



McLEOD RUSSEL
Believe in tea

McLeod Russel India Limited

Annual Report
2018 - 19

IN FOND MEMORY OF MR. B.M. KHAITAN



Late Mr. B.M. Khaitan

14th August 1927 – 1st June 2019

Mr. Brij Mohan Khaitan was a visionary in its truest sense who left an indelible imprint of his dynamism and futuristic thinking on every business he touched and nurtured, spanning tea, batteries and engineering. He was a formidable industrial force to reckon with, in India as well as internationally.

From his humble beginnings as a supplier of tea chests and fertiliser to Williamson Magor to becoming the company's partner and eventual owner, the 'evergreen tea man of India' scripted one success story after another.

The Indian Chamber of Commerce (ICC) accorded him the Lifetime Achievement Award in 2013. Brij Babu – as he was fondly called and remembered – was a thorough gentleman and 'one of the most humanitarian industrialists' of independent India who also touched and transformed lives in different ways, making business and social welfare walk in tandem.

'We will continue to emulate our Chairman Emeritus' high standards and be guided by his philosophy and spirit of entrepreneurship.'



Corporate Information

BOARD OF DIRECTORS

Mr. Aditya Khaitan
Chairman & Managing Director

Mr. Amritanshu Khaitan

Independent Directors

Mrs. Arundhuti Dhar
(w.e.f. 30.05.2019)

Mr. Suman Bhowmik
(w.e.f. 19.07.2019)

Mr. Raj Vardhan
(w.e.f. 19.07.2019)

Mr. Ranabir Sen
(up to 19.07.2019)

Dr. Raghavachari Srinivasan
(up to 19.07.2019)

Mr. Utsav Parekh
(up to 30.05.2019)

Mrs. Ramni Nirula
(up to 30.05.2019)

Mr. Ashok Bhandari
(up to 29.04.2019)

Mr. Jyoti Ghosh
(up to 10.05.2019)

Wholetime Directors

Mr. Rajeev Takru
Mr. Azam Monem

Wholetime Director & CFO

Mr. Kamal Kishore Baheti
(up to 19.07.2019)

Chief Financial Officer

Mr. Pradip Bhar
(w.e.f. 19.07.2019)

COMPANY SECRETARY

Mr. Debanjan Sarkar

BOARD COMMITTEES

Audit Committee

Mrs. Arundhuti Dhar
Mr. Suman Bhowmik
Mr. Aditya Khaitan

Nomination & Remuneration Committee

Mrs. Arundhuti Dhar
Mr. Suman Bhowmik
Mr. Amritanshu Khaitan

Stakeholders' Relationship Committee

Mrs. Arundhuti Dhar
Mr. Suman Bhowmik
Mr. Azam Monem

Corporate Social Responsibility Committee

Mr. Rajeev Takru
Mr. Azam Monem
Mrs. Arundhuti Dhar

Auditors

Lodha & Co.
14, Government Place East
Kolkata 700069

Solicitors

Khaitan & Co. LLP

REGISTERED OFFICE

Four Mangoe Lane
Surendra Mohan Ghosh Sarani
Kolkata – 700001
Corporate Identity Number
CIN: L51109WB1998PLC087076
Phone No (033) 2210-1221/2243-5391/
2248-9434/35
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Email: administrator@mcleodrussel.com
Website: www.mcleodrussel.com

BANKERS

Allahabad Bank
Axis Bank Limited
HDFC Bank Limited
ICICI Bank Limited
State Bank of India
UCO Bank
United Bank of India
Yes Bank Limited
RBL Bank Limited

REGISTRAR

Maheshwari Datamatics Pvt.Ltd.
23, R.N. Mukherjee Road
5th Floor, Kolkata 700001
Tel: (033) 2248-2248/2243-5029
(033) 2231-6839
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Report of the Directors

For the year ended 31st March 2019

Your Directors have pleasure in presenting the Twenty-first Annual Report with the Audited Financial Statements of your Company, for the financial year ended 31st March 2019.

REVIEW OF PERFORMANCE

The financial results of the Company for the year ended 31st March 2019 are summarized below:

Rs in lakhs

	2018-19	2017-18
Revenue from Operations	130992	159634
Other Income	31539	32285
Total Revenue	162531	191919
Profit before Finance Costs, Depreciation, Exceptional Items and Taxation	21546	33684
Less : Finance Costs	32665	17093
Less : Depreciation and Amortization Expenses	6922	8268
Profit/(Loss) before Exceptional Items and Tax	(18041)	8323
Add : Exceptional Items	18041	-
Profit before Tax	-	8323
Tax Expense	442	1597
Profit/(Loss) for the year	(442)	6726

FINANCIAL PERFORMANCE

The year that we have left behind was not a very favourable year to the Company. During the year the Company had to sell the assets of several tea estates to improve its cash flow which was necessary to meet various costs which had gone up considerably. With the reduced number of tea estates, the operational turnover of the Company was lower at Rs. 130992 lakhs against Rs. 159634 lakhs achieved in the earlier year. The Company made a profit of Rs. 18041 lakhs from sale of assets. The Company also earned a sum of Rs. 8082 lakhs as dividend from its overseas subsidiary during the year. However, on account of steep rise in costs of various inputs with no proportionate increase in sale price of tea and substantial increase in finance cost amounting to Rs. 32665 lakhs as against Rs. 17093 lakhs in the earlier year, the Company registered a post-tax loss of Rs. 442 lakhs in the year under review as against a profit of Rs. 6726 lakhs in the earlier year. The Company incurred higher finance cost on account of higher borrowings from banks and other sources needed for its own operations, proposed expansion of its business activities as also to support some of the group companies.

TRANSFER TO GENERAL RESERVE

The Board has decided not to transfer any amount to the General Reserve for the year ended 31st March 2019.

DIVIDEND

In view of loss incurred by the Company during the year under review, the Board regrets its inability to recommend any dividend for the year ended 31st March 2019.

REVIEW OF OPERATIONS

During the Financial year under review, saleable production of your Company was 718 Lakh Kgs tea, as compared to 888 Lakh Kgs in the previous year. Inconsistent weather and poor distribution of rainfall through the year contributed towards a poorer cropping pattern. Pests and disease were better controlled, in spite of the restrictions on use of many key chemicals imposed through the Plant Protection Code. Reduction in production was mainly due to sale of assets of certain tea estates.

Improving plucking standards remains a priority and quality of leaf harvested has improved, resulting in a better quality of teas produced. The Uprooting and Replanting Policy of your Company continued to remain in focus and has further improved the percentage of tea under fifty years which is now over 75% of the area. The estates are now following "Integrated Pest Management" practices, which has proved to be very effective resulting in improved pest control and reduced cost. All tea Estates established good Clonal Tea nurseries with requisite, approved Clonal Blend. The Shade Nurseries are also of a good standard which is a key factor in developing a healthy plantation. The Afforestation program continues to be enhanced along with creation of new water-bodies, to improve "micro-climate", in select areas which has become essential to counter the effects of climate change.

It has always been Your Company's endeavor to produce Quality teas, which has continued to command a premium both in the domestic and international market. Production of premium Orthodox Teas was increased with an aim to fetch better prices

and factory infrastructure and machinery was enhanced to meet the requirements. As part of a continuous up-gradation and modernization programme of factories, additional Color Sorters were provided in some factories to improve the process of Orthodox Tea manufacture. In addition, the factories were provided with additional 1 No. CTC Bank, 1 No. Rotorvane, 1 No. Coal Stove and 1 No. Orthodox Dryer. To improve field operations and overcome the acute shortage of workers, Plucking Shears and Pruning Machines were made available. Water Supply to the residents of the estates was enhanced. The increased requirement of Housing and Sanitation infrastructure for our workers and their families are being met under a planned programme and will continue to remain one of the key commitments.

The Company has 34 ISO 22000 certified Factories. Your Company also has 3 estates certified as “Fairtrade” and 32 estates certified under “Rainforest Alliance.” Our endeavor to have all our factories certified under the new Indian “Trustea” certification is progressing satisfactorily with several factories already certified. We are also in the process of assisting our Bought Leaf Suppliers to be compliant under this certification. Your Company also participates in the Ethical Tea Partnership. We have, over the last 2 years, engaged with “UN Women India, the United Nations Entity for Gender Equality and the Empowerment Of Women” to build awareness among all levels of our employees on “Violence Against Women and Girls.” This programme will continue over the next year. “Community Development Forums” that were set up on some of our estates, are functioning well. These were initiated in partnership with Taylor’s of Harrogate and Ethical Tea Partnership to bring about better awareness and improve the livelihood of our workers and their families.

The Company saw a total export quantum of 144 lakh Kgs in 2018-19 with an overall turnover of over Rs. 32620 lakhs. Favourable feedback was received from the buyers both in terms of quality and deliveries.

SALE OF ASSETS OF TEA ESTATES

The Board of Directors at its meeting held on 30th May 2018 had decided to dispose off certain Tea Estates or assets thereof to achieve rationalization with the objective to optimize the operational performance by way of bringing balance amongst the Company’s own production, production using bought leaf and the teas produced by the overseas subsidiaries of the Company.

In line with the decision, the Company also obtained the approval of the shareholders under Section 180(1)(a) of the Companies Act, 2013, by way of a Special Resolution passed at the 20th Annual General Meeting of the Company held on 9th August 2018 authorizing the Board for selling, leasing, or otherwise disposing off certain Tea Estates of the Company or the assets thereof having value not exceeding 35% of the value of the Undertaking of the Company. In line with the aforesaid decision, the Company during the year sold assets of 14 Tea Estates in Assam and 2 in Dooars for an aggregate consideration of Rs. 61491 lakhs within the Financial Year ended 31st March 2019. Subsequent to this the Company sold the assets of 3 more Tea Estates in April 2019 for a total consideration of Rs. 15045 lakhs. The Company has also entered into a Memorandum of Understanding for sale of assets of yet

another Tea Estate in Assam for a consideration of Rs. 2815 Lakhs. The amounts received from the buyers of the aforesaid assets have been used for repayment of certain high cost debts, in buying back the shares of the Company from the open market, supporting the operations of the Company and other miscellaneous purposes.

Buy Back of Shares

During the year under review, the Company had decided to Buy Back its own shares from the open market through the Stock Exchanges for an amount not exceeding Rs. 100 Crores. The Buy Back process had opened on 19th June 2018 and ended on 18th December 2018. During this period the Company bought back 50,00,000 Equity Shares of Rs. 5/- each from the open market for a total consideration of Rs. 69,01,28,178/-. After completion of the Buy Back and extinguishment of the shares so bought back, the paid up share capital of the Company stands reduced at Rs. 52,22,78,675/- divided into 10,44,55,735 Equity shares of Rs. 5/- each.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of requirements of Regulation 34(2)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), a Management Discussion and Analysis Report is attached as Annexure - I forming part of this Report.

REPORT ON CORPORATE GOVERNANCE

In terms of requirements of Regulation 34(3) of the Listing Regulations, a Report on Corporate Governance together with the Auditors’ Certificate regarding Compliance of Conditions of Corporate Governance are attached as Annexure II and Annexure III respectively, forming part of this Report.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has one wholly owned subsidiary namely, Borelli Tea Holdings Limited, U.K. (Borelli) and four step down Subsidiaries. Borelli is inter alia engaged in the business of investing funds in various companies engaged in tea production, blending and marketing activities. As at the end of the year on 31st March 2019 Borelli had the following Subsidiaries in different countries:-

- (i) Phu Ben Tea Company Limited, Vietnam – controlling stake of Borelli being 100%
- (ii) McLeod Russel Uganda Limited – controlling stake of Borelli being 100%
- (iii) McLeod Russel Middle East DMCC, UAE – controlling stake of Borelli being 100%
- (iv) McLeod Russel Africa Limited, Kenya – controlling Stake of Borelli being 100%

During the year Borelli sold its entire equity stake in Gisovu Tea Company Limited and 50% of its stake in Pfunda Tea Company Limited both in Rwanda for a total consideration of USD 208,57,117 by virtue of which the above companies ceased to subsidiaries of Borelli and step-down subsidiaries of the Company. The remaining stake in Pfunda was sold in April 2019 for a consideration of USD 78,73,963.

The performances of the Subsidiaries are summarised below for your information.

