel India Limited

Place: Kolkata  
Dated: November 14, 2019



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





**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 and six months ended September 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 and six months ended September 30, 2018, as reported in the Statement have been taken as approved by the Parent's Board of Directors but have not been subjected to review.
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 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 except to the extent stated in Note no. 2(a) 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
  - 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 May 03, 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 and 9 relating to Inter Corporate Deposits (ICD) aggregating to Rs. 2,91,091 lakhs as on September 30, 2019 (including Interest of Rs. 6,434 lakhs accrued till March 31, 2019) given to certain companies which includes Rs. 1,10,189 Lakhs devolved/given during the period and is subject to compliances, as required under Companies Act, 2013 ('the Act'). 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 advances to a body corporate aggregating to Rs. 1,400 lakhs which are outstanding as on September 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. 11(b) of the Statement regarding non-provision of interest to the extent of Rs. 1,408 lakhs as advised by the lenders, thereby the loss for the period is understated to that extent.
  - d) Note No. 11(a) and (c) of the Statement regarding certain reconciliations/confirmations with respect to balances of borrowing from lenders pending final determination of amounts in this respect and certain other balances and adjustments arising therefrom, the impact whereof is presently not determinable.
  - e) Note no. 2(a) regarding non-availability of figures pertaining to certain subsidiary/associate companies as stated in the said note for the purpose of arriving at the consolidated figures of corresponding previous quarters and six months ended September 30, 2018. In absence of details, impact in this respect as such cannot be ascertained and commented upon by us.
7. Based on our review conducted and procedures performed as stated in paragraph 4 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 especially those relating to non-provision of amounts given as Inter-Corporate deposits which as stated in Para 6(a) have been considered doubtful of recovery and non-availability of figures for certain subsidiary/associate companies for the purpose of consolidation as given in Para 6(e) above, together with the consequential impact of these matters on the consolidated financial results for the period, 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 Group. The Parent 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 Parent Company's ability to continue as a going concern. However, the consolidated financial statements of the Group due to reasons stated in the Note no. 8 has been prepared by management on going concern basis, based on the assessment of the expected successful outcome of the steps and measures including those concerning rationalisation of costs, restructuring of borrowings and other proposals under consideration as on this date.





9. The comparative financial information of the Group for the 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 unaudited consolidated financial statement of Subsidiaries (including four stepdown subsidiaries) whose consolidated unaudited financial statements reflect total assets of Rs. 46,299 lakhs as at September 30, 2019, total revenues of Rs. 6,037 lakhs and Rs. 14,619 lakhs, total net profit/(loss) after tax of (Rs. 769 lakhs) and Rs. 14 lakhs and total comprehensive income of (Rs. 769 lakhs) and Rs. 14 lakhs for the quarter and six months ended September 30, 2019 respectively, and net cash outflow of Rs. 2,043 lakhs as per cashflow for the six months ended September 30, 2019 as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net profit after tax of Rs. 40 lakhs and total comprehensive income of Rs. 40 lakhs for the six months ended September 30, 2019, as considered in the consolidated unaudited financial results, in respect of one associate. 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.

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



Place: Kolkata  
Date: November 14, 2019

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

*R. P. Singh*  
R. P. Singh  
Partner  
Membership No. 052438  
UDIN:19052438AAAACG5002

