



McLEOD RUSSEL
Believe in tea

14 September 2020

The Secretary
BSE Limited, P.J. Towers,
25th Floor, Dalal Street,
MUMBAI-400001
Scrip Code: 532654

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

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

Dear Sir,

Sub: Outcome of Meeting of the Board of Directors held on 14 September 2020

Pursuant to Regulation 30 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please be informed that the Board of Directors of the Company at its meeting held today, have inter-alia:-

- 1) Approved the Un-audited Financial Results of the Company for the quarter ended on 30 June 2020 along with "Limited Review Report" submitted by M/s. Lodha & Co, Chartered Accountants, Statutory Auditors of the Company, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), 2015. A copy of the same is enclosed herewith.
- 2) Approved the Statement of Consolidated Un-audited Revised Financial Results for the quarter ended 30 June 2019. A copy of the same is enclosed herewith.

Time of Commencement of Meeting: 3 : 50 p.m.

Time of Conclusion of Meeting: 5 : 40 p.m.

This is for your information and records.

Thanking you,

Yours faithfully,

For 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 Board of Directors
McLeod Russel India Limited

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of **McLeod Russel India Limited** ("the Company") for the Quarter ended on June 30, 2020 ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("Listing Regulations 2015"), which has been initialed by us for identification purposes.
2. This Statement which is the responsibility of the Company's Management and has been approved by the Board of Directors is to be prepared by 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 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 and 6 relating to Inter Corporate Deposits (ICD) aggregating to Rs. 2,86,881 lakhs as on June 30, 2020 (including Interest of Rs. 2,337 lakhs accrued till March 31, 2019) given to certain companies 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 Company had given advance to a body corporate aggregating to Rs. 1,400 lakhs which are outstanding as on June 30, 2020. 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 on Inter Corporate Deposits and thereby the loss for the period is understated to that extent. Further as stated in Note no. 7(a) penal/compound interest against borrowings from banks/financial institution have not been recognised and other adjustments as stated in the said note have been given effect to, which are subject to confirmation from lenders and reconciliation with their balances and claims. Pending final determination of amount in this respect, adjustments arising therefrom and consequential impact has not been ascertained.



- d) Note no 8 regarding non reconciliation of certain debit and credit balances with individual details and confirmation thereof. Adjustments/ Impact in this respect are currently not ascertainable and as such cannot be commented upon by us.
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 unaudited 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. 5 of the Statement dealing with going concern assumption for preparation of the unaudited financial results of the Company. The Company's current liabilities exceeded its current assets. Funds obtained by borrowing and utilized for providing funds to other companies have become unserviceable primarily due to non-repayment of outstanding amounts by those companies. This has resulted in insufficiency of company's resources for meeting its obligations. These conditions indicate the existence of a material uncertainty about the Company's ability to continue as a going concern. However, the unaudited financial results of the Company due to the reasons stated in the said Note has been prepared by management on going concern basis, based on the management's assessment of the expected successful outcome of the steps and measures including those concerning restructuring/reduction of borrowings and interest thereon in terms of resolution plan under considerations of lenders and restructuring of outstanding loans receivables in sync with said plan as dealt with in Note no. 4 and other proposals under evaluation as on this date. In the event of the management's expectation and estimation etc., not turning out to be true, possible impact on carrying value of tangible and intangible assets even though expected to be material, as such presently cannot be commented upon by us.
7. Attention is drawn to Note no. 9 of the Statement regarding the management's evaluation of impact of COVID-19 and uncertainty thereof on the assumptions and estimates concerning the unaudited financial results and performance of the company.
8. These unaudited financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31, 2019. These figures were subject to limited review by us as required under the Listing Regulations
9. Our conclusion is not qualified in respect of matters stated in Para (6) to (8) above.