As required under Section 129(3) of the Companies Act, 2013 and Regulation 33 and 34(2)(b) of the Listing Regulations, Consolidated Profit & Loss Statement of the Company and its seven subsidiaries (including Gisovu and Pfunda) and the Consolidated Balance Sheet of the Company and its five subsidiaries prepared in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India are appended in the Annual Report. Investments made in D1 Williamson Magor Bio Fuel Limited, an Associate Company, have been fully provided for in the Accounts of the earlier years and as such the Financial Statements of the said Company have not been considered for consolidation.

A statement containing the salient features of the financial statements of the Company's seven Subsidiaries (including Gisovu and Pfunda) and the Associate Company pursuant to the first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 prepared in Form AOC-1 is attached to the financial statements of the Company for your information.

In terms of Regulation 34(2)(a) of the Listing Regulations, Statements on impact of Audit Qualifications as stipulated in Regulation 33(3)(d) of the Listing Regulations are appended in the Annual Report.

The Company has formulated a Policy for determining "Material Subsidiary" and the same is disclosed on the website of the Company and can be accessed at: <http://www.mcleodrusssel.com/investors/policies.aspx>

BORELLI TEA HOLDINGS LIMITED

Borelli Tea Holdings Limited ('Borelli') has invested in its subsidiaries in Vietnam, Uganda, Dubai and Kenya. During the year under review, Borelli earned a profit after tax equivalent to Indian Rs. 9167 lakhs which included a profit of Rs. 10900 Lakhs on sale of its investments in Gisovu and 50% of its holding in Pfunda. The remaining equity stake of Borelli in Pfunda was sold in April 2019 for a consideration of USD 78,76,694. During the year Borelli paid dividend equivalent to Indian Rs. 8082 lakhs. The Board of Directors of Borelli has recommended payment of final dividend of 2 GBP per share on its equity capital entirely held by your Company.

In March 2019 Borelli had decided and initiated the process of buying back 60,000 of its own shares held by your company at a price of GBP 155 per share. After such buy back is completed, the share capital of Borelli will stand reduced at GBP 3,02,000 divided into 3,02,000 shares of GBP 1 each entirely held by your company.

PHU BEN TEA COMPANY LIMITED (PBT)

PBT is a fully owned subsidiary of Borelli Tea Holdings Limited. It prepares its accounts calendar year wise. During the year 2018, the company incurred loss (both pre-tax and post-tax) of USD 2289421 as against loss (both pre-tax and post-tax) of USD 2140925 in year 2017. The loss for year 2018 includes mark-to-market (non-cash) forex-loss of USD 345342 on loans from holding company. If we exclude this non-cash loss, the actual loss during year 2018 is USD 1944079, which is 9% lower than last year. During the year 2018, PBT manufactured 8.76 million kg of tea (2017 -7.39 million kg).

The increase in production was in accordance with business-plan for better absorption of fixed overheads in factories, in order to contain overall loss. During the year 2018, PBT sold 7.41 million kg tea (2017 -7.43 million kg). Average selling price per kg during 2018 was USD 1.49 (2017 – 1.44). Closing Stock of tea as at 31.12.2018 was 6.13 Million kg (31.12.2017 – 4.80 million kg).

In order to improve PBT's profitability in year 2019, many measures have been taken / are being taken. These are mainly: i) Customer-base have already been widened, thereby reducing over-dependence on major buyers. New buyers and new markets have been found ii) Cost reductions have been achieved in fixed overheads, (iii) Purchase-price of raw material (green leaf) is being reduced without affecting quality of green-leaf, (iv) Transport cost (from factories to sea-port) and warehousing-cost (at sea-port) of finished goods is being reduced by improvements in logistics-management, (v) Forex-management is being improved so that conversion of USD (tea-sale-proceeds) to VND (for payment of costs of production) is at best-possible rates.

All efforts are being made to ensure that Phu Ben does not incur cash-loss, and makes some cash-profit in year 2019.

McLEOD RUSSEL UGANDA LIMITED (MRUL)

MRUL is a wholly owned subsidiary of Borelli and its primary business is cultivation and manufacture of tea. During the year 2018, MRUL's performance has been somewhat average due to reduction in sale price by USD 0.39 per kg caused by excessive crop in Kenya. In addition, the company was enjoying income tax holiday for last 10 years which expired in July 2017 resulting in tax provision of USD 1,108,534 in 2018 compared to USD 15,445 in 2017. MRUL earned a post-tax profit of £2,462,365 in the year 2018 compared to a profit of £11,686,415 in 2017. While there has been reduction in sale price, the cost of production remained controlled.

During the year 2018, MRUL manufactured 17.72 million kgs (2017 – 16.67 million kgs), an increase of approximately 6%. The factories were undergoing capacity constraint which is since completed and now poised to produce 20 million kgs in future.

The sale price during the year 2018 has declined to USD\$ 1.59 per kg as compared to USD\$ 1.98 in previous year registering reduction of USD 0.39 per kg. Total cost of sales during the year 2017 was USD\$ 1.38 as compared to USD\$ 1.35 in 2017. The company declared dividend of USD 2,146,498 in 2018 as compared to USD 5,517,241 in 2017.

GISOVU TEA COMPANY LIMITED (GTCL)

The production of crop in the year 2018 has been at 2.28 million kgs as against 2.74 million kgs in 2017. The sale price of tea declined to USD 3.34 per kg in 2018 as compared to USD 3.96 per kg in the previous year. The cost of sales for the year 2018 was at USD 2.40 per kg as compared to USD 2.41 per kg in the previous year.

The above factors have resulted somewhat subdued profit after tax at USD 2,142,817 in 2018 as compared to USD 3,692,150 in 2017. The company had declared dividend of GBP 1,979,045 in the year 2018 as compared to USD 1,491,452 in the previous year.

Borelli Tea Holdings has sold its investment in Gisovu Tea Company in March 2019 for a consideration of USD 129,83,154 to Rwanda

Tea Investments Ltd resulting in a profit on sale of investment at Rs. 9925 lakhs.

MCLEOD RUSSEL MIDDLE EAST - DMCC (MRME)

There has been a marginal decline in profitability with post tax profit of USD 170,690 (2017 – USD 199,801) due to less volume. The total revenue of the company has been USD 3.1 million (2017 – USD 3.7 million)

MCLEOD RUSSEL AFRICA LIMITED (MRAL)

There has been marginal increase in the volume of trade with the turnover for 2018 at USD 5.99 Million against that in previous year at USD 5.80 Million. There has been reduction in loss during the year which works out to USD 60,003 compared to USD 101,141 in previous year.

PFUNDA TEA COMPANY LIMITED

There has been increase in production of tea in 2018 at 2.62 million kg as compared to 2.47 million kg in previous year. However, low sale price in 2018 at USD 2.52 per kg as compared to USD 2.96 has resulted in less profit after tax at USD 1,770,016 as compared to USD 2,182,311 in 2017. There has been reduction in cost of sales currently at USD 1.87 per kg (2017 USD 2.08). The company declared dividend of USD 1,396,973 in 2018 (2017 – USD 953,516)

Borelli Tea Holdings sold 45% (out of 90%) of its holding in Pfunda Tea Company in March 2019 to Rwanda Tea Investments Limited for a consideration of USD 78,73,963.

CORPORATE SOCIAL RESPONSIBILITY

The philosophy of your Company towards fair governance going hand-in hand with social responsibilities is deeply embedded in its day to day working. The Company has, over the years, successfully formulated a methodology aimed towards improving the life of the people and the environment, which surround the units of the Company and thereby enriching the society.

In terms of Section 135(5) of the Companies Act, 2013, certain class of companies are required to spend at least 2% of Average Net Profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Although your Company did not have Average Net Profit during the above period computed in terms of Section 198 of the Act, still like earlier years, it continued with its welfare activities for development in the field of education, culture and other welfare measures to improve the general standard of living in and around the Tea Estates of the Company and other areas where it operates. A report on CSR activities voluntarily undertaken by the Company during the year is attached as Annexure XI.

The Company was associated inter alia with the following Social Welfare activities during the year under review :

- Associated with Williamson Magor Education Trust in awarding the Assam Valley Literary Award.
- Involved in preservation of ecosystem and natural habitats.
- Supporting heritage conservation.

- Supporting elderly ladies at Old Age Home and villagers with distribution of food, clothes and blankets and providing educational support to slum children.

The Company has a CSR Committee and adopted a CSR Policy which can be accessed at <http://www.mcleodrusssel.com/investors/policies.aspx>. The Corporate Social Responsibility Committee of the Board as on 31st March, 2019 consisted of 3 Executive Directors, namely, Mr. R. Takru, Mr. A. Monem, Mr. K. K. Baheti and Mr. R. Sen, an Independent Director. Mr. R. Takru is the Chairman of the CSR Committee.

BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report of the Company for the year ended 31st March, 2019 is attached as Annexure IV and forms a part of the Directors' Report.

DIVIDEND DISTRIBUTION POLICY

In accordance with the Regulation 43A of the Listing Regulations, the Company has formulated a Dividend Distribution Policy and the same is annexed herewith as Annexure V. The Policy is hosted on the website of the Company and can be viewed at <http://www.mcleodrusssel.com/investor/policies.aspx>.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 for the year ended 31st March 2019 and state that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed with no material departure.
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS & KEY MANAGERIAL PERSONNEL

With profound grief, the Board wishes to inform the shareholders about the sad demise of Mr. B.M. Khaitan who breathed his last on 1st June 2019. He was a renowned industrialist having interest in tea, batteries and engineering. Mr. Khaitan had great contributions to the tea industry with which he was associated for over six decades. On account of his old age, Mr. Khaitan had stepped down from the Board in March 2019.

In recognition of his able leadership and the significant contribution to the Company and the Tea Industry as a whole, the Board at its meeting held on 27th March 2019, had designated him as the 'Chairman Emeritus' as a mark of respect. The Board at the same meeting appointed Mr. Aditya Khaitan as the Chairman of the Board of Directors.

The Board of Directors of the Company as on 31st March 2019 comprised of 11 Directors of whom seven were Independent Directors including one woman Director.

During the year Mr. Bharat Bajoria and Mr. Padam Kumar Khaitan resigned from the Board and Mr. Ashok Bhandari and Mr. Jyoti Ghosh were appointed as Independent Directors, both of whom however, stepped down from the Board after closure of the year. Mr. Utsav Parekh and Mrs. Ramni Nirula, Independent Directors also resigned from the Board after the closure of the year and Mrs. Arundhuti Dhar has been appointed as an Independent Director with effect from 30th May, 2019.

The Board wishes to place on record its sincere appreciation for the valuable services rendered by Mr. B.M. Khaitan, Mr. B. Bajoria, Mr. Utsav Parekh, Mrs. Ramni Nirula, Mr. Padam Kumar Khaitan, Mr. Ashok Bhandari and Mr. Jyoti Ghosh during their association with the Company as Directors.

In accordance with the provisions of the Articles of Association of the Company read with Section 152 of the Company Act, 2013, Mr. R. Takru will retire by rotation at the forthcoming Annual General Meeting. Mr. Takru however is not offering himself for re-appointment.

A certificate of Non-Disqualification of Directors furnished by M/s. A.K. Labh & Co., Company Secretaries as required under Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of SEBI (LODR) Regulations, 2015 is attached as Annexure XII.

During the year, the Company had 5 Key Managerial Personnel, being Mr. Aditya Khaitan, Chairman and Managing Director, Mr. Rajeev Takru, Wholetime Director, Mr. A. Monem, Wholetime Director, Mr. K K Baheti, Wholetime Director & CFO and Mr. A. Guha Sarkar, Company Secretary.

Mr. A. Guha Sarkar retired as the Company Secretary of the Company on 31st March 2019 and Mr. Debanjan Sarkar has been appointed as the Company Secretary of the Company, w.e.f. 1st April 2019.

The Independent Directors have submitted their disclosures to the Board, that they meet the criteria as stipulated in Section 149(6) of the Companies Act, 2013.

The Board met five times during the year on 30th May 2018,

9th August 2018, 12th November 2018, 14th February 2019 and 27th March 2019. The intervening gap between any two Board Meetings was within the period prescribed by the Companies Act, 2013.

The Company has adopted a Familiarization Programme for Independent Directors and the same is disclosed on the website of the Company and can be accessed at <http://www.mcleodrussel.com/investors/policies.aspx>.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In terms of requirement of Schedule IV to the Companies Act, 2013, the Independent Directors had a separate meeting on 27th March 2019 without the attendance of non-independent Directors and members of management. Majority of the Independent Directors were present at the said meeting. The activities prescribed in paragraph VII of Schedule IV to the Act were carried out at the said meeting.