**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 CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019**

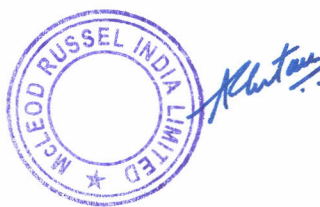
Rs Lakhs except for EPS

Particulars	Consolidated					
	Quarter ended			Six Months ended		Financial Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Revenue from Operations	32,885	23,290	58,157	56,175	84,182	1,71,966
2 Other Income	221	1,293	4,529	1,514	8,614	24,057
<b>Total Income ( 1 + 2 )</b>	<b>33,106</b>	<b>24,583</b>	<b>62,686</b>	<b>57,689</b>	<b>92,796</b>	<b>1,96,023</b>
3 Expenses						
a) Cost of Materials Consumed	2,075	1,733	9,375	3,808	15,955	26,766
b) Purchase of Tea	1,488	1,160	2,856	2,648	3,293	4,970
c) Changes in Inventories of Finished Goods	(10,436)	(3,755)	(13,324)	(14,191)	(34,681)	(1,730)
d) Employee Benefits Expense	15,370	16,836	21,670	32,206	46,175	81,995
e) Finance Costs	5,627	8,956	5,569	14,583	9,947	33,757
f) Depreciation and Amortisation Expenses	1,858	1,631	2,176	3,489	4,264	8,412
g) Other Expenses	13,794	8,178	18,412	21,972	32,034	64,725
<b>Total Expenses</b>	<b>29,776</b>	<b>34,739</b>	<b>46,734</b>	<b>64,515</b>	<b>76,987</b>	<b>2,18,895</b>
4 <b>Profit/(Loss) before Exceptional items and Tax (1+2-3)</b>	<b>3,330</b>	<b>(10,156)</b>	<b>15,952</b>	<b>(6,826)</b>	<b>15,809</b>	<b>(22,872)</b>
5 <b>Exceptional items</b>	<b>(4,688)</b>	<b>9,070</b>	<b>14,669</b>	<b>4,382</b>	<b>14,669</b>	<b>28,941</b>
6 <b>Profit/(Loss) before Tax (4+5)</b>	<b>(1,358)</b>	<b>(1,086)</b>	<b>30,621</b>	<b>(2,444)</b>	<b>30,478</b>	<b>6,069</b>
7 <b>Tax Expense</b>						
a) Current Tax	(209)	437	9,669	228	9,832	2,137
Provisions for tax relating to earlier years written back	-	-	-	-	-	(3,974)
b) (net)	-	-	-	-	-	-
c) Deferred Tax	3,103	(319)	(1,068)	2,784	(1,048)	4,024
8 <b>Profit/(Loss) for the period (6-7)</b>	<b>(4,252)</b>	<b>(1,204)</b>	<b>22,020</b>	<b>(5,456)</b>	<b>21,694</b>	<b>3,882</b>
9 <b>Share of Profit of associate</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>-</b>
10 <b>Net Profit/(Loss) after taxes and share of profit of associate (8+9)</b>	<b>(4,252)</b>	<b>(1,164)</b>	<b>22,020</b>	<b>(5,416)</b>	<b>21,694</b>	<b>3,882</b>
11 <b>Other Comprehensive Income</b>						
A i) Items that will not be reclassified to profit or loss						
a) Remeasurements of post-employment defined benefit plans	(762)	(763)	(700)	(1,525)	(1,510)	(747)
b) Change in Fair Value of Equity Instruments through other comprehensive income	(700)	(2,213)	(776)	(2,913)	(4,136)	(5,372)
ii) Income Tax relating to items that will not be reclassified to profit or loss	244	244	225	488	483	237
B i) Items that will be reclassified to profit or loss						
a) Exchange differences on translation of foreign operations	619	-	(688)	619	(688)	(5,264)
<b>Total Other Comprehensive Income/(Loss)</b>	<b>(599)</b>	<b>(2,732)</b>	<b>(1,939)</b>	<b>(3,331)</b>	<b>(5,851)</b>	<b>(11,146)</b>
12 <b>Total Comprehensive Income/(Loss) for the period</b>	<b>(4,851)</b>	<b>(3,896)</b>	<b>20,081</b>	<b>(8,747)</b>	<b>15,843</b>	<b>(7,264)</b>
13 <b>Profit/(Loss) for the period attributable to :</b>						
Owners' of the Parent Company	(4,252)	(1,164)	22,020	(5,416)	21,694	3,185
Non-controlling interests	-	-	-	-	-	697
14 <b>Other Comprehensive Income/(Loss) for the period attributable to :</b>						
Owners' of the Parent Company	(599)	(2,732)	(1,939)	(3,331)	(5,851)	(11,146)
Non-controlling interests	-	-	-	-	-	-
15 <b>Total Comprehensive Income for the period attributable to :</b>						
Owners' of the Parent Company	(4,851)	(3,896)	20,081	(8,747)	15,843	(7,961)
Non-controlling interests	-	-	-	-	-	697
16 <b>Earnings per Equity Share (EPS) (Rs.) (not annualised)</b>						
Basic and Diluted	(4.07)	(1.33)	26.10	(5.18)	25.72	4.44
17 <b>Paid-up Equity Share Capital : Face Value : Rs. 5/- per share</b>	<b>5,223</b>	<b>4,369</b>	<b>4,218</b>	<b>5,223</b>	<b>4,218</b>	<b>4,369</b>
18 <b>Other Equity excluding Revaluation Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,64,615</b>