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



Place: Kolkata
Date: September 14, 2020

R. P. Singh
R. P. Singh
Partner
Membership No. 052438
UDIN:20052438AAAACS8052

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, 2020

Rs. Lakhs except for EPS

Particulars	Standalone			
	Quarter ended			Financial Year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1 Revenue from Operations	11,158	15,531	15,116	85,640
2 Other Income	25	436	4,628	9,347
Total Income (1 + 2)	11,183	15,967	19,744	94,987
3 Expenses				
a) Cost of Materials Consumed	830	52	564	1,443
b) Changes in Inventories of Finished Goods	(5,059)	12,858	(5,229)	2,547
c) Employee Benefits Expense	12,043	8,401	15,412	50,746
d) Finance Costs	5,259	2,309	8,496	21,441
e) Depreciation and Amortisation Expenses	1,492	1,841	1,418	6,247
f) Other Expenses	5,032	5,350	5,797	27,130
Total Expenses	19,597	30,811	26,458	1,09,554
4 Profit/(Loss) before Exceptional items and Tax (1+2-3)	(8,414)	(14,844)	(6,714)	(14,567)
5 Exceptional items	-	-	8,445	11,769
6 Profit/(Loss) before Tax (4+5)	(8,414)	(14,844)	1,731	(2,798)
7 Tax Expense				
a) Current Tax	-	-	354	-
b) Provisions for tax relating to earlier years written back (net)	-	-	-	-
c) Deferred Tax	(480)	(7,268)	(319)	(4,026)
8 Profit/(Loss) for the period (6-7)	(7,934)	(7,576)	1,696	1,228
9 Other Comprehensive Income				
A i) Items that will not be reclassified to profit or loss				
a) Remeasurements of post-employment defined benefit plans	(701)	9	(763)	(2,279)
b) Change in Fair Value of Equity Instruments through other comprehensive income	641	(90)	(2,213)	(2,910)
ii) Income Tax relating to items that will not be reclassified to profit or loss	224	(3)	244	729
Total Other Comprehensive Income	164	(84)	(2,732)	(4,460)
10 Total Comprehensive Income for the period (comprising of profit and loss and other comprehensive income for the period) (8+9)	(7,770)	(7,660)	(1,036)	(3,232)
11 Earnings per Equity Share (EPS) (Rs.) (not annualised)				
Basic and Diluted	(7.60)	(7.26)	1.62	1.18
12 Paid-up Equity Share Capital : Face Value : Rs. 5/- per share	5,223	5,223	5,223	5,223
13 Other Equity excluding Revaluation Reserve	-	-	-	1,27,938



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Notes to Standalone Unaudited Financial Results for the Quarter ended June 30, 2020

1. The above unaudited 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 September 14, 2020 and have been subject to Limited Review by the Auditors.
2. (a) Cost of materials consumed represents green leaf purchased from third parties.

(b) 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.

(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, 2020 should not be construed as indicative of possible result for year ending March 31, 2021.
3. a) Exceptional Items includes:
 - i) Profit on sale of assets amounting to Rs. 4,004 Lakhs recognised during quarter ended June 30, 2019 against sale of specified assets of three tea estates as approved by the shareholders on August 09, 2018 sold for an aggregate consideration of Rs 15,045 Lakhs, stands included in the financial results for year ended March 31, 2020.
 - ii) Loss of Rs. 238 Lakhs arising on part of a building belonging to the Company being sold to a financial institution at a consideration of Rs. 4,477 Lakhs which was adjusted against their outstanding dues, stands included in the financial results for year ended March 31, 2020.
 - iii) Profit of Rs. 8,003 Lakhs (including Rs. 4,441 lakhs recognised during June 30, 2019) arising on buy-back of shares by it's subsidiary Borelli Tea Holdings Limited (UK) (BTHL) which had bought back 1,10,000 shares (out of total 3,62,000 shares held by the company) for an aggregate consideration of GBP 170,50,000, stands included in the financial results for year ended March 31, 2020.
b) Deferred Taxation includes Asset on account of MAT Credit Entitlement aggregating to Rs. 5,154 lakhs based on management's assessment of reasonable certainty for reversal/ utilisation thereof against future taxable income was created and included in the financial results for the quarter and year ended March 31, 2020.

c) Remuneration to the extent of Rs. 597 Lakhs paid to Managing Director for the period from April 01, 2016 to March 31, 2017 and April 01, 2018 to March 31, 2020 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.
4. In respect of Inter-Corporate Deposits (ICDs) given to Promoter group and certain other companies, the amount outstanding aggregates to Rs. 2,84,544 Lakhs as at June 30, 2020 (net of provision of Rs. 1,098 Lakhs). Interest accrued upto March 31, 2019 and remaining unpaid as on June 30, 2020 aggregates to Rs. 2,337 Lakhs (net of provision of Rs. 6,947 Lakhs). Interest on such ICDs pending proposal for necessary waiver in this respect has not been accrued during the previous year and also in the current period and steps are being taken to restructure the borrowings and related financial obligations of the company as well as of various group companies and necessary resolution plan which even though under consideration is yet to be finalised as on this date. The company expects to work out a plan for restructuring including reducing/liquidating such outstanding amount synchronising the proposed restructuring of borrowing in terms of the resolution plan under consideration of lenders as given herein below in Note no. 5. 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.



5. The Operational 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 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 current resources vis-à-vis its commitments and obligations and liquidity constraints, causing hardship in servicing the short term and long-term debts and meeting other obligations.

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). 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, 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.

Due to firming up of tea prices and improved realisation thereagainst the fund availability for meeting operational obligations statutory or otherwise have improved during the quarter.

The Resolution process of stressed assets vide circular dated June 07, 2019 issued by the Reserve Bank of India has been initiated by the lenders. The lenders have appointed an independent professional for carrying out Techno Economic Viability (TEV) study and valuers for carrying out the valuation of the company. Further SBI Capital Markets Limited, one of the leading investment banker and adviser has been appointed by the lenders to work out and recommend resolution plan and possible course of action on the matter. The professionals so appointed have submitted their reports including the Draft Resolution Plan which is pending before lenders for their consideration and decision.