BOARD EVALUATION

The Securities Exchange Board of India (SEBI) vide its circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January 2017 had issued a guidance note on Board Evaluation which inter alia contains indicative criterion for evaluation of the Board of Directors, its Committees and the individual members of the Board.

The Board of Directors at its Meeting held on 30th March, 2017 had considered and adopted the indicative criterion for evaluation of the Board of Directors, the Committees of the Board and the individual directors as enumerated in the said Circular and amended the Board evaluation framework accordingly.

Pursuant to the new Evaluation Framework adopted by the Board, the Board evaluated the performance of the Board, its Committees and the Individual Directors for the financial year 2018-19.

AUDIT COMMITTEE

The Audit Committee of the Board as on 31st March 2019 consisted of Dr. R. Srinivasan, Mr. R. Sen and Mr. Aditya Khaitan. Dr. R. Srinivasan, a Non-Executive Independent Director, was the Chairman of the Audit Committee.

The Company has established a Vigil Mechanism/Whistle Blower Policy and oversees through the Audit Committee, the genuine concerns, if any, expressed by the employees and the Directors. The Company has also made provisions for adequate safeguards against victimization of employees, Directors or any other person who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company. The Vigil Mechanism / Whistle Blower Policy of the Company has been uploaded on the website of the Company and can be accessed at <http://www.mcleodrussel.com/investors/policies.aspx>.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board as on 31st March 2019 comprised, Dr. R. Srinivasan and Mr. R. Sen, Non-Executive Independent Directors and Mr. Amritanshu Khaitan as its Members.

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations is attached to this report as Annexure VI.

LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantee or investment made under Section 186 of the Companies Act, 2013 are furnished in the Note 54 to the Financial Statements for the year ended 31st March 2019.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Related Party Transactions entered into by the Company during the year under review were on arm's length basis in the ordinary course of business for mutual benefits. There was no contract, arrangement or transaction with Related Parties which could be considered as material and which may have a potential conflict with the interest of the Company. The Company has formulated a Related Party Transaction Policy and the same is disclosed on the website of the Company and can be accessed at <http://www.mcleodrussel.com/investors/policies.aspx>.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

GOING CONCERN STATUS

No significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operation in the future.

MATERIAL CHANGES AFTER END OF THE FINANCIAL YEAR

Except as disclosed below and elsewhere in this Annual Report, no material changes and commitments which could affect the financial position of the Company have occurred between the end of the last financial year and the date of this Annual Report.

There had been delays in servicing of certain borrowings. On account of this and losses incurred in operations, ICRA has downgraded the credit-rating of the company. As a corrective measure, the Company is negotiating with its bankers for refinancing of loans.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Financial statements (i.e. Balance Sheet, Profit & Loss Statement and Cash-Flow Statement, together with notes) are prepared through the process which has automated as well as manual controls to ensure accuracy of recording all transactions which have taken place during any accounting period, and the resultant financial position at period end. All data pertaining to payroll, purchases, agricultural activities, plucking, manufacturing, dispatch, selling and other activities are recorded through ERP systems operating in tea estates as well as head office. All data/ transactions entered in systems are checked by various functional

personnel on the basis of supporting documents & records, then the accounting entries are checked by accounts personnel and finally those are validated by managerial personnel.

At periodic intervals, the accounting data are compiled, and financial statements are prepared. While preparing the financial statements, it is ensured that all transactions pertaining to the accounting period are recorded. Fixed assets, stock of tea, all significant items of stores and monetary assets are physically verified. Balance confirmations are obtained for all significant items of trade receivable and advances.

After preparation of the financial statements, all items appearing in the statements are analysed in order to ensure overall reasonableness.

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

CEO AND CFO CERTIFICATION

In terms of Part B of Schedule II of Listing Regulations, the CEO and the CFO of the Company certify to the Board regarding review of the financial statements, compliance with the accounting standards, maintenance of internal control systems for financial reporting and accounting policies, etc.

HEALTH, SAFETY AND WORKING ENVIRONMENT

The Company considers its people as one of the most valuable resources and recognises that safe and healthy working environment motivate employees to be more productive and innovative. The Company takes adequate measures to keep its field and factories safe in all respects. Regular training is imparted to the employees for promoting awareness on safety and skill enhancement. The Company runs a hospital in each of its Tea Estates where the employees of the concerned Estate get regular medical attention. In addition, the Company has set up a few central hospitals which are equipped with modern medical instruments. These hospitals are accessible to the employees of the surrounding areas. The Company also provides facilities for sporting and cultural activities for the employees in the Tea Estates.

ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this Report as Annexure VII.

AUDITORS AND AUDIT REPORT

In terms of Section 139 of the Companies Act, 2013, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) ("Deloitte") was appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 19th Annual General Meeting held on 9th August 2017 till the conclusion of

the 24th Annual General Meeting. Deloitte has conducted audit for the Financial Year ended 31st March 2019 and furnished their report.

In their Report dated 29th June 2019, Deloitte has given an adverse opinion in relation to the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2019. The Board's response in relation to the said opinion is as under:-

- (a) The Company had in the course of its business extended certain capital advances to other companies inter alia to acquire certain land parcels for its business expansion. These capital advances were extended on the basis of certain MoUs/agreements between the Company and the other promoter group companies in furtherance to the Company's business objectives. Certain outstanding capital advances given to the Promoter Group Companies were subsequently converted to ICDs as on 31st March 2019, due to the fact that the purposes for which the advances were extended could not be achieved within a reasonable period of time. The Promoter Group level restructuring is under way to monetise assets to meet up the liabilities of those companies including those ICDs. The Management believes that the outstanding dues shall be recovered/adjusted and hence no further provisions are required at this stage. It is also clarified that these capital advances were provided through normal banking channels and not mere book entries.
- (b) The Company has from time to time provided inter-corporate deposits (ICDs) to certain companies within the promoter group over the last few financial years and the Company has earned substantial interest income from such ICDs. The ICDs extended by the Company are repayable on demand and the borrowing entities repay such ICDs. The audit committee of the Company reviews the details of ICDs provided and refunded on a quarterly basis. The ICDs provided by the Company during the financial years 2016-17 and 2017-18 were reflected in the audited accounts of the Company, which were subsequently approved by the shareholders. These ICDs have from time to time been refunded to the Company. It may also be noted that the Company charges interests on the ICDs at a rate of interest higher than its average rates of borrowing. Over the last 3 financial years, the Company has earned significant amount of interest income from such ICDs. The board of directors of the Company therefore believe that the outstanding dues shall be recovered and no provision is required at this stage for the ICDs and the interest accrued thereon. The management of the Company is already in discussions with the lenders of the Company to carry out a refinancing proposal. Accordingly, the board of directors of the Company believe that the Company would be able to continue as a going concern and discharge its liabilities in the normal course of business. Thus, there is no requirement of any adjustments to the carrying value of the assets and liabilities and their classification in the Balance Sheet. Furthermore, a promoter group level restructuring is under way to monetize assets to meet up the various liabilities of the companies (part of the promoter group) including the outstanding ICDs.

- (c) As clarified above, certain capital advances given to the promoter group entities were subsequently converted to ICDs as on 31 March 2019 on account of the non-fulfilment of the objectives for which such capital advances were provided. The ICDs extended till the end of the financial year was within the limits prescribed under Section 186 of the Companies Act 2013. The limits under Section 186 were exceeded only due to the conversion of the aforementioned capital advances to ICDs at the end of the financial year and the Company is taking necessary steps to obtain requisite approvals and regularize the same.

Further, the Company would also like to clarify that none of the promoter group companies to whom capital advances were provided are companies whose board of directors are accustomed to act in accordance with the directions of any director of the Company. Existence of common directors does not automatically result in any legal presumption, affirmative or negative, regarding the 'accustomed to act' test. The common directors between the Company and the entities to whom capital advances have been provided, act in separate and distinct capacities while acting as directors of the concerned companies. Thus, the provisions of Section 185 of the Companies Act 2013 were not applicable to the aforesaid capital advances.

- (d) The Sundry Income has been earned on the Advances and Loans extended to one of the Promoter Group Companies and the same has been received in the normal course of business.
- (e) In terms of legal opinion obtained by the Company, the said Promoter Group Companies are not related parties as per the provisions of the Companies Act, 2013 and the applicable Accounting Standard.
- (f) The Company is taking necessary steps to recover the money given to a body corporate as Advance. The advance was extended to the body corporate for business purposes of the Company.

Having regard to the above, the Company believes that the Company would be able to continue as a going concern and discharge its liabilities in the normal course of business and as such the financial statements of the Company for the year ended 31st March 2019 have been prepared on a going concern basis. Further, the Board is of the opinion that the Company has in place adequate systems of internal control commensurate with its size and the nature of its operations.

The company management believes that the financial statements of the Company have been presented in accordance with the applicable requirements of Regulation 33 of the SEBI (LODR) Regulations, and gives a true and fair view in conformity with the applicable Indian Accounting Standards and other accounting principles generally accepted in India. Apart from the delay in submitting the audited financial statements beyond the timelines stipulated in Regulation 33 of the SEBI (LODR) Regulations, which has been disclosed to the stock exchanges, the Company believes that the financial statements are in accordance with applicable

accounting standards and the requirements of SEBI (LODR) Regulations.

SECRETARIAL AUDIT

In terms of the requirements of Section 204 of the Companies Act, 2013, the Secretarial Audit of the Company for the year ended 31st March 2019 was conducted by Messrs. A.K. Labh & Co., Company Secretaries. The Secretarial Auditors' Report is attached to this Report as Annexure VIII and forms part of the Directors' Report.

There are certain qualifications or reservations or adverse remarks made by the Secretarial Auditors in their Report and the response of the Company to the same is as under:-

- (1) The loans given by the Company until the end of the year was within the limit prescribed under section 186 of the Companies Act, 2013. This limit was exceeded only due to conversion of outstanding advances into ICDs as on 31st March 2019. The necessary steps are being taken to regularise the same and make it compliant within the provisions of Section 186 of the Companies Act, 2013.
- (2) The Company is taking necessary steps to meet its financial obligations using its various resources. The management of the Company is already in discussions with the lenders of the Company to carry out a refinancing proposal. Furthermore, a promoter group level restructuring is under way to monetize assets to meet up the various liabilities of the companies including the outstanding ICDs.

COST AUDIT

In accordance with the requirements of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company has appointed the following firms of Cost Accountants to conduct audit of Cost Records maintained by the Company for the Tea Plantations of the Company for the year ending 31st March 2020;

- (i) M/s Mani & Company
- (ii) M/s SPK Associates
- (iii) M/s DGM & Associates.

Pursuant to the provisions of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors is required to be ratified by the Members of the Company, a resolution for which will be placed before the Members at the ensuing Annual General Meeting.

The Cost Audit Report furnished by the Cost Auditors in respect of the year ended 31st March 2018 which did not contain any qualification, reservation or adverse remark was filed with the Ministry of Corporate Affairs within the time prescribed under the Companies Act, 2013.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings & outgo in accordance with Section 134(3)(m) of the Act read with Rule 8(3) of the

Companies (Accounts) Rules, 2014, is attached to this Report as Annexure IX.

RISK MANAGEMENT

The Company has adopted and implemented a Risk Management Policy after identifying various risks which the Company encounters with during the course of its business none of which in the opinion of the Board may threaten the very existence of the Company itself. The Company maintains a Risk Register where the particulars of the risks identified are entered. The Company has taken adequate measures to mitigate various risks encountered by the Company.

PREVENTION OF INSIDER TRADING

Your Company has adopted a Code of Conduct for prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors, employees and other designated persons, who could have access to unpublished price sensitive information of the Company, are governed by this Code. The trading window for dealing with equity shares of the Company is duly closed during declaration of financial results and occurrence of any other material events as per the code. During the year under review there has been due compliance with the code.

PARTICULARS OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other particulars or details of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this Report as Annexure X.

EMPLOYEE RELATIONS

The Company's large work force continues to remain the backbone of its operations and their welfare has remained a prime area of focus. Upgradation and introduction of new housing facilities, water supply and sanitation, medical infrastructure etc. have been given priority.