						(Rs. Lakhs)
Segment Information:						
Particulars	Consolidated					
	Quarter ended			Six Months ended		Financial Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Segment Revenue:</b>						
India	26,739	15,116	40,457	41,855	62,740	1,30,673
Vietnam	1,453	1,759	2,511	3,212	3,192	7,623
Uganda	3,339	4,844	8,685	8,183	10,306	18,135
Rwanda	-	-	-	-	-	9,381
UK	9	172	337	181	404	172
Others	1,345	1,399	6,167	2,744	7,540	5,982
<b>Total</b>	<b>32,885</b>	<b>23,290</b>	<b>58,157</b>	<b>56,175</b>	<b>84,182</b>	<b>1,71,966</b>
<b>Segment Result:</b>						
India	1,234	(1,952)	30,189	(718)	29,702	(8,059)
Vietnam	(341)	40	(916)	(301)	(993)	(1,374)
Uganda	(2,030)	174	2,735	(1,856)	2,500	2,291
Rwanda	-	-	-	-	-	3,664
UK	1,193	657	171	1,850	155	8,665
Others	(1,414)	(5)	(1,558)	(1,419)	(886)	882
<b>Profit/(Loss) before taxation</b>	<b>(1,358)</b>	<b>(1,086)</b>	<b>30,621</b>	<b>(2,444)</b>	<b>30,478</b>	<b>6,069</b>
Share of Profit of Associate	-	40	-	40	-	-
Less Taxation :						
Current tax	(209)	437	9,669	228	9,832	2,137
Provision relating to earlier years, written back	-	-	-	-	-	(3,974)
Deferred tax	3,103	(319)	(1,068)	2,784	(1,048)	4,024
<b>Profit/(Loss) after taxation</b>	<b>(4,252)</b>	<b>(1,164)</b>	<b>22,020</b>	<b>(5,416)</b>	<b>21,694</b>	<b>3,882</b>
<b>Depreciation and amortisation relating to segments:</b>						
India	1,471	1,418	1,701	2,889	3,656	6,922
Vietnam	158	28	147	186	194	528
Uganda	215	171	302	386	383	904
Rwanda	-	-	-	-	-	-
UK	13	13	23	26	28	53
Others	1	1	3	2	3	5
<b>Total</b>	<b>1,858</b>	<b>1,631</b>	<b>2,176</b>	<b>3,489</b>	<b>4,264</b>	<b>8,412</b>
<b>Segment Assets</b>						
India	4,63,340	4,58,943	4,10,521	4,63,340	4,10,521	3,84,345
Vietnam	13,563	13,146	12,611	13,563	12,611	13,352
Uganda	25,838	26,744	23,542	25,838	23,542	27,938
Rwanda	-	-	-	-	-	41
UK	4,631	13,662	5,576	4,631	5,576	27,667
Others	19,197	18,717	29,592	19,197	29,592	2,595
<b>Total</b>	<b>5,26,569</b>	<b>5,31,212</b>	<b>4,81,842</b>	<b>5,26,569</b>	<b>4,81,842</b>	<b>4,55,938</b>
<b>Segment Liabilities</b>						
India	3,05,246	3,15,579	2,36,387	3,05,246	2,36,387	2,31,004
Vietnam	5,111	4,354	3,612	5,111	3,612	4,480
Uganda	12,455	11,893	5,767	12,455	5,767	10,587
Rwanda	-	-	-	-	-	127
UK	8,693	744	10,510	8,693	10,510	7,869
Others	24	419	378	24	378	449
<b>Total</b>	<b>3,31,529</b>	<b>3,32,989</b>	<b>2,56,654</b>	<b>3,31,529</b>	<b>2,56,654</b>	<b>2,54,516</b>