The management given the operating performance and potential of the company in this respect 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 restructure/reduce its outstanding amount of loan receivable in line with the same and generate sufficient cash flow to meet its obligations and strengthen its financial position 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.

6. The predecessor auditors' have issued an adverse opinion on the audited financial results 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 of the Act and related non-compliances, if any could not be ascertained and commented upon by them. Loan of 2,84,544 Lakhs given to various parties as given in Note no. 4 are outstanding as on June 30, 2020. This will therefore be required to be approved by the shareholders under Section 186 of the Act, since necessary approval could not be obtained earlier. Accordingly, the company has sought approval from the members through Postal Ballot notice. Information required by relevant authorities including Registrar of Companies have been 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 the decision by the authorities and do not have any impact as such on the profit or loss for the period.



7. (a) Pending completion of debt restructuring process and consequential adjustment in this respect as per Note No. 5 above, interest on borrowings have been provided on simple interest based at 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 such restructuring, amount repaid to lenders and/or recovered by them 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 in terms of final decision to be arrived at in this respect. Adjustments, if any required in this respect will be recognised on determination thereof and will be given effect to in the financial results.

(b) Interest on Inter Corporate Deposits has not been recognised to the extent of Rs. 2,779 lakhs (including Rs. 597 lakhs for the period) pending finalisation of debt resolution process.

8. Certain debit and credit balances including inter-unit and other clearing balances, trade and other receivables/ payables, advances from customers, loans and advances, other current assets and certain other liabilities including those relating to tea garden are subject to reconciliation with individual details and balances and confirmation thereof. Adjustments/ Impact in this respect are currently not ascertainable.
9. Consequent to the outbreak of COVID-19, which has been declared as a pandemic by World Health Organisations (WHO), and implementation of lock down by govt of India, the Company's operation have been affected, causing loss of more than a month's production due to the suspension of the operation, disruption in supply chain and non-availability of personnel during period of lock down. Loss of output has affected significantly the performance for the current quarter. Though the garden operation have resumed in the first week of May 2020, the costs for upkeep, skiffing of unwanted produce, manuring and other related costs for up bringing of the leaves for plucking has been additionally incurred. Due to continuing problem with respect to availability and deployment of manpower, etc. and other logistic support operations especially at gardens and warehouses are still affected and expected to be normalised over the period of time.

The Company has taken steps towards rationalising its employee related and other fixed cost. The prices of tea and realisation there against have improved due to supply mismatch in the current situation. Accordingly, the company has revised its business projections based on internal and external information and possible assumptions and estimates in the given situation and circumstances. The company has reviewed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, supply chain, demand for its products and on the carrying value of various current and non-current assets and no material impact on the financial results are expected to arise. The actual impact of the global health pandemic may be different from that which has been estimated. The Company will continue to closely monitor the situation and any variation due to the changes in situations will then be taken into consideration.

10. The observations concerning Auditors' Opinion on the financial statements for the year ended March 31, 2020 and on the unaudited financial results for the quarter ended June 30, 2020 have been dealt with under Para 4 to 8 above. All these matters relate to and are expected to be resolved on the outcome of the resolution plan under consideration for approval as per Note no. 5 above and will then suitably be addressed in the subsequent periods.
11. The figures for the quarter ended March 31, 2020 is 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, 2019 which were subject to limited review by the Statutory Auditors.

For McLeod Russel India Limited



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

Place: Kolkata
Dated: September 14, 2020



**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, 2020 ("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. 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 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 and 6 relating to Inter Corporate Deposits (ICD) aggregating to Rs. 2,86,881 lakhs as on June 30, 2020 (including interest of Rs. 2,337 lakhs accrued till March 31, 2019) given to certain companies 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 had given advance to a body corporate aggregating to Rs. 1,400 lakhs which are outstanding as on June 30, 2020. 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 on Inter Corporate Deposits and thereby the loss for the period is understated to that extent. Further as stated in Note no. 7(a) penal/compound interest against borrowings from banks/financial institution have not been recognised and other adjustments as stated in the said note have been given effect to, which are subject to confirmation from lenders and reconciliation with their balances and claims. Pending final determination of amount in this respect, adjustments arising therefrom and consequential impact has not been ascertained.
 - d) Note no 8 regarding non reconciliation of certain debit and credit balances with individual details and confirmation thereof. Adjustments/ Impact in this respect are currently not ascertainable and as such cannot be commented upon by us.
7. Based on our review conducted as above, we report that because of the significance of the matters stated in Para 6 above especially those relating to non-provision of amount given as 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, 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 consolidated financial results of the Group. The Parent's current liabilities exceeded its current assets. Funds obtained by borrowing and utilized for providing funds to other companies have become unserviceable primarily due to non-repayment of outstanding amounts by those companies. This has resulted in insufficiency of Parent's resources for meeting its obligations. These conditions indicate the existence of a material uncertainty about the Parent's ability to continue as a going concern. However, the consolidated unaudited financial results of the Group due to the reasons stated in the said Note has been prepared by management on going concern basis, based on the management's assessment of the expected successful outcome of the steps and measures including those concerning restructuring/reduction of borrowings and interest thereon in terms of resolution plan under considerations of lenders and restructuring of outstanding loans receivables in sync with said plan as dealt with in Note no. 4 and other proposals under evaluation as on this date. In the event of the management's expectation and estimation etc., not turning out to be true, possible impact on carrying value of tangible and intangible assets even though expected to be material, as such presently cannot be commented upon by us.
9. Attention is drawn to Note no. 9 of the Statement regarding the management's evaluation of impact of COVID-19 and uncertainty thereof on the assumptions and estimates concerning the consolidated unaudited financial results and performance of the Group.
10. We did not review the unaudited consolidated financial statement of Subsidiaries (including four step-down subsidiaries) whose consolidated unaudited financial statements reflect total revenues of Rs. 84.76 lakhs, total net profit/(loss) after tax of (11.19 lakhs) and total comprehensive income of (Rs. 11.19 lakhs) for the quarter ended June 30, 2020 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 Parent's 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.