In terms of requirements of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013, the Company has formed Internal Complaints Committees (ICC) for its workplaces. No complaint under the Act has been received by ICC during the year.

Your Board of Directors wish to place on record its sincere appreciation for the dedicated services rendered by the executives, staff and workers at all levels for smooth functioning of all the estates.

For and on behalf of the Board of Directors

A. Khaitan

Managing Director

K. K. Baheti

Wholtime Director & CFO

Place: Kolkata

Date: 29th June 2019

Annexure - I

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENT

Global tea production during year 2018 is estimated at 3150 million kg (2017 – 3050 million kg) of black tea and 2700 million kg (2017 – 2600 million kg) of green tea. India with an increase of 26 million kg and Kenya with an increase of 64 million kg over previous year is the main contributor of increase in production of black tea. India, being the largest producer of black tea, produced 1338 million kg as against 1322 million kg during the calendar year 2017. This represents 42% of total global black tea production. Kenya (492million kg), Sri Lanka (304million kg), other African countries (224million kg), Bangladesh (82million kg) are other main black tea producers globally. China predominantly produces green tea with production of 2600 million kg. (Source: International Tea Committee Bulletin and Tea Board of India).

Weather conditions during 2018, has been very conducive for tea production across geographics. India had a record production for second year in succession with an increase of 26 million kg. Similarly Kenya also had a record crop with production of 492 million kg. Tea demands in global markets were stable as stability to geopolitical situation returned. Tea prices were lower at Mombasa auction by 14% due to record production, however, prices in India were higher by 5% on strong domestic demand.

Costs, in India were higher on account of increase in wages and other welfare expenses.

OPPORTUNITIES AND THREATS

Global black tea production during 2018 is estimated higher by around 100 million kg on account of increase in production in Kenya and India. Global consumption growth is estimated at 2% (i.e. 80 million kg per annum). This has put pressure on prices at International markets particularly at Mombasa auction. However, with estimated demand growth of over 3% p.a., prices in India were higher by approx. 5%. Kenya, currently is going through drought which is likely to have major impact on production in Kenya. This shortage should have a positive impact on prices during second half of the year both in India and globally. Indian exports are likely to remain at elevated levels during 2019 due to lower global production. These factors should mark the beginning of positive cycle of prices.

The small tea growers form a considerable part of the industry. The recent revised figures show a total production of around 400 million kgs from these small growers in North India. This gives an opportunity to create a segment based more on variable cost as compared to fixed cost on production.

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company is primarily engaged in the business of cultivation, manufacture and sale of tea and is managed organizationally as a

single unit. Accordingly, the Company is a single business segment company.

RISKS AND CONCERNS

The Tea Industry is largely dependent on the vagaries of nature. The Industry is highly labour intensive and is subject to stringent labour laws. Substantial increase in labour wages, high social cost over most other tea producing countries, high infrastructure costs and increasing energy and other input costs remain the major problems for the Indian Tea Industry. Shortage of labour during peak season in some pockets is also a cause for concern. Company has made substantial investment in irrigation to minimise the impact on crop.

These problems need to be addressed by improved productivity and energy conservation. The Tea Industry both in Assam and West Bengal have discussed with the Trade Unions and implemented productivity linked wages for the tea workers with a view to regain the Industry's competitiveness in the global market. Interim labour agreement for the State of Assam and West Bengal in India has been signed with an increase of more than 20% in wages.

The Industry is also subject to taxation from the State Government as well as Central Government and while the level of direct taxes has come down over a period, some of the State levies like cess on green leaf in Assam and substantial increase in Land Revenue charges put the industry at a very disadvantageous position.

To mitigate various types of risks that the company has to face, the Board of Directors of the Company has adopted a Risk Management Policy and implemented the same at the Tea Estates and at Head Office of the Company. In view of fluctuations in foreign exchange and interest rates, the Company has adopted a specific Risk Management Policy to address the risks concerning the foreign exchange and derivative transactions. The Company had introduced Hazard Analysis and Critical Control Points (HACCP) at all the Tea Factories to ensure better quality product.

OUTLOOK

Black tea production during 2018 was at record level mainly because of increased production in Kenya and India. Tea prices in Kenya were lower by 14% during the year 2018 as compared to previous year. There has been adverse weather condition in Kenya during the month March 2019 and May 2019. This is expected to have a very positive impact on prices both globally and in India during the second half of 2019. We have early sign of changes in tea prices cycle in India in last few weeks.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational

information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. Three independent firms of Chartered Accountants carry out the internal audit at the Tea Estates on a regular basis. Another firm of Chartered Accountants conducts internal audit at the Head Office.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee reviews Audit Reports submitted by the internal Auditors. Suggestions for improvement are considered and the

Audit Committee follows up the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time. The Risk Management Policy adopted by the Company has further strengthened the internal control system.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The details of Financial Performance and Operational Performance have been provided in the Report of the Directors.

DETAILS OF SIGNIFICANT CHANGES (i.e. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS:-

Ratio	2018-19	2017-18	Change (%)	Reason
Debtors Turnover Ratio (number of times)	50.09	15.80	217.04	Tea was sold faster during FY 2018-19 as compared to FY 2017-18 ; resulting in much lower sales towards end of the year, resulting in lower trade-receivables at year-end and hence improvement in 'Debtors-turnover ratio'
Inventory Turnover Ratio (number of times)	13.74	12.54	9.58	NA
Interest Coverage Ratio (number of times)	1.21	1.97	(38.50)	Deterioration in ratio is mainly due to Increase in interest-cost due to higher borrowings (reason of higher borrowing is mentioned in Directors' Report under heading 'Financial performance').
Current Ratio (number of times)	0.29	1.26	(76.95)	Deterioration in ratio is mainly due to : (i) classification of 'Loans to bodies corporate' Rs. 174468 Lakh as 'non-current asset' instead of 'current asset'. ; (ii) Increase in 'current borrowings'
Debt Equity Ratio (number of times)	0.29	0.39	(27.03)	Improvement in debt-equity ratio is mainly due to decrease in non-current borrowings.
Operating profit margin	16.45%	21.10%	(22.50)	NA
Net Profit Margin	(13.77%)	5.21%	(361.14)	Deterioration in ratio is mainly due to : (i) Reduction in profitability owing to higher input-costs without commensurate increase in tea-sale-price ; (ii) Increase in interest-cost due to higher borrowings (reason of higher borrowing is mentioned in Directors' Report under heading 'Financial performance').
Return on Net Worth	(16.52%)	5.66%	(391.72)	Deterioration in ratio is mainly due to : (i) Reduction in profitability owing to higher input-costs without commensurate increase in tea-sale-price ; (ii) Increase in interest-cost due to higher borrowings.

HUMAN RESOURCES

Tea Industry is highly labour intensive. The Company employs around 51,600 personnel at its Tea Estates and other establishments in India. Employee relations remained satisfactory during the period under review. The Company would like to record appreciation of the wholehearted support and dedication from employees at all levels in maintaining smooth production and manufacture of tea from all the Tea Estates during the year.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and

outlook. Market data and product information contained in this Report have been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

For and on behalf of the Board

A. Khaitan
Managing Director

Place: Kolkata
Date: 29th June 2019

K. K. Baheti
Wholtime Director & CFO

Corporate Governance Report

(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at efficient conduct of its operations and in meeting its obligations towards various stakeholders such as Customers, Vendors, Employees, Shareholders and Financiers and to the Society at large. The Company is in the business of cultivation and production of Tea and is one of the major producers of Tea in the world. The Company endeavours to produce quality Tea that consistently commands respect, trust and loyalty throughout the world by way of sustained efforts, research and development in plantation and adoption of latest technology. The Company strives for successful management of contingencies like drought and flood. While it is the endeavour of your Company to continue to produce Tea of premium quality to the satisfaction of its Customers worldwide, it also gives due importance to its obligations to the large workforce that it employs on the Tea Estates. The Company runs a business that has a human face and values the environment, people, products, plantation practices, customers and shareholders. The Company believes in achieving its goals, which result in enhancement of Shareholders' value through transparency, professionalism and accountability and nurture these core values in all aspects of its operations.

(2) BOARD OF DIRECTORS

(a) Composition and Category of Directors

The Board of Directors of your Company as on 31st

March 2019 consisted of eleven Directors as under:

- Chairman & Managing Director who is a Promoter;
- One Non-Executive Promoter Director;
- Three Wholtime Directors;
- Six Non-Executive Independent Directors.

The Board has an optimum combination of Executive and Non-Executive Directors and more than half of the Board consisted of Independent Directors including one woman Director, which is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

(b) &(c) Attendance of each Director at the Board Meetings/last AGM, Directorship and Chairmanship/ Membership in other Board/Board Committees

Name and category of the Directors on the Board, their attendance at Board Meetings held during the financial year ended 31st March 2019, number of Directorships and Committee Chairmanships/ Memberships held by them in other public limited companies are given below. Other Directorships do not include alternate Directorships, Directorships in Private Limited Companies and Companies under Section 8 of the Companies Act, 2013 and of the Companies incorporated outside India. Chairmanship/ Membership of Board Committees relates to only Audit and Stakeholders' Relationship Committees.

Name of Directors	Category	No. of Board Meetings		Whether attended last AGM held on 9th August 2018	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies	
		Held during the year	Attended			As Chairman/ Chairperson	As Member (#)
*3 Mr. Brij Mohan Khaitan	Non-Executive Director	5	1	No	3	-	-
~ Mr. Aditya Khaitan	Chairman & Managing Director	5	5	Yes	8	1	2
Mr. Amritanshu Khaitan	Non-Executive Director	5	4	Yes	7	-	-
Dr. Raghavachari Srinivasan	Non-Executive & Independent	5	3	No	5	2	6
*1 Mr. Bharat Bajoria	Non-Executive & Independent	5	2	Yes	5	-	1
Mr. Ranabir Sen	Non-Executive & Independent	5	5	Yes	-	-	-
Mr. Utsav Parekh	Non-Executive & Independent	5	3	No	8	4	6
Mrs. Ramni Nirula	Non-Executive & Independent	5	4	Yes	6	1	5
*2 Mr. Padam Kumar Khaitan	Non-Executive & Independent	5	1	No	8	2	4
Mr. Rajeev Takru	Wholtime Director	5	5	Yes	2	-	-
Mr. Azam Monem	Wholtime Director	5	5	Yes	-	-	-
Mr. Kamal Kishore Baheti	Wholtime Director	5	5	Yes	8	-	1
^ Mr. Ashok Bhandari	Non-Executive & Independent	5	3	No	9	-	5
^^ Mr. Jyoti Ghosh	Non-Executive & Independent	5	1	No	-	-	-

*1 upto 12.02.2019; *2 upto 12.02.2019 and *3 upto 27.03.2019 / ~ Appointed as the Chairman w.e.f. 27.03.2019

^ Appointed as an Additional Director w.e.f. 10.10.2018 / ^^ Appointed as an Additional Director w.e.f. 12.02.2019

(#) Including Chairmanship, if any.