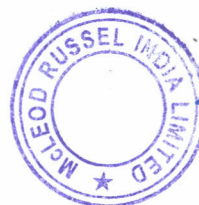


## Annexure I

## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Rs. Lakhs

Particulars	As at	
	September 30, 2019	March 31, 2019
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	1,20,384	1,25,921
Capital Work-in-Progress	9,201	8,943
Goodwill on Consolidation	19,747	19,747
Other Intangible Assets	1,675	1,849
Financial Assets		
Investments		
-Investment in Associate	-	5,909
-Other Investments	1,325	4,238
Loans	2,84,658	1,74,470
Other Financial Assets	8,018	10,296
Other Non-current Assets	3,846	10,341
<b>Total Non-Current Assets</b>	<b>4,48,854</b>	<b>3,61,714</b>
<b>Current Assets</b>		
Inventories	35,926	22,610
Biological Assets other than Bearer Plants	969	568
Financial Assets		
Trade Receivables	11,988	3,950
Cash and Cash Equivalents	7,469	34,614
Other Bank Balances	317	1,067
Loans	534	14
Other Financial Assets	906	2,155
Current Tax Assets (Net)	8,314	8,270
Other Current Assets	9,644	8,257
<b>Total Current Assets</b>	<b>76,067</b>	<b>81,505</b>
Non-Current Assets held for Sale	1,648	12,719
<b>TOTAL</b>	<b>5,26,569</b>	<b>4,55,938</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	5,223	4,369
Other Equity	1,89,817	1,97,053
Equity attributable to Owner's of the Parent Company	1,95,040	2,01,422
Non-Controlling Interests	-	-
<b>Total Equity</b>	<b>1,95,040</b>	<b>2,01,422</b>
<b>Non-current Liabilities</b>		
Financial Liabilities		
Borrowings	20,104	22,270
Provisions		
Employee Benefit Obligations	4,616	4,601
Deferred Tax Liabilities (Net)	21,338	19,020
Other Non-current Liabilities	807	532
<b>Total Non-current Liabilities</b>	<b>46,865</b>	<b>46,423</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings	2,09,166	1,42,579
Trade Payables		
Total outstanding dues of Micro and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro and Small Enterprises	17,170	17,538
Other Financial Liabilities	36,282	35,950
Other Current Liabilities	15,464	8,089
Provisions		
Employee Benefit Obligations	3,698	1,312
Other Provisions	1,186	861
Current Tax Liabilities (Net)	1,698	1,764
<b>Total Current Liabilities</b>	<b>2,84,664</b>	<b>2,08,093</b>
<b>TOTAL</b>	<b>5,26,569</b>	<b>4,55,938</b>



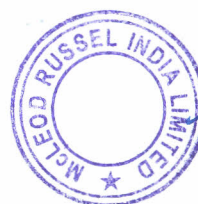
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## Annexure II

## STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019

Particulars	Rs. Lakhs	
	SIX MONTHS ENDED September 30, 2019	September 30, 2018
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	(2,444)	30,478
Adjustments to reconcile profit for the year to net cash generated from operating activities:-		
Depreciation and Amortisation Expense	3,489	4,264
Loss/(Profit) on disposal of Property, Plant and Equipment	244	-
Changes in Fair Value of Biological Assets	(400)	434
Exceptional Item	(4,382)	(14,669)
Interest Income	(216)	(7,232)
Finance Costs	14,583	9,947
Fair Value Loss/(Gain) on Derivatives (Net)	(496)	422
Liabilities no longer required written back	(13)	(179)
Provisions no longer required written back	-	(75)
Bad Debts Written off	-	15
<b>Operating Profit Before Working Capital Changes</b>	<b>10,365</b>	<b>23,405</b>
<b>Adjustment for:</b>		
Trade Receivables, Loans, Other Financial Assets and Other Assets	(14,051)	(4,734)
Inventories	(13,316)	(31,980)
Trade Payables, Employee Benefit Obligations, Other Financial Liabilities, Other Current Liabilities	14,704	21,984
<b>Cash Generated/(Used) from Operations</b>	<b>(2,298)</b>	<b>8,675</b>
Income taxes paid	340	(988)
<b>Net cash flow from Operating Activities</b>	<b>(1,958)</b>	<b>7,687</b>
<b>B. Cash flows from Investing Activities:</b>		
Purchases of Property, Plant and Equipment and Intangibles Assets	(650)	(35,361)
Proceeds from sale of property, plant and equipment including Advances refund	22,884	26,591
Loans Given (net of Repayment)	(1,10,189)	(17,863)
Investment in Fixed deposits (Net)	750	-
Proceeds from disposal of Associate	6,534	-
Interest Received	2,623	2,429
<b>Net cash flow used in Investing Activities</b>	<b>(78,048)</b>	<b>(24,204)</b>
<b>C. Cash flows from Financing Activities</b>		
Payment for buyback of shares including transaction cost	-	(4,315)
Proceeds/(Repayment) from Long Term Borrowings (Net)	(336)	(3,175)
Proceeds/(Repayment) from Short Term Borrowings (Net)	66,587	62,091
Interest paid	(13,454)	(9,728)
Dividends paid	-	(537)
<b>Net cash flow from/ (used in) financing activities</b>	<b>52,797</b>	<b>44,336</b>
Net Increase/(decrease) in Cash and Cash Equivalents	(27,209)	27,819
Opening Cash and Cash Equivalents	34,614	6,952
Unrealised gain/(loss) on foreign currency cash and cash equivalents	64	(157)
<b>Closing Cash and Cash Equivalents</b>	<b>7,469</b>	<b>34,614</b>
Notes:		
1. The above Consolidated Cash Flow Statement has been prepared under the "indirect method" as set out in the Ind AS 7 on Statement of Cash Flows.		



(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. (a) On August 09, 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 ended June 30, 2019:

- 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 under 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 Parent. Pending final binding agreement and completion of the transaction, such sales has not been recognised. Advance Rs 550 Lakhs received during the period from the proposed buyer, has been shown under 'Other Financial Liabilities'.

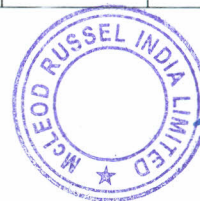
(b) During the quarter, a building belonging to the Parent Company has been sold to a financial institution at a consideration of Rs. 4,477 Lakhs and has been adjusted against their outstanding dues. Loss of Rs. 238 Lakhs arising in this respect has been shown under exceptional items.

5. a) During the year ended March 31, 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 quarter ended June 30, 2019, the said buy-back after obtaining necessary clearances and completion of related formalities was completed and given effect to in Parent Company. Corresponding impact in the subsidiary company has been recognised in the result for this quarter.

b) Subsequently, BTHL vide it's Board Resolution dated July 01, 2019 has agreed to buy back 50,000 shares for a consideration of GBP 77,50,000 (Rs. 6,581 Lakhs). This transaction has also been concluded during the current quarter.

6. Exceptional Items represent:

Particulars	Quarter ended			Half-year ended		(Rs. Lakhs)
	Sept 30, 2019	June 30, 2019	Sept 30, 2018	Sept 30, 2019	Sept 30, 2018	Year ended March 31, 2019
Profit on Sale of Specified Assets of the Tea Estates (Refer Note no. 4(a))	-	4,004	14,669	4,004	14,669	18,041
Loss on Sale of Fixed Assets (Refer Note no. 4(b))	(238)	-	-	(238)	-	-