11. These consolidated unaudited financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31, 2019. These figures were subject to limited review by us as required under the Listing Regulations
12. Our conclusion on the Statement is not modified in respect of the matters stated in Para (8) to (11) above.

Place: Kolkata
Date: September 14, 2020



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

R. P. Singh

R. P. Singh
Partner
Membership No. 052438
UDIN:20052438AAAACT7718

MCLEOD RUSSEL INDIA LIMITED

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CIN: L51109WB1998PLC087076

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

Rs Lakhs except for EPS

Particulars	Consolidated			
	Quarter ended			Financial Year ended
	June 30, 2020 (Unaudited)	March 31, 2020 (Audited)	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1 Revenue from Operations	19,330	21,502	23,250	1,14,272
2 Other Income	310	586	1,293	3,168
Total Income (1 + 2)	19,640	22,088	24,543	1,17,440
3 Expenses				
a) Cost of Materials Consumed	1,739	2,021	1,733	8,734
b) Purchase of Tea	1,551	(151)	1,160	3,792
Changes in Inventories of Finished Goods and Stock-in-Trade	(3,417)	11,077	(3,755)	2,080
c) Employee Benefits Expense	13,460	9,796	16,836	56,946
d) Finance Costs	5,833	2,532	8,956	22,669
f) Depreciation and Amortisation Expenses	1,788	2,267	1,631	7,795
g) Other Expenses	8,176	8,549	8,178	38,776
Total Expenses	29,130	36,091	34,739	1,40,792
4 Profit/(Loss) before Share of Associate, Exceptional Items and Tax (1+2-3)	(9,490)	(14,003)	(10,156)	(23,352)
5 Share of Profit of associate	-	-	40	40
6 Profit/(Loss) before Exceptional Items and Tax (4+5)	(9,490)	(14,003)	(10,116)	(23,312)
7 Exceptional Items	-	(55)	9,070	4,398
8 Profit/(Loss) before Tax (6+7)	(9,490)	(14,058)	(1,046)	(18,914)
9 Tax Expense				
a) Current Tax	42	93	437	365
b) Provisions for tax relating to earlier years written back (net)	-	-	-	-
c) Deferred Tax	(480)	(7,087)	(319)	(4,502)
10 Net Profit/(Loss) after taxes (8-9)	(9,052)	(7,064)	(1,164)	(14,777)
11 Other Comprehensive Income				
A i) Items that will not be reclassified to profit or loss				
a) Remeasurements of post-employment defined benefit plans	(701)	(78)	(763)	(2,366)
b) Change in Fair Value of Equity Instruments through other comprehensive income	641	(90)	(2,213)	(2,910)
ii) Income Tax relating to items that will not be reclassified to profit or loss	224	24	244	755
B i) Items that will be reclassified to profit or loss				
a) Exchange differences on translation of foreign operations	(168)	57	-	916
Total Other Comprehensive Income/(Loss)	(4)	(87)	(2,732)	(3,605)
12 Total Comprehensive Income/(Loss) for the period (comprising of profit and loss and other comprehensive income for the period) (10+11)	(9,056)	(7,151)	(3,896)	(18,382)
13 Profit/(Loss) for the period attributable to :				
Owners' of the Parent Company	(9,052)	(7,064)	(1,164)	(14,777)
Non-controlling interests	-	-	-	-
14 Other Comprehensive Income/(Loss) for the period attributable to :				
Owners' of the Parent Company	(4)	(87)	(2,732)	(3,605)
Non-controlling interests	-	-	-	-
15 Total Comprehensive Income for the period attributable to :				
Owners' of the Parent Company	(9,056)	(7,151)	(3,896)	(18,382)
Non-controlling interests	-	-	-	-
16 Earnings per Equity Share (EPS) (Rs.) (not annualised)				
Basic and Diluted	(8.67)	(6.76)	(1.33)	(14.15)
17 Paid-up Equity Share Capital : Face Value : Rs. 5/- per share	5,223	5,223	4,369	5,223
18 Other Equity excluding Revaluation Reserve	-	-	-	1,49,214