Name of Directors	Names of the Listed Entities where the person is a director	Category of directorship
* ³ Mr. Brij Mohan Khaitan	Williamson Magor & Co. Limited Eveready Industries India Limited	Non-Executive Chairman Non-Executive Chairman
~ Mr. Aditya Khaitan	McLeod Russel India Limited Williamson Magor & Co. Limited Kilburn Engineering Limited McNally Sayaji Engineering Limited Eveready Industries India Limited McNally Bharat Engineering Company Limited Williamson Financial Services Limited	Chairman & Managing Director Non-Executive Vice-Chairman Non-Executive Chairman Non-Executive Chairman Non-Executive Vice-Chairman Non-Executive Chairman Non-Executive Chairman
Mr. Amritanshu Khaitan	Eveready Industries India Limited McLeod Russel India Limited Williamson Magor & Co. Limited Williamson Financial Services Limited Kilburn Engineering Limited	Managing Director Non-Executive Non-Executive Non-Executive Non-Executive
Dr. Raghavachari Srinivasan	McLeod Russel India Limited Williamson Magor & Co. Limited Graphite India Limited Goldiam International Limited J. Kumar Infraprojects Limited	Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent
* ¹ Mr. Bharat Bajoria	McLeod Russel India Limited The Bormah Jan Tea (1936) Limited Teesta Valley Tea Co. Ltd Dhunseri Tea & Industries Limited McLeod & Co. Ltd	Non-Executive & Independent Managing Director Managing Director Non-Executive & Independent Non-Executive Director
Mr. Ranabir Sen	McLeod Russel India Limited	Non-Executive & Independent
Mr. Utsav Parekh	McLeod Russel India Limited Xpro India Limited Texmaco Rail & Engineering Limited Texmaco Infrastructure & Holdings Limited Smifs Capital Markets Ltd Spencer's Retail Limited	Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive Chairman Non-Executive & Independent
Mrs. Ramni Nirula	McLeod Russel India Limited HEG Limited PI Industries Limited Eveready Industries India Limited DCM Shriram Limited CG Power and Industrial Solutions Limited	Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent
* ² Mr. Padam Kumar Khaitan	McLeod Russel India Limited Magadh Sugar & Energy Limited Asian Hotels (East) Limited Kilburn Engineering Limited Cheviot Co. Ltd Ramkrishna Forgings Ltd	Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent
Mr. Rajeev Takru	McLeod Russel India Limited	Wholetime Director
Mr. Azam Monem	McLeod Russel India Limited	Wholetime Director
Mr. Kamal Kishore Baheti	McLeod Russel India Limited Williamson Financial Services Limited	Wholetime Director Non-Executive
^ Mr. Ashok Bhandari	McLeod Russel India Limited Rupa & Company Ltd Intrasoft Technologies Limited Maithan Alloys Ltd Skipper Limited IFB Industries Ltd Maharashtra Seamless Limited	Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent
^^ Mr. Jyoti Ghosh	McLeod Russel India Limited	Non-Executive & Independent

*¹ upto 12.02.2019; *² upto 12.02.2019 and *³ upto 27.03.2019 / ~ Appointed as the Chairman w.e.f. 27.03.2019

^ Appointed as an Additional Director w.e.f. 10.10.2018 / ^^ Appointed as an Additional Director w.e.f. 12.02.2019

None of the Directors on the Board is a Member of more than 10 Committees or Chairman/Chairperson of more than 5 Committees across all the Companies in which he/she is a Director. The Directors have made necessary disclosures regarding Committee positions held in other public limited companies in terms of Regulation 26(1)&(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(d) Number & Dates of Board Meetings

Five Board Meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held are as follows:

30th May 2018, 9th August 2018, 12th November 2018, 14th February 2019 and 27th March 2019.

(e) Disclosure of relationships between Directors

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

(f) Number of shares and convertible instruments held by Non-Executive Directors

Sl. No.	Name of Director	Category	No. of Shares held
1	Mr. Amritanshu Khaitan	Non-Executive Director	15,000
2	Dr. Raghavachari Srinivasan	Non-Executive & Independent	-
3	Mr. Ranabir Sen	Non-Executive & Independent	133
4	Mr. Utsav Parekh	Non-Executive & Independent	-
5	Mrs. Ramni Nirula	Non-Executive & Independent	-
6	Mr. Ashok Bhandari	Non-Executive & Independent	-
7	Mr. Jyoti Ghosh	Non-Executive & Independent	-

The Company has not issued any convertible instruments.

(g) Web Link for Familiarization Programme

Web link giving the details of Familiarization Programme imparted to Independent Directors at <http://www.mcleodrussel.com/investors/familiarisation-programme.aspx>

(h) Chart of Matrix setting out the skills / expertise / competence of the Board of Directors

i) & ii)

List of core skills / expertise / competence identified by the Board of Directors as required in the context of the business to function effectively	List of core skills / expertise / competence identified by the Board of Directors as required in the context of the business to function effectively and those actually available with the Board	Name of Director	Skill and Expertise
Academic qualification, requisite knowledge, experience and business skills in :- - Tea Estate Management and operations - General Management - Finance & Accountancy - Corporate Law - Banking & merchant banking - Marketing	Academic qualification, requisite knowledge, experience and business skills in :- - Tea Estate Management and operations - General Management - Finance & Accountancy - Corporate Law - Banking & merchant banking - Marketing	*3 Mr. Brij Mohan Khaitan	General Management & Tea Estate Management and operations
		~ Mr. Aditya Khaitan	General Management & Tea Estate Management and operations
		Mr. Amritanshu Khaitan	General Management & Finance
		Dr. Raghavachari Srinivasan	Banking & merchant banking
		*1 Mr. Bharat Bajoria	General Management, Finance & Accountancy
		Mr. Ranabir Sen	General Management, Tea Estate Management and operations & Marketing
		Mr. Utsav Parekh	General Management & Finance
		Mrs. Ramni Nirula	Banking & merchant banking and Finance
		*2 Mr. Padam Kumar Khaitan	Law
		Mr. Rajeev Takru	Tea Estate Management and operations
		Mr. Azam Monem	Marketing
		Mr. Kamal Kishore Baheti	General Management, Finance & Accountancy and Corporate Law
		^ Mr. Ashok Bhandari	Finance & Accountancy and Corporate Law
		^^ Mr. Jyoti Ghosh	General Management, Banking & merchant banking and Finance

*1 upto 12.02.2019; *2 upto 12.02.2019 and *3 upto 27.03.2019 / ~ Appointed as the Chairman w.e.f. 27.03.2019

^ Appointed as an Additional Director w.e.f. 10.10.2018 / ^^ Appointed as an Additional Director w.e.f. 12.02.2019

i) In the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2019 and are independent of the management.

j) The detailed reason for resignation of the following Independent Director from the Board of Directors of the Company during the financial year ended 31st March 2019 are as follows:-

- a. Mr. Bharat Bajoria, an Independent Director of the Company had tendered his resignation from the Board of Directors on account of his involvement in new projects for which he may not be able to spare enough time for Company. The Board of Directors has accepted his resignation with effect from 12th February 2019.
- b. Mr. Padam Kumar Khaitan, an Independent Director of the Company had tendered his resignation from the Board of Directors on account of direct conflict of interest as Messrs. Khaitan & Co, of which he is a partner, has recently accepted an assignment connected with acquisition of Tea Estates by a client of the said firm where the Company would be a vendor. The Board of Directors has accepted his resignation with effect from 12th February 2019.

The aforesaid Independent Directors have confirmed that there are no material reasons other than those provided for tendering their respective resignation from the Company.

(3) AUDIT COMMITTEE

The Audit Committee of the Board comprises of 4 Directors including 3 Independent Directors. The Members of the Audit Committee have wide exposure and knowledge in area of finance and accounting. The role and terms of reference of the Audit Committee covers the areas mentioned under Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

(a) Brief descriptions of the terms of reference of the Audit Committee are as follows:

- (i) oversight of the Company's financial reporting process and the disclosure of its financial information;
- (ii) recommendation for appointment, re-appointment, remuneration and terms of appointment, re-appointment of auditors including cost auditors and fixation of audit fees and removal of internal auditor/cost auditors;
- (iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- (iv) reviewing with the management, examination of the quarterly and annual financial statements and auditor's report thereon before submission to the board for approval;
- (v) reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (vi) approval or any subsequent modification of transactions of the Company with related parties, including omnibus approval of related party transactions under such conditions as may be statutorily applicable.
- (vii) scrutiny of inter-corporate loans and investments;
- (viii) valuation of undertakings or assets of the Company, wherever it is necessary;
- (ix) to evaluate internal financial controls and risk management systems;
- (x) reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
- (xi) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xii) discussion with internal auditors of any significant findings and follow up there on;
- (xiii) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xiv) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xv) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xvi) to review the functioning of the whistle blower mechanism;
- (xvii) approval of appointment of Chief Financial Officer (i.e. the Wholtime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

(b) Composition, Name of Members and Chairperson

The Audit Committee of the Board as on 31st March 2019 consisted of Dr. R. Srinivasan, Messrs. R. Sen,

A. Khaitan and A. Bhandari. Dr. R. Srinivasan, a Non-Executive Independent Director, having adequate financial and accounting qualification and expertise, is the Chairman of the Audit Committee. The other Members of the Committee are also financially literate. The Committee has three Non-Executive Independent Directors. Mr. A. Guha Sarkar, Senior Vice-President & Company Secretary acted as the Secretary to the Committee till the last Meeting of the Committee held on 14th February 2019.

(c) Meetings and attendance during the year

The particulars of meetings attended by the Members of the Audit Committee during the financial year ended 31st March 2019 are given below:

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Dr. R. Srinivasan, Chairman	Non-Executive & Independent	4	2
*Mr. B. Bajoria	Non-Executive & Independent	4	2
Mr. R. Sen	Non-Executive & Independent	4	4
Mr. A. Khaitan	Vice Chairman & Managing Director	4	4
Mr. A. Bhandari	Non-Executive & Independent	4	1

*Ceased to be a Director w.e.f. 12.02.2019

Four Meetings of the Audit Committee were held during the financial year ended 31st March 2019. The dates on which the Audit Committee Meetings were held are as follows:

30th May 2018, 9th August 2018, 12th November 2018 and 14th February 2019.

(4) NOMINATION AND REMUNERATION COMMITTEE

(a) Brief description of terms of reference

The role and principal terms of reference of the Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations are as follows:

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment/removal.
- formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees;

- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- to carry out evaluation of every Director's performance;
- to devise a policy on Board diversity;
- whether to extend or continue the term of appointment of Independent Director on the basis of performance evaluation of Independent Directors.

(b) Composition, Name of Members and Chairman

The Nomination and Remuneration Committee of the Board as on 31st March 2019 comprised of Dr. R. Srinivasan, Mr. R. Sen, Non-Executive Independent Directors and Mr. Amritanshu Khaitan, a Non-Executive Director as its Members.

(c) Meeting and attendance during the year

During the financial year ended 31st March 2019 three Meetings of the Nomination and Remuneration Committee were held on 30th May 2018, 9th October 2018 and 14th February 2019.

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Dr. R. Srinivasan	Non-Executive & Independent	3	2
Mr. R. Sen	Non-Executive & Independent	3	3
Mr. Amritanshu Khaitan	Non-Executive	3	1
*Mr. B. Bajoria	Non-Executive & Independent	3	2

* Ceased to be a Director w.e.f. 12.02.2019

(d) Performance evaluation criteria for independent Directors

The Nomination and Remuneration Committee at its Meeting held on 30th March, 2017 had considered and adopted the indicative criterion for evaluation of performance of the Board of Directors and the Independent Directors issued by Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 in terms of the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Pursuant to the adoption of the new criterion for evaluation of performance of the Board of Directors and the Independent Directors, the Committee carried

out the process of evaluation of the performance of every Director in accordance with its terms of reference and the requirements of Companies Act, 2013.

The performance of the Independent Directors is evaluated on the basis of the following parameters:-

General -

(a) Qualifications, (b) Experience, (c) Knowledge and Competency, (d) Fulfillment of functions, (e) Ability to function as a team, (f) Initiative, (g) Availability and attendance, (h) Commitment, (i) Contribution and (j) Integrity.

Additional criteria for Independent Director -

- (a) Independence and
- (b) Independent views and judgement.

(e) Meeting and attendance during the year

During the financial year ended 31st March 2019 one Meeting of the Independent Directors held on 27th March 2019 and the attendances are as follows:

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Dr. R. Srinivasan	Non-Executive & Independent	1	1
Mr. R. Sen	Non-Executive & Independent	1	1
Mr. U. Parekh	Non-Executive & Independent	1	-
Mrs. R. Nirula	Non-Executive & Independent	1	1
Mr. A. Bhandari	Non-Executive & Independent	1	1
Mr. J. Ghosh	Non-Executive & Independent	1	-

(5) REMUNERATION OF DIRECTORS

(a) & (b) Pecuniary Relationship or transactions of the Non-Executive Directors/criteria of making payments to Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board Meetings, Committee Meetings and separate Meeting of Independent Directors. They get Commission if approved by the Board for their valuable services to the Company subject to the limit fixed by the Members.

Criteria of making payment to Non-Executive Directors are disclosed in the Nomination and Remuneration Policy and the same is attached to the Report of the Directors as Annexure-V.