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Particulars	Quarter ended			Half-year ended		Year ended March 31, 2019
	Sept 30, 2019	June 30, 2019	Sept 30, 2018	Sept 30, 2019	Sept 30, 2018	
Profit on buyback of shares by subsidiaries (Refer Note no. 5(a))	(4,441)	4,441	-	-	-	-
Profit on Sale of Subsidiary/ Associates (Refer Note no. 2(b))	(9)	625	-	616	-	10,900
<b>Total</b>	<b>(4,688)</b>	<b>9,070</b>	<b>14,669</b>	<b>4,382</b>	<b>14,669</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. 2,84,657 Lakhs as at September 30, 2019 (net of provision of Rs. 1,098 Lakhs). Interest accrued upto March 31, 2019 and remaining unpaid as on September 30, 2019 aggregates to Rs. 6,434 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 borrowings and related financial obligations of the Parent Company as well as of various group companies so that to make them sustainable over a period of time and ensure repayment/reduction of outstanding amounts. The management believes that the outstanding dues, net of provision for amount considered doubtful, 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 under stress, inspite of earning of the Parent Company being positive during the quarter. The Inter-Corporate Deposits given to various group companies to provide them funds for strategic reasons for meeting their various financial obligations are outstanding as on this date and interest against these remain substantially unrealised and have therefore not been further accrued during the period. All these have resulted in mismatch of Parent Company's current resources vis-à-vis it's commitments and obligations and liquidity constraints, causing hardship in servicing the short term and long-term debts and meeting other liabilities on their falling due for payment.

During the quarter, one of the banker has issued a notice of default and recalled the amount granted under various facilities. The said banker and one other lender have filed petitions to initiate proceedings under Insolvency and Bankruptcy Code, 2016 (IBC) with Hon'ble National Company Law Tribunal, Kolkata (NCLT). These petitions are however yet to be admitted by NCLT. Further, certain lenders including those concerning another group company have obtained injunction against disposal of the Parent Company's assets, pending settlement of their dues.

The Parent Company has taken various measures to overcome the financial constraints currently faced by it which inter-alia include reduction in operational costs, monetising the Parent Company's/group's assets including holding of other group companies and also proposal for restructuring/reducing the borrowings so that to make them sustainable and rationalising the costs thereof and infusing liquidity in the system over a period of time.



The Resolution process of stressed assets vide circular dated June 07, 2019 issued by the Reserve Bank of India has been initiated by the bankers and Inter Creditor Agreement (ICA) for working out a suitable resolution plan is currently under consideration. The lenders have appointed an Independent professional for carrying out Techno Economic Viability (TEV) study and to recommend the overall plan and possible course of action on the matter.

The management is confident that with the lenders support in restructuring their debt and related and other cost reductions, etc. and other ameliorative measures taken, the Parent will be able to generate sufficient cashflows to meet its obligations and strengthen its financial performance over a period of time. Considering that these measures are under implementation and/or under active consideration as on this date, the consolidated 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 March 31, 2019. These matters include the issues relating to Inter-Corporate Deposits to companies including certain cases considered by them to be in the nature of book entries, being in excess of the limit prescribed under Section 186 of the Companies Act, 2013 ('the Act'). This includes amount given to group companies whereby applicability of Section 185 and related non-compliances if any could not be ascertained and commented upon by them. Approvals sought from the shareholders under Section 186 of the Act could not be obtained and will therefore be required to be regularised in due course of time. Information required by relevant authorities including Registrar of Companies are being provided and directions received on conclusion of the proceeding if any will be dealt with appropriately to ensure necessary compliances. These matters are procedural in nature and/or are subject to decision by the authorities and do not have any impact as such on the profit or loss for the period.

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 have been dealt with in Note no. 7 and 8 above.

10. Remuneration to the extent of Rs. 619 Lakhs paid to Managing Director for the period from April 01, 2017 to September 30, 2019 has become in excess of limit laid down under the Companies Act, 2013, since required shareholders' approval could not be obtained. Accordingly, the said amount being held in trust recognised as advances under "Loans" pending recovery/adjustment in due course of time.
11. (a) Interest on borrowings have been provided for considering the rates and terms and conditions as per term sheet or otherwise stipulated/advised excluding penal interest in this respect. Interest payable by the company is subject to determination on completion of the Resolution process as stated in Note no. 8 above and agreement with the lenders. These are, therefore, subject to confirmation and consequential reconciliation thereof. Adjustments, if any required in this respect will be given effect to on ascertainment of the amount thereof.
- (b) Interest of Rs. 1,408 Lakhs as advised by the lenders to be on account of penal interest has not been recognised in these consolidated financial results.
- (c) Besides, certain debit and credit balances including inter-unit balances are subject to confirmation, reconciliation and adjustments at the end of the year. This, however, is not likely to have any material impact on the consolidated financial results for the period.