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(Rs. Lakhs)

Segment Information:

Particulars	Consolidated			
	Quarter ended			Financial Year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Segment Revenue:				
India	11,139	15,509	15,116	85,565
Vietnam	1,528	2,274	1,759	7,641
Uganda	4,627	3,349	4,844	16,068
UK	250	(528)	172	227
Others	1,786	898	1,399	4,771
Total	19,330	21,502	23,290	1,14,272
Segment Result:				
India	(8,414)	(14,866)	(1,952)	(17,547)
Vietnam	(595)	334	40	(102)
Uganda	(640)	603	174	(1,589)
UK	37	80	657	164
Others	122	(209)	(5)	120
Profit before tax and share of associate	(9,490)	(14,058)	(1,086)	(18,954)
Add Share of Profit of Associate	-	-	40	40
Profit/(Loss) before tax	(9,490)	(14,058)	(1,046)	(18,914)
Less Taxation :				
Current tax	42	93	437	365
Deferred tax	(480)	(7,087)	(319)	(4,302)
	(438)	(6,994)	118	(4,137)
Profit/(Loss) after taxation	(9,952)	(7,064)	(1,164)	(14,777)
Depreciation and amortisation relating to segments:				
India	1,492	1,641	1,418	6,247
Vietnam	27	78	28	538
Uganda	254	341	171	954
UK	14	52	13	52
Others	1	(45)	1	4
Total	1,788	2,267	1,631	7,795
Segment Assets				
India	4,51,821	4,26,728	4,58,943	4,26,728
Vietnam	13,419	14,445	13,146	14,445
Uganda	29,069	29,653	26,744	29,653
UK	4,543	20,301	13,662	20,301
Others	2,529	2,398	18,717	2,398
Total	5,01,381	4,93,525	5,31,212	4,93,525
Segment Liabilities				
India	2,94,228	2,78,208	3,15,579	2,78,208
Vietnam	5,020	5,658	4,354	5,658
Uganda	24,570	23,682	11,893	23,682
UK	806	289	744	289
Others	158	246	419	246
Total	3,24,782	3,08,083	3,32,989	3,08,083

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Notes to Consolidated Unaudited Financial Results for the Quarter ended June 30, 2020

1. (a) The above consolidated unaudited financial result of McLeod Russel India Limited ('the Parent Company') and its subsidiaries (together referred to as the 'Group') 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 September 14, 2020 and have been subject to Limited Review by the Auditors.

(b) The consolidated unaudited financial results for the quarter ended June 30, 2020 include the figures of the Company together with its subsidiary, Borelli Tea Holding Limited (UK) (Step one subsidiary) and step-down subsidiaries i.e. Phuben Tea Company Limited (Vietnam), McLeod Russel Uganda Limited (Uganda), McLeod Russel Africa Limited (Kenya) and McLeod Russel Middle East DMCC (Dubai).

(c) In the consolidated unaudited financial results, the face value of the Parent Company's shares held by a Trust for benefit of Borelli Tea Holding Limited, the Parent's wholly owned subsidiary were deducted from the Equity Share Capital of the Parent Company. During the year ended March 31, 2020, these shares had been sold and profit realised there against amounting to Rs. 1,549 Lakhs had been adjusted against Other Equity. Earning per share for the quarter and year ended March 31, 2020 and for the corresponding period have accordingly been computed and disclosed in these consolidated unaudited financial statements.

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

(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 location 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, 2020 should not be construed as indicative of possible result for year ending March 31, 2021.

3. a) Exceptional Items represent:

- i) Profit on sale of assets amounting to Rs. 4,004 Lakhs recognised during quarter ended June 30, 2019 against sale of specified assets of three tea estates as approved by the shareholders on August 09, 2018 sold for an aggregate consideration of Rs 15,045 Lakhs, stands included in the consolidated unaudited financial results for year ended March 31, 2020.
- ii) Loss of Rs. 238 Lakhs arising on part of a building belonging to the Parent being sold to a financial institution at a consideration of Rs. 4,477 Lakhs which was adjusted against their outstanding dues, stands included in the consolidated financial results for year ended March 31, 2020.
- iii) Profit of Rs. 4,441 lakhs arising on buy-back of shares by Borelli Tea Holdings Limited (UK) (BTHL) which had bought back 1,10,000 shares (out of total 3,62,000 shares held by the Parent) for an aggregate consideration of GBP 170,50,000, stands included in the consolidated unaudited financial results for quarter ended June 30, 2019.
- iv) Profit of Rs. 632 Lakhs arising from disposal off Parent's subsidiary Borelli Tea Holding Limited balance shareholding of 45 shares for a consideration of USD 78,73,963 in Pfunda Tea Company Limited recognised during quarter ended June 30, 2019, stands included in the consolidated financial results for year ended March 31, 2020.