The details of remuneration for the financial year ended 31st March 2019 to the Non-Executive Directors are as under:

Name of Directors	Sitting Fees (Rs.) for Board Meetings	Sitting Fees (Rs.) for Committee & Independent Directors' Meetings
* ³ Mr. B. M. Khaitan	40,000	-
Dr. R. Srinivasan	1,20,000	1,20,000
* ¹ Mr. B. Bajoria	80,000	1,40,000
Mr. R. Sen	2,00,000	2,40,000
Mr. U. Parekh	1,20,000	60,000
Mrs. R. Nirula	1,60,000	40,000
Mr. Amritanshu Khaitan	1,60,000	60,000
* ² Mr. Padam Kumar Khaitan	40,000	-
^ Mr. A. Bhandari	1,20,000	60,000
^^ Mr. J. Ghosh	40,000	-
Total	10,80,000	7,20,000

*¹ upto 12.02.2019; *² upto 12.02.2019 and *³ upto 27.03.2019

^ Appointed as an Additional Director w.e.f. 10.10.2018

^^ Appointed as an Additional Director w.e.f. 12.02.2019

(c) Disclosures with respect to remuneration

(i), (ii) & (iii) Remuneration package/Remuneration paid to Directors

The Executive Directors are paid Salary, contribution to Provident Fund & other Funds, Bonus and allowances and perquisites as per their terms of appointment approved by the Members of the Company.

Non-Executive Directors and Independent Directors are paid sitting fees and commission as determined by the Board from time to time.

The details of the fixed components of the managerial remuneration paid to the Managing and the Wholetime Directors are given below. Allowances to the Executive Directors may vary as approved by the Board based on their and Company's performance. During the Financial Year ended 31st March 2019, no Commission was paid to the Non-Executive Directors.

Details of Remuneration for the financial year ended 31st March 2019 to the Managing Director and Wholetime Directors are given below:

	Mr. A. Khaitan Rs.	Mr. R. Takru Rs.	Mr. A. Monem Rs.	Mr. K.K. Baheti Rs.
Salary	1,80,00,000	72,00,000	72,00,000	72,00,000
Contribution to Provident Fund and other Funds	48,60,000	19,44,000	19,44,000	19,44,000
Bonus and Allowances	1,58,00,000	64,45,000	64,45,000	64,45,000
Monetary value of Perquisites	82,729	2,40,731	2,05,714	1,27,977
Period of appointment	3 years w.e.f. 01.04.2017	3 years w.e.f. 01.04.2017	3 years w.e.f. 01.04.2017	3 years w.e.f. 01.04.2017
Notice period	3 months	3 months	3 months	3 months
Severance fees	Not specified	Not specified	Not specified	Not specified

The Agreements with the Managing Director and Whole-time Directors are normally done every 3 years.

(iv) Stock option

The Company does not have any Scheme for grant of stock options to its employees.

(6) STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a) Name of Non-Executive Director heading the Committee/Composition of the Committee

Stakeholders' Relationship Committee of the Board as at 31st March 2019 consisted of Mr. R. Sen, a Non-Executive Independent Director, as the Chairman; Mr. U. Parekh, a Non-Executive Independent Director and Mr. K. K. Baheti, an Executive Director were the Members of the Committee.

(b) Name and designation of Compliance Officer

Mr. A. Guha Sarkar, Senior Vice-President & Company Secretary is the Compliance Officer for redressal of Shareholder's/Investor's complaints.

(c), (d) & (e) Details of Shareholders'/Investors' Complaints

During the Financial Year ended 31st March 2019, 33 complaints were received from the Shareholders/Investors. The details are as under:

Opening as on 1st April 2018	2
Received during the year	33
Resolved during the year	31
Closing/Pending as on 31st March 2019	4

MEETINGS AND ATTENDANCE DURING THE YEAR

During the financial year two Meetings of the Stakeholders' Relationship Committee were held on 12th November 2018 and 27th March 2019 and the attendances of Members are as follows:

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Mr. R. Sen, Chairman	Non-Executive & Independent	2	2
Mr. U. Parekh	Non-Executive & Independent	2	1
Mr. K. K. Baheti	Executive Director	2	1
*Mr. B. Bajoria	Non-Executive & Independent	2	-

*Ceased to be a Director w.e.f. 12.02.2019

(7) GENERAL BODY MEETINGS

(a) Location and time of last three Annual General Meetings:

Financial Year ended	Date	Time	Venue
31.03.2016	08.08.2016	11:00 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017
31.03.2017	09.08.2017	10:30 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017
31.03.2018	09.08.2018	10:30 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017

(b) Special Resolutions passed in the previous three AGMs.

AGM held on	Special Resolution passed
08.08.2016	(1) Special Resolution pursuant to the provisions of Section 197 of the Companies Act, 2013 ('the Act') read with the applicable provisions of Schedule V to the Act, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the Central Government for payment of remuneration for 2015-2016 and waiver of recovery of excess remuneration paid to Mr. A. Khaitan (DIN:00023788) as the Managing Director of the Company during the year ended 31st March 2016. (2) Special Resolution pursuant to the provisions of Section 197 of the Companies Act, 2013 ('the Act') read with the applicable provisions of Schedule V to the Act, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the Central Government for waiver of recovery of excess remuneration paid to Mr. R. Takru (DIN:00023796) as a Wholetime Director of the Company during the year ended 31st March 2016. (3) Special Resolution pursuant to the provisions of Section 197 of the Companies Act, 2013 ('the Act') read with the applicable provisions of Schedule V to the Act, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the Central Government for waiver of recovery of excess remuneration paid to Mr. A. Monem (DIN:00023799) as a Wholetime Director of the Company during the year ended 31st March 2016. (4) Special Resolution pursuant to the provisions of Section 197 of the Companies Act, 2013 ('the Act') read with the applicable provisions of Schedule V to the Act, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other statutory provisions as may be applicable for waiver of recovery of excess remuneration paid to Mr. K. K. Baheti (DIN:00027568) as a Wholetime Director of the Company during the year ended 31st March 2016.
09.08.2017	(1) Special Resolution for approval of remuneration payable to Mr. A. Khaitan (DIN:00023788) as the Managing Director of the Company for a period of three years commencing from 1st April 2017 as specified in the special resolution and the relative explanatory statement. (2) Special Resolution for waiver of recovery of excess remuneration paid to Mr. A. Khaitan (DIN:00023788) as the Managing Director of the Company during the year ended 31st March 2017. (3) Special Resolution for approval of re-appointment of Mr. R. Takru (holding DIN:00023796) as a Wholetime Director of the Company for a period of three years commencing from 1st April 2017 and the remuneration payable to him as specified in the special resolution and the relative explanatory statement. (4) Special Resolution for approval of re-appointment of Mr. A. Monem (holding DIN:00023799) as a Wholetime Director of the Company for a period of three years commencing from 1st April 2017 and the remuneration payable to him as specified in the special resolution and the relative explanatory statement. (5) Special Resolution for approval of re-appointment of Mr. K. K. Baheti (holding DIN:00027568) as a Wholetime Director of the Company for a period of three years commencing from 1st April 2017 and the remuneration payable to him as specified in the special resolution and the relative explanatory statement. (6) Special Resolution for adoption of new set of Articles in substitution of the existing Articles in the Articles of Association of the Company. (7) Special Resolution for keeping the Register of Members and other documents as may be required at the Corporate Office of Meheshwari Datamatics Private Limited, Registrar and Share Transfer Agent of the Company at 23 R. N. Mukherjee Road, 5th Floor, Kolkata - 700001.
09.08.2018	(1) Special Resolution for approval to Mr. Brij Mohan Khaitan (holding DIN:00023771) to continue as a Non-Executive Director and Chairman of the Company after 31st March 2019. (2) Special Resolution for approval to Dr. R. Srinivasan (holding DIN:00003968) to continue as a Non-Executive Independent Director of the Company after 31st March 2019. (3) Special Resolution in terms of Section 180(1)(a) of the Companies Act, 2013 for approval of sale, lease or otherwise disposal of certain Tea Estates of the Company or the assets thereof having value in excess of 20% but not exceeding 35% of the value of the undertaking of the Company.

(c) & (d) No Resolution was passed through Postal Ballot during the year ended 31st March 2019.

(e) No Special Resolution is proposed to be conducted through Postal Ballot.

(f) Remote e-voting and Ballot voting at the Annual General Meeting

The Company has arranged for remote e-voting facility to the Shareholders to vote on the Resolutions proposed at the 21st Annual General Meeting ('AGM'). The Company has engaged Central Depository Services (India) Limited to provide e-voting facility to all the Members. Members whose names appear on the Register of Members as on the cut-off date i.e. 2nd September 2019 shall be eligible to participate in the e-voting.

The facility for voting through Ballot Paper will also be made available at the AGM and the Members who have not already cast their vote by remote e-voting can exercise their voting through Ballot Paper at the AGM.

(8) MEANS OF COMMUNICATION

The Company regularly interacts with the Shareholders through multiple ways of communication such as Results announcement, Annual Report, and through Company's website and specific communications.

(a) & (b) Quarterly Results/Newspaper wherein Results normally published

Quarterly, half-yearly and annual Results are published in prominent dailies which inter alia, included Business Standard (English), The Economic Times (English), Financial Express (English) and Aajkal (Bengali) in the form prescribed by the Stock Exchanges in the Listing Regulations.

The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS), BSE Listing Centre through online filing and CSE through e-mail for dissemination on their respective websites.

(c) & (d) Website

The Financial Results are also made available on the website of the Company www.mcleodrussel.com.

(e) Stock Code/Listing of Shares

Name of the Stock Exchanges [where the Company's Shares are listed]	Date of Listing of 5,59,05,402 Equity Shares of Rs.5/- each of the Company	Date of Listing of 4,25,25,000 Equity Shares of Rs.5/- each of the Company	Date of Listing of 99,07,305 Equity Shares of Rs.5/- each of the Company	Date of Listing of 11,18,028 Equity Shares of Rs.5/- each of the Company	Stock Code
BSE	28.07.2005	21.08.2006	09.11.2006	01.08.2008	532654
NSE	29.07.2005	28.08.2006	09.11.2006	18.08.2008	MCLEODRUSS
CSE	23.08.2005	31.08.2006	16.11.2006	24.09.2008	10023930

com. Information relating to the Company and its performance, Unpaid Dividend, Press Releases and Information Updates as and when made are displayed on the Company's website and also sent to the Stock Exchanges to enable them to put the same on their own websites.

(e) Presentation

No presentation was made to Institutional Investors or to the analysts during the year under review.

(9) GENERAL SHAREHOLDER INFORMATION

(a) 21st Annual General Meeting

Date and Time : 9th September 2019 (Monday)
at 10:30 a.m.

Venue : Uttam Mancha
10/1/1 Manoharpukur Road
Kolkata-700026

(b) Financial Year :

1st April 2018 to 31st March 2019

Dates of Book Closure :

The share transfer books and register of Members of the Company will remain closed from 3rd September 2019 to 9th September 2019 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

(c) Dividend Payment Date

Not Applicable.

(d) Name and address of Stock Exchanges/Payment of annual Listing Fee

The Company's Shares are listed at the following Stock Exchanges and the Annual Listing Fees for the year 2019-2020 have been paid to all these Stock Exchanges.

Name and address of Stock Exchanges		
1	BSE Limited [BSE]	P.J. Towers, 25th Floor, Dalal Street, Mumbai – 400 001
2	National Stock Exchange of India Limited [NSE]	Exchange Plaza, 5th Floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
3	The Calcutta Stock Exchange Limited [CSE]	7 Lyons Range, Kolkata - 700001

Demat ISIN for NSDL & CDSL: **INE 942G01012**

Buyback of Equity Shares by McLeod Russel India Limited (“the Company”) via open market through Stock Exchanges pursuant to Regulation 15(i) of SEBI (Buyback of Securities) Regulations, 1998:

Paid-up Share Capital of the Company has been reduced to Rs. 52,22,78,675/- (divided into 10,44,55,735 Equity Shares of Rs. 5/- each) from Rs. 54,72,78,675/- (divided into Rs.

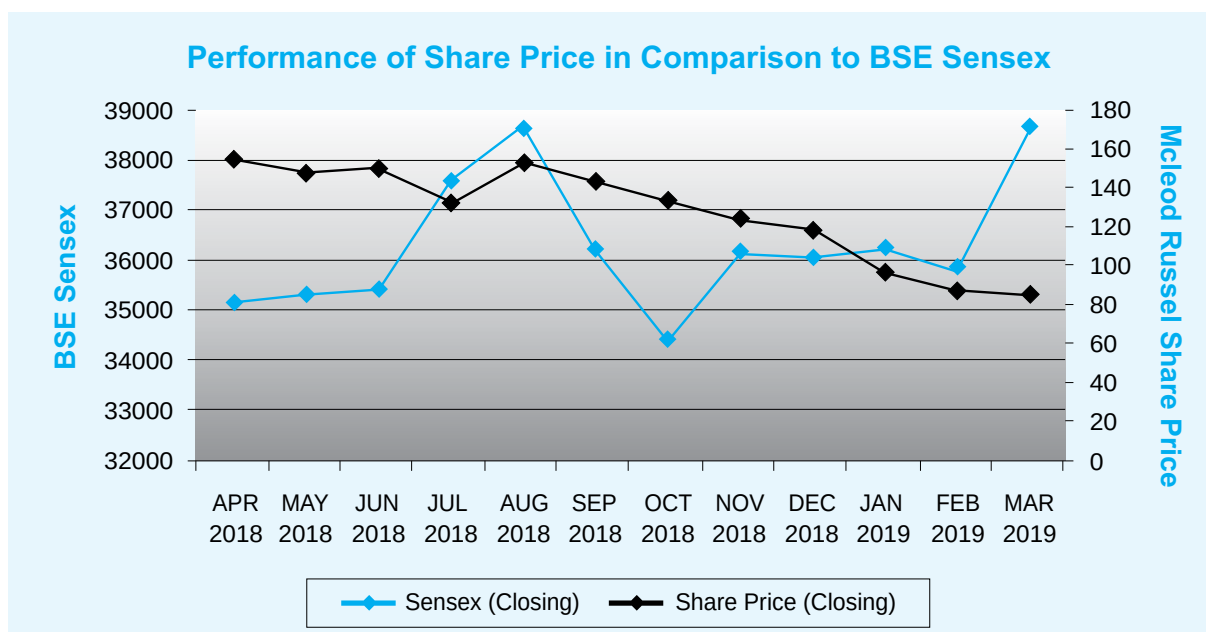
10,94,55,735 Equity Shares of Rs. 5/- each) consequent to buy back of 50,00,000 Equity Shares of Rs. 5/- each of the Company from the open market through the Stock Exchanges from 19-06-2018 to 18-12-2018 and extinguished on 20-12-2018 in accordance with the provisions of Regulation 16 read with Sub-Regulation, 1 and 2 of Regulation, 12 of SEBI (Buy back of Securities) 1998 and applicable provisions of SEBI (Depository and Participants) Regulations, 1996.

(f) Market Price Data:

Month	Bombay Stock Exchange				National Stock Exchange	
	High Price Rs.	Low Price Rs.	Close Price Rs.	BSE Sensex (Closing)	High Price Rs.	Low Price Rs.
April 2018	169.90	144.00	154.95	35160.36	169.80	144.10
May 2018	157.90	138.20	147.95	35322.38	156.90	138.25
June 2018	156.80	131.80	149.45	35423.48	156.00	131.35
July 2018	151.00	131.00	132.90	37606.58	151.00	131.05
August 2018	153.70	126.00	153.05	38645.07	153.70	126.05
September 2018	175.25	142.90	143.55	36227.14	174.90	142.10
October 2018	154.30	128.30	133.65	34442.05	154.95	127.50
November 2018	144.00	122.40	124.65	36194.30	144.80	122.10
December 2018	127.60	112.60	118.55	36068.33	128.30	112.10
January 2019	118.60	96.20	97.20	36256.69	119.10	95.75
February 2019	100.20	83.00	87.35	35867.44	100.50	82.35
March 2019	96.80	83.75	85.75	38672.91	96.60	85.05

(g) Performance in comparison to BSE Sensex

Share Price Performance (April 2018 to March 2019)



(h) In case the Securities suspended from trading – Not Applicable

(i) Registrar and Share Transfer Agents

In accordance with the SEBI directive vide Circular Nos. D&CC/FITTC/CIR-15/2002 dated 27th December 2002 the Company appointed the following SEBI registered Agency as the Common Registrar and Share Transfer Agents of the Company for both the Physical and Dematerialized segments with effect from 14th March 2005:-

Maheshwari Datamatics Pvt Ltd.

23 R. N. Mukherjee Road, 5th Floor
Kolkata – 700001.

TEL : (033) 2248-2248; 2243-5029; 2231-6839

FAX : (033) 2248-4787

E-MAIL : info@mdpl.in; mdpldc@yahoo.com

(j) Share Transfer System

The requests for transfer of shares held in physical mode should be lodged at the Corporate Office of the Company's Registrar & Share Transfer Agents, Maheshwari Datamatics Private Limited (Registered with SEBI), 23 R. N. Mukherjee Road, 5th Floor, Kolkata - 700001 or at the Registered Office of the Company. The Board of Directors has unanimously delegated the powers of share transfer, transmission, sub-division, consolidation and issue of duplicate Share Certificate/s to a Share Transfer Committee comprising Messrs. K. K. Baheti, R. Takru and A. Monem, Wholetime Directors of the Company, in order to expedite transfer, transmission etc. in the physical form. During the year the Committee met once every week for approving Share Transfers and for other related activities. Share Transfers are registered and returned in the normal course within an average period of 14 days, if the transfer documents are found technically in order and complete in all respects.

The Company conducts a weekly review of the functions of the Registrar and Share Transfer Agent for upgrading the level of service to the Shareholders. Weekly review is also conducted on the response to the Shareholders pertaining to their communication and grievances, if any.

Transfer of Unclaimed Shares to Unclaimed Suspense Account

In terms of a Scheme of Arrangement with a Company and Schemes of Amalgamation for amalgamation of two Companies with the Company, the Company had allotted and dispatched share certificates to the eligible Shareholders of the said Companies. Some of the said share certificates were returned undelivered to the Company and were lying with Maheshwari Datamatics Private Limited, the Registrar and Share Transfer Agents of the Company as unclaimed. In terms

of Regulation 39(4) and Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 three reminders were sent by the Company to the Shareholders whose shares were returned undelivered. In terms of the aforesaid Regulation, the 3,94,893 shares which remained unclaimed till 31st March 2017, had been transferred and credited in the demat account of McLeod Russel India Limited – Unclaimed Suspense Account opened with a depository participant namely, Integrated Enterprise (India) Limited on 1st June 2017. The details of such shares had been uploaded on the website of the Company at <https://www.mcleodrussel.com/investors/iepf-suspense-account.aspx>.

The Summary of shares which remained unclaimed lying in the demat account of McLeod Russel India Limited – Unclaimed Suspense Account as on 31st March 2019 is given below:

Particulars	Number of Shareholders	No. of Equity Shares
Aggregate number of Shareholders and the outstanding Shares in Unclaimed Suspense Account lying as on 01.04.2018	532	92,441
No. of Shareholders who approached the Company for transfer of Shares from Unclaimed Suspense Account during the year	8	2,618
No. of Shareholders to whom Shares were transferred from the Unclaimed Suspense Account during the year	(8)	(2,618)
No. of Shareholders and number of Shares held by them which were transferred to IEPF Authority during the year as per Section 124 of the Companies Act, 2013	(201)	(32,327)
Aggregate number of Shareholders and the outstanding Shares in Unclaimed Suspense Account lying as on 31.03.2019	323	57,496

The voting rights on the Shares outstanding in the Unclaimed Suspense Account as on 31st March 2019 shall remain frozen till the rightful owner of such Shares claims the Shares.

Transfer of unpaid and unclaimed dividend to Investor Education and Protection Fund

The Company has transferred the unpaid and unclaimed dividends declared up to financial years 2010-2011, from time to time, to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 9th August

2018 (date of last Annual General Meeting) on the website of the Company at the web link at <http://www.mcleodrussel.com/investors/unclaimed-dividend-transferred-iepf.aspx>

Unclaimed shares transferred to IEPF Authority

In line with the IEPF Rules, the Company sends reminder letter to all such shareholders, whose dividend has remained unpaid / unclaimed for a consecutive period of 7 years with a request to claim the dividends, failing which the shares would be transferred to the IEPF Authority on the due date which is available at the Company's website at <http://www.mcleodrussel.com/pdf/investor/eq-iepf.pdf>

Accordingly, all such shares in respect of which dividend had remained unclaimed for a consecutive period of 7 years from the financial years 2010-2011 to 2017-2018 were transferred to the demat account of the IEPF authority. The details of such shares uploaded on the website of the Company www.mcleodrussel.com

The summary of shares lying in the demat account of IEPF Authority is given below:

Financial Year	No. of Shares transferred to IEPF authority
2009-2010	6,41,766
2010-2011	72,753
Total	7,14,519

The procedure for claiming the unpaid dividend amount and shares transferred to the IEPF Authority is provided on the link: <http://www.iepf.gov.in/IEPF/refund.html>

(k) (i) Distribution of shareholding as on 31st March 2019

Size of holding	No. of holders (holding PAN)	Percentage	No. of Shares	Percentage
1 to 500	49,719	89.8639	57,30,998	5.4865
501 to 1000	3,115	5.6302	23,74,305	2.2730
1001 to 2000	1,379	2.4924	20,47,002	1.9597
2001 to 3000	386	0.6977	9,77,615	0.9359
3001 to 4000	167	0.3018	5,86,557	0.5615
4001 to 5000	128	0.2314	5,95,251	0.5699
5001 to 10000	218	0.3940	15,86,458	1.5188
10001 and above	215	0.3886	9,05,57,549	86.6947
Total	55,327	100.0000	10,44,55,735	100.0000

(ii) Shareholding Pattern as on 31st March 2019

Sr. No.	Category	Number of Shareholders	No. of Shares held	% of holding
1	Promoters	20	4,46,09,781	42.7069
2	Mutual Funds/UTI	5	1,40,25,526	13.4273
3	Alternate Investment Funds	1	5	0.0000
4	Foreign Portfolio Investors	53	2,41,68,398	23.1375
5	Financial Institutions/Banks	62	12,11,365	1.1597
6	Insurance Companies	2	15,44,000	1.4781
7	Foreign Institutional Investors	1	97,756	0.0936
8	Central/State Government(s)	1	112	0.0001
9	Resident Individuals	53,535	1,50,49,864	14.4079
10	NBFCs Registered with RBI	10	1,43,548	0.1374
11	Investor Education and Protection Fund Authority	1	7,14,519	0.6840
12	Bodies Corporate	569	18,53,465	1.7744
13	Clearing Member	135	2,61,417	0.2503
14	Non Resident Individuals	891	4,85,680	0.4650
15	Domestic Corporate Unclaimed Shares Account	1	57,496	0.0550
16	Trusts	9	6,403	0.0061
17	Foreign Company	2	1,36,350	0.1305
18	Foreign National	29	90,050	0.0862
	Total:	55,327	10,44,55,735	100.0000

(l) Dematerialization of shares and liquidity

The Company's Shares form part of the SEBI's Compulsory Demat segment for all Shareholders/ investors. The Company has established connectivity with both the Depositories viz. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] through the Registrar, Maheshwari Datamatics Private Limited, 23 R. N. Mukherjee Road, 5th Floor, Kolkata 700001. Requests for dematerializations of shares are processed and confirmations are given to the respective Depositories within the prescribed time. 98.6007% Shares of the Company are in dematerialized form.

(m) Outstanding GDRs or ADRs or Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs or ADRs or Warrants or any convertible instruments.

(n) Commodity price risk or foreign exchange risk and hedging activities

The Company being a major exporter of Tea, is involved in forward sale of a part of the foreign exchange earned by it based on past performance as also in interest swap activities following the Risk Management Policy on Foreign Exchange and Derivative Transactions framed by it. The Board monitors the foreign exchange exposures on a quarterly basis and necessary steps are taken to limit the risks of adverse exchange rate movement.

(o) Plant Locations:

Tea manufacturing plants are located at the following Tea Estates –

Locations	Tea Estates
ASSAM:-	
BISHNAUTH	DEKORAI, MIJICAJAN, MONABARIE, PERTABGHUR
DHUNSERI	BEHORA, BUKHIAL
EAST BOROI	BEHALI, BOROI, DUFFLAGHUR, HALEM, NYA GOGRA
JORHAT	HUNWAL
MANGALDAI	ATTAREEKHAT, BHOOTEACHANG, BORENGAJULI, CORRAMORE, DIMAKUSI, PANEERY
MARGHERITA	BOGAPANI, DEHING, DIROK, MARGHERITA, NAMDANG
NORTH GUWAHATI	AMINGAON

Locations	Tea Estates
MORAN	DIRAI, RAJMAI
THAKURBARI	ADDABARIE, PHULBARI, RUPAJULI, TARAJULIE, TEZPORE & GOGRA
TINGRI	DIRIAL, ITAKHOOLI, KEYHUNG, MAHAKALI
WEST BENGAL:-	
DOOARS	CENTRAL DOOARS, MATHURA

(p) Address for correspondence

Any assistance regarding Share transfers and transmission, change of address, non-receipt of share certificate/duplicate share certificate, demat and other matters for redressal of all share-related complaints and grievances, the Members are requested to write to or contact the Registrar & Share Transfer Agents or the Share Department of the Company for all their queries or any other matter relating to their shareholding in the Company at the addresses given below:

i) The Company's Registered Office at :
McLeod Russel India Limited

Corporate Identity Number (CIN):
L51109WB1998PLC087076

Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700001.