- b) Deferred Taxation includes Asset on account of MAT Credit Entitlement aggregating to Rs. 5,154 lakhs based on Parent's management assessment of reasonable certainty for reversal/ utilisation thereof against future taxable income was created and included in the consolidated financial results for the quarter and year ended March 31, 2020.

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McLeod Russel India Limited

- c) Remuneration to the extent of Rs. 597 Lakhs paid to Managing Director of the Parent for the period from April 01, 2016 to March 31, 2017 and April 01, 2018 to March 31, 2020 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.
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. 2,84,544 Lakhs as at June 30, 2020 (net of provision of Rs. 1,098 Lakhs). Interest accrued upto March 31, 2019 and remaining unpaid as on June 30, 2020 aggregates to Rs. 2,337 Lakhs (net of provision of Rs. 6,947 Lakhs). Interest on such ICDs pending proposal for necessary waiver in this respect has not been accrued during the previous year and also in the current period and steps are being taken to restructure the borrowings and related financial obligations of the Parent as well as of various group companies and necessary resolution plan which even though under consideration is yet to be finalised as on this date. The Parent expects to work out a plan for restructuring including reducing/liquidating such outstanding amount synchronising the proposed restructuring of borrowing in terms of the resolution plan under consideration of lenders as given herein below in Note no. 5. 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.
5. The Operational 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 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 current resources vis-à-vis its commitments and obligations and liquidity constraints, causing hardship in servicing the short term and long-term debts and meeting other obligations.

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 Parent. 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). 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's assets, pending settlement of their dues.

The Parent has taken various measures to overcome the financial constraints, which inter-alia include reduction in operational costs, monetising the Parent'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.

Due to firming up of tea prices and improved realisation thereagainst the fund availability for meeting operational obligations statutory or otherwise have improved during the quarter.

The Resolution process of stressed assets vide circular dated June 07, 2019 issued by the Reserve Bank of India has been initiated by the lenders. The lenders have appointed an Independent professional for carrying out Techno Economic Viability (TEV) study and valuers for carrying out the valuation of the company. Further SBI Capital Markets Limited, one of the leading investment banker and adviser had been appointed by the lenders to work out and recommend resolution plan and possible course of action on the matter. The professionals so appointed have submitted their reports including the Draft Resolution Plan which is pending before lenders for their consideration and decision.

The management given the operating performance and potential of the Parent in this respect 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 restructure/reduce its outstanding amount of loan receivable in line with the same and generate sufficient cash flow to meet its obligations and strengthen its financial position 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.

6. The predecessor auditors' have issued an adverse opinion on the consolidated financial results 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 of the Act and related non-compliances, if any could not be ascertained and commented upon by them. Loan of 2,84,544 Lakhs given to various parties as given in Note no. 4 are outstanding as on June 30, 2020. This will therefore be required to be approved by the shareholders under Section 186 of the Act, since necessary approval could not be obtained earlier. Accordingly, the Parent has sought approval from the members through Postal Ballot notice. Information required by relevant authorities including Registrar of Companies have been 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 the decision by the authorities and do not have any impact as such on the profit or loss for the period.
7. (a) Pending completion of debt restructuring process and consequential adjustment in this respect as per Note No. 5 above, Interest on borrowings have been provided on simple interest based at 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 such restructuring, amount repaid to lenders and/or recovered by them 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 in terms of final decision to be arrived at in this respect. Adjustments, if any required in this respect will be recognised on determination thereof and will be given effect to in the consolidated unaudited financial results.
- (b) Interest on Inter Corporate Deposits has not been recognised to the extent of Rs. 2,779 lakhs (including Rs. 597 lakhs for the period) pending finalisation of debt resolution process.
8. In case of Parent, certain debit and credit balances including inter-unit and other clearing balances, trade and other receivables/ payables, advances from customers, loans and advances, other current assets and certain other liabilities including those relating to tea garden are subject to reconciliation with individual details and balances and confirmation thereof. Adjustments/ Impact in this respect are currently not ascertainable.
9. Consequent to the outbreak of COVID-19, which has been declared as a pandemic by World Health Organisations (WHO) and implementation of lock down by Government of India, the Group's operation have been affected, causing loss of more than a month's production due to the suspension of the operation, disruption in supply chain and non-availability of personnel during period of lock down. Loss of output has affected significantly the performance for the current quarter. Though the garden operation have resumed in the first week of May 2020, the costs for upkeep, skiffing of unwanted produce, manuring and other related costs for up bringing of the leaves for plucking has been additionally incurred. Due to continuing problem with respect to availability and deployment of manpower, etc. and other logistic support operations especially at gardens and warehouses are still affected and expected to be normalised over the period of time.

The Group has taken steps towards rationalising it's employee related and other fixed cost. The prices of tea and realisation there against have improved due to supply mismatch in the current situation. Accordingly, the Group has revised it's business projections based on internal and external information and possible assumptions and estimates in the given situation and circumstances. The Group has reviewed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, supply chain, demand for its products and on the carrying value of various current and non-current assets and no material impact on the financial results are expected to arise. The actual impact of the global health pandemic may be different from that which has been estimated. The Group will



continue to closely monitor the situation and any variation due to the changes in situations will then be taken into consideration.

10. The observations concerning Auditors' Opinion on the financial statements for the year ended March 31, 2020 and on the unaudited financial results for the quarter ended June 30, 2020 have been dealt with under Para 4 to 8 above. All these matters relate to and are expected to be resolved on the outcome of the resolution plan under consideration for approval as per Note no. 5 above and will then suitably be addressed in the subsequent periods.
11. The figures for the quarter ended March 31, 2020 is 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, 2019 which were subject to limited review by the Statutory Auditors.

For McLeod Russel India Limited



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

Place: Kolkata
Dated: September 14, 2020



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

Rs. Lakhs except for EPS

Particulars	Consolidated			
	Quarter ended			Year ended
	30th June 2019	31st March 2019	30th June 2018	31st March 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Revenue from Operations	23,290	24,818	26,025	1,71,966
2 Other Income	1,293	9,547	4,085	24,057
Total Income (1 + 2)	24,583	34,165	30,110	1,96,023
3 Expenses				
a) Cost of Materials Consumed	1,733	3,488	6,580	26,766
b) Purchase of Tea	1,160	480	437	4,970
c) Changes in Inventories of Finished Goods	(3,755)	14,920	(21,357)	(1,730)
d) Employee Benefits Expense	16,836	17,384	24,505	81,995
e) Finance Costs	8,956	18,908	4,378	33,757
f) Depreciation and Amortisation Expenses	1,631	1,599	2,088	8,412
g) Other Expenses	8,178	18,792	13,622	64,725
Total Expenses	34,739	75,571	30,253	2,18,895
4 Profit/(Loss) before Exceptional items and Tax (1+2-3)	(10,156)	(41,406)	(143)	(22,872)
5 Exceptional items	9,070	14,271	-	28,941
6 Profit/(Loss) before tax	(1,086)	(27,135)	(143)	6,069
7 Tax Expense				
a) Current Tax	437	(6,357)	163	2,137
b) Provisions for tax relating to earlier years written back (net)	-	(3,973)	-	(3,974)
c) Deferred Tax	(319)	8,391	20	4,024
8 Profit/(Loss) for the period (6-5)	(1,204)	(25,196)	(326)	3,882
9 Share of Profit of Associate	40	-	-	-
Net Profit/(Loss) after taxes and share of profit of associate (8+9)	(1,164)	(25,196)	(326)	3,882
11 Other Comprehensive Income				
A(i) Items that will not be reclassified to profit or loss :				
a) Remeasurements of post-employment defined benefit plans	(763)	1,926	(810)	(747)
b) Change in Fair Value of Equity instruments through other comprehensive income	(2,213)	(315)	(3,360)	(5,372)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	244	(662)	258	237
B Items that will be reclassified to profit or loss :				
a) Exchange differences on translation of foreign operations	-	(4,346)	-	(5,264)
Total Other Comprehensive Income/(Loss)	(2,732)	(3,397)	(3,912)	(11,146)
12 Total Comprehensive Income/(Loss) for the period (comprising of profit and loss and other comprehensive income for the period) (10+11)	(3,896)	(28,593)	(4,238)	(7,264)
13 Profit/(Loss) for the period attributable to :				
Owners' of the Parent Company	(1,164)	(25,181)	(388)	3,185
Non-controlling interests	-	(15)	62	697
14 Other Comprehensive Income/(Loss) for the period attributable to :				
Owners' of the Parent Company	(2,732)	(3,341)	(3,912)	(11,146)
Non-controlling interests	-	(56)	-	-
15 Total Comprehensive Income for the period attributable to :				
Owners' of the Parent Company	(3,896)	(28,522)	(4,301)	(7,961)
Non-controlling interests	-	(71)	62	697
16 Earnings per Share (Rs.) (not annualised)				
Basic and Diluted	(1.33)	(28.82)	(0.42)	3.56
17 Paid-up Equity Share Capital : Face Value : Rs. 5/- per share	4,369	4,369	4,619	4,369
18 Other Equity excluding Revaluation Reserve				1,64,615

Particulars	Consolidated			
	Quarter			Year ended 31st March 2019 (Unaudited)
	30th June 2019 (Unaudited)	31st March 2019 (Unaudited)	30th June 2018 (Unaudited)	
Segment Information:				
Segment Revenue:				
India	15,116	17,448	22,283	1,30,673
Vietnam	1,759	2,281	681	7,623
Uganda	4,844	5,474	1,621	18,134
Rawanda	-	1,525	-	9,381
UK	172	172	67	172
Others	1,399	(2,282)	1,373	5,983
Total	23,290	24,618	26,025	1,71,966
Segment Result:				
India	(1,952)	(37,723)	(487)	(8,059)
Vietnam	40	59	(77)	(1,374)
Uganda	174	(351)	(235)	2,291
Rawanda	-	809	-	3,664
UK	657	8,665	(16)	8,665
Others	(5)	1,406	672	882
Profit before taxation	(1,086)	(27,135)	(143)	6,069
Share of Profit of associate	40	-	-	-
Less Taxation :				
Current tax	437	(6,357)	163	2,137
Provision relating to earlier years, written back	-	(3,973)	-	(3,973)
Deferred tax	(319)	8,391	20	4,023
	118	(1,939)	183	2,187
Profit after taxation	(1,164)	(25,196)	(326)	3,882
Depreciation and amortisation relating to segments:				
India	1,418	1,539	1,955	6,922
Vietnam	28	92	47	528
Uganda	171	332	81	904
Rawanda	-	(371)	-	-
UK	13	54	5	53
Others	1	(47)	-	5
Total	1,631	1,599	2,088	8,412



Notes to Consolidated Unaudited Financial Results for the quarter ended 30th June 2019

1. (a) The above consolidated financial results of McLeod Russel India Limited ('the Parent Company') and its subsidiaries (together referred to as the 'Group') and its associates are the revised financial results for the quarter ended 30th June 2019 after incorporating therein the figures pertaining to the quarter ended 31st March 2019 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). These figures have been incorporated as required in terms of direction received by the company vide email dated 30th December 2019 from The National Stock Exchange of India Ltd.

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

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

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

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

(b) The Company's subsidiary Borelli Tea Holding Limited which was holding 45% shares of Pfunda Tea Company Limited has disposed-off its balance shareholding of 45 shares (after sale of 45 number of shares in the previous year) for a consideration of USD 78,73,963. The profit of Rs. 6.25 Lakhs arising on such sale has been shown as an exceptional item.

(c) Due to non-availability of figures pertaining to erstwhile subsidiaries consequent to change of their management as stated in note 2(a) above, the consolidated figures of the group for the quarter ended 31st March 2019 could not be compiled and as such these were not incorporated and disclosed while publishing the results for the quarter ended 30th June 2019. These figures have now been compiled based on the figure for the year ended 31st March 2019.



as audited by the predecessor auditor and figures for the nine months period ended 31st December 2018 as approved by the Board of Directors at its meeting held on 13th February 2020. The figures for quarter ended 31st March 2019 are the balancing figures between the audited figures in respect of the full financial year ended 31st March and the unaudited published year-to-date figures up to the third quarter ended 31st December 2018.

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

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

(c) Segments have been identified in line with the Ind AS 108- Operating Segments, taking into account the different political and economic environment, risks and returns. The Group, being engaged in manufacture and selling of Tea, the operating segment have been considered on the basis of various geographical location and accordingly India, Vietnam, Uganda, Rwanda, UK and others have been considered to be reportable segment.

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

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

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

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



6. Exceptional Items represent:

Particulars	Quarter 30 th June 2019	Quarter 31 st March 2019	Quarter 30 th June 2018	Year ended 31 st March 2019
Profit on Sale of Specified Assets of the Tea Estates	4,004	3,372	-	18,041
Profit on buyback of shares by subsidiaries (Refer Note no. 5(a))	4,441	-	-	-
Profit on Sale of Subsidiary/ Associates (Refer Note no. 2(b))	625	10,899	-	10,900
Total	9,070	14,271	-	28,941

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



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

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

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

10. Interest on borrowings have been provided for considering the rates and terms and conditions as per agreed term sheet or otherwise stipulated/advised in this respect and are subject to confirmation of balances by the lenders and reconciliation thereof. Adjustments, if any required in this respect will be given effect to on ascertainment of the amount thereof.
11. (a) This being the initial quarter for publication of consolidated quarterly results, limited review for the step-down subsidiaries by their respective auditors could not be undertaken. The figures pertaining to these subsidiaries as compiled by the management of respective companies were consolidated at step one subsidiary level and reviewed by its Auditors. The compilation with respect to assets and liabilities were however could not be undertaken and as such related segmental information could not be provided.

(c) In view of Sale of Specified Assets pertaining to Tea Estates in the previous year as well as in current quarter (as stated in Note no. 4) and disposal of certain subsidiaries/associates (as stated in Note no. 2) and due to the reasons given in Note 2(a) above, figures of the previous periods are not comparable with the figures of current quarter.

For McLeod Russel India Limited


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

Place: Kolkata

Dated: 14th September 2020