TEL : 033-2210-1221, 033-2243-5391, 033-2248-9434, 033-2248-9435

FAX : 91-33-2248-3683, 91-33-2248-8114, 91-33-2248-6265

E-Mail: administrator@mcleodrussel.com

ii) Registrar and Share Transfer Agents' Offices at:

Registered Office:	Corporate Office:
Maheshwari Datamatics Pvt Ltd. 6 Mangoe Lane, Surendra Mohan Ghosh Sarani, 2nd Floor, Kolkata – 700001 Tel.: (033) 2248-5809 E-mail: info@mdpl.in; mdpldc@yahoo.com	Maheshwari Datamatics Pvt Ltd. 23 R. N. Mukherjee Road, 5th Floor, Kolkata – 700001. Tel.: (033) 2248-2248; 2243-5029; 2231-6839, Fax: (033) 2248-4787 E-mail: info@mdpl.in; mdpldc@yahoo.com

In case of any difficulty, the Compliance Officer at the Registered Office of the Company may be contacted.

Special E-mail Id.: investors@mcleodrussel.com.

- q) The list of credit ratings obtained by the Company along with revisions thereto during the financial year 2018-19 are as follows:-

Name of the Rating Agency	Name of the Programme	Date of obtaining Credit rating	Credit Rating	Date of Revision	Revised Credit Rating
ICRA Limited	Long Term Borrowing Programme	04th June, 2018	ICRA AA-	March 29, 2019	ICRA A
	Short Term Borrowing	04th June, 2018	ICRA A1+	March 29, 2019	ICRA A2+
	Commercial Paper Programme	04th June, 2018	ICRA A1+	NA	NA

The details of Credit Ratings are available at the Company's website at the web link <https://www.mcleodrussel.com/pdf/investor/shareholder-communication/2019/sebi-lodr-02apr19.pdf>

(10) OTHER DISCLOSURES

- (a) Disclosures on materially significant related party transactions having potential conflict: Nil.

- (b) Compliance of Laws & Regulations relating to Capital Markets

The Company has complied with all the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the financial year. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the financial years ended 31st March 2017, 31st March 2018 and 31st March 2019.

- (c) Whistle Blower Policy/Vigil Mechanism

The Company has a Whistle Blower Policy, which is available at the Company's website at the web link at <http://www.mcleodrussel.com/pdf/investor/policies/whistle.pdf> and no personnel has been denied access to the Audit Committee.

- (d) Compliance with Mandatory requirements and adoption of Non-mandatory requirements

All the mandatory requirements of Listing Regulations have been appropriately complied with and the compliances of the non-mandatory are given below. The Company has executed the fresh Agreements with BSE, NSE and CSE as required under the newly enacted Listing Regulations.

Compliance of Non-Mandatory Requirements

Shareholder Rights – Half yearly results

Half-yearly Results are published in prominent dailies which inter alia, included Business Standard (English), The Economic Times (English), Financial Express (English) and Aajkal (Bengali) in the form prescribed by

the Stock Exchanges from time to time and the same are not sent to the Shareholders of the Company but hosted on the Company's website at the web link at <http://www.mcleodrussel.com/investors/financial-results.aspx>

Modified Opinion in Audit Report

The Auditors of the Company have furnished their Audit Report in respect of the Financial Results for the Financial Year ended 31st March 2019 with modified opinion.

Separate Posts of Chairman and CEO/Managing Director

With effect from 27.03.2019 Mr. Aditya Khaitan has been designated as the Chairman of the Company who is also holding the position of Managing Director.

Reporting of Internal Auditors

The Internal Auditors of the Company are Independent and their Reports are placed before the Audit Committee.

- (e) & (f) Web Links

The Company has formulated a Policy for determining Material Subsidiaries to ensure governance of material subsidiary companies, which is available on Company's website at the web link at <http://www.mcleodrussel.com/pdf/investor/policies/material.pdf>

In terms of the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on Company's website at the web link at <http://www.mcleodrussel.com/pdf/investor/policies/related-party-transaction-policy.pdf>

In terms of the requirement of Listing Regulations, your company has formulated a Policy on Preservation of

documents which is available on Company's website at the web link at <http://www.mcleodrussel.com/pdf/investor/policies/preservation-policy.pdf>

(g) Commodity price risk and commodity hedging activities

The Company is engaged in growing, manufacturing and selling of Tea. Green leaf is the principal raw material of the Company, a major part of which is grown in the Tea Estates owned by the Company. The Company also procures green leaves from the out growers at the prevailing market price. The management monitors the price and supply of green leaf and takes necessary steps to minimize the price risk. The Company sells the tea produced by it through Auction, by way of export and private sale.

(h) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under regulation 32(7A) during the year under review.

(j) The Company has received a Certificate from Mr. A. K. Labh of Messrs. A. K. Labh & Co. a Company Secretary in practice confirming that none of the Directors of the Company have been debarred or disqualified by from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate affairs or any such statutory authority is enclosed as a part of Annual Report.

(k) The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part is provided in note no.53 of the financial statements of the Company.

(11) COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS

The Company has duly complied with the Corporate Governance requirements and there is no Non-Compliance of any requirement of Corporate Governance Report covered under sub-paras (2) to (10) of the Part C of Schedule V of the Listing Regulations.

(12) DISCRETIONARY REQUIREMENTS:DETAILS GIVEN IN CLAUSE 10(D) ABOVE.

(13) DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has duly complied with the Corporate Governance requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(14) DECLARATION AS REQUIRED UNDER REGULATION 34(3) AND SCHEDULE V OF THE LISTING REGULATIONS

All Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended 31st March 2019.

For and on behalf of the Board

A. Khaitan

Chairman & Managing Director

K. K. Baheti

Wholetime Director & CFO

Place: Kolkata

Date: 29th June 2019

Annexure - III

Independent Auditor's Certificate On Corporate Governance**To the Members of****McLeod Russel India Limited****Independent Auditors' Certificate on Corporate Governance**

1. This certificate is issued in accordance with the terms of our engagement letter dated September 10, 2018.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of **McLEOD RUSSEL INDIA LIMITED** ('the Company') have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and Clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management.

This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose

of this certificate and as per the Guidance Note of Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality control (SQC) 1, Quality control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Service Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Managements, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing regulations during the year ended March 31, 2019.
9. We state that such compliance is neither an assurance as to the future visibility of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**

Chartered Accounts
(ICAI Registration No. 117366W/W-100018)

Arunabha Bhattacharya

Partner

Membership No. 054110

UDIN NO.: 19054110AAAACJ6237

Kolkata, 29 June, 2019

Declaration Regarding Compliance By The Board Members And Senior Management Personnel With The Company's Codes of Conduct

This is to confirm that the Company has adopted two separate Codes of Conduct to be followed by the Members of the Board and Senior Management Personnel of the Company respectively. Both these Codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended 31st March 2019 received from the Members of the Board and Senior Management Personnel, a Declaration of Compliance with the Code of Conduct as applicable to them.

McLeod Russel India Limited

A. Khaitan

Chairman & Managing Director

Place: Kolkata

Date: 29th June 2019

Annexure IV

Business Responsibility Report

The Company is conscious of its responsibilities towards various stakeholders such as customers, vendors, employees, shareholders, financiers and to the society at large. Our Business Responsibility Report includes the responses of the Company to the questions on its practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 covering topics across environment, governance and stakeholder relationships. We provide hereunder the Business Responsibility Report in the format provided under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: L51109WB1998PLC087076
- Name of the Company : McLeod Russel India Limited
- Registered address: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001
- Website : www.mcleodrussel.com
- E-mail id : administrator@mcleodrussel.com
- Financial Year reported : 31st March 2019
- Sector(s) that the Company is engaged in (industrial activity code-wise) :
 - 01271 - Growing of tea
 - 10791 - Processing and blending of tea
 - 46306 - Wholesale of tea
- List three key products/services that the Company manufactures/provides (as in balance sheet)
Tea - (Cultivation of Tea, Manufacture of Tea and Sale of Tea)
- Total number of locations where business activity is undertaken by the Company

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR:****(a) Details of the Director/Director responsible for implementation of the BR policy/policies**

No.	Particulars	Details	Details	Details
1.	DIN Number	00023796	00023799	00027568
2.	Name	Rajeev Takru	Azam Monem	Kamal Kishore Baheti
3.	Designation	Wholetime Director	Wholetime Director	Wholetime Director & CFO

(b) Details of the BR heads:

No.	Particulars	Details	Details	Details
1.	DIN Number (if applicable)	00023796	00023799	00027568
2.	Name	Rajeev Takru	Azam Monem	Kamal Kishore Baheti
3.	Designation	Wholetime Director	Wholetime Director	Wholetime Director & CFO
4.	Telephone Number	03322101221	03322101221	03322101221
5.	E Mail id	administrator@mcleodrussel.com	administrator@mcleodrussel.com	administrator@mcleodrussel.com

(a) Number of International Locations (Provide details of major 5): One Liaison office in United Kingdom.

(b) Number of National Locations: 33

10. Markets served by the Company – Local/State/National/ International: National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR in Lakhs) : 5222.79
- Total Turnover (INR in lakhs) : 130992.54
- Total profit after taxes (INR in lakhs) : (441.62)
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): NA
- List of activities in which expenditure in 4 above has been incurred:-
 - Voluntarily spent on supporting elderly ladies at Old Age Home and villagers with distribution of food, clothes and blankets etc. and educational support to slum children.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies? Yes
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
Yes; One
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
No

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes: The policies of the Company adhere to the National and International Standards applicable to the industry.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. Signed.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.mcleodrussel.com/investors/policies.aspx								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) :
Not Applicable

3. GOVERNANCE RELATED TO BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year - Annually
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. Being published once a year with the Annual Report of the Company since the financial year ended 31st March, 2017. The report can be accessed at www.mcleodrussel.com/investors/policies.aspx

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
Yes. It extends only to the Company.
- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The details of the investors complaints for the financial year 2018-19 are mentioned under 6(c), (d) & (e) of the Corporate Governance Report. During the past financial year the following are the details of the customer complaints received by the Company along with the details of complaints resolved satisfactorily:-

No. of customer complaints received during the year	2
No. of complaints resolved during the year	2
No. of complaints pending at the end of the year	0
% of complaints resolved successfully during the year	100%

PRINCIPLE 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - Tea – During the production of tea various environmental concerns have been addressed. The Company follows good agricultural practices.

The Company has also undertaken afforestation and development of water bodies to address climate change.

Tea as a product has been developed in an environment friendly manner and the production of tea generates employment while addressing other social concerns.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Since the previous year, there had been no significant reduction of sourcing/production/ distribution throughout the value chain. During the production of 1kg tea, 1kg of Coal and 0.50 kg sum of natural gas is required. The Company have introduced renewable energy generation in the form of solar power unit in one of the Tea estate of the Company. The Company is gradually converting use of LED/CFL bulbs in one installations.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? No.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? Yes

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Around 80%.

There is a laid down procedure on the basis of which the suppliers / service providers of the Company are assessed for sustainability compliance as per food safety requirements and International Sustainability Standards.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? Yes.

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company procures tea leaf from the small tea growers locally and encourages them to increase their quality and productivity.

The Company also provides training and conducts workshops for the small tea growers and local communities so as to educate them about cultivation of tea leaf. The Company also provides financial assistance to the local and small vendors growing tea leaf. Training is also provided for soil and environmental compliance.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

No, the Company does not have a mechanism to recycle products and waste.

PRINCIPLE 3

- Please indicate the Total number of employees. -51591
- Please indicate the Total number of employees hired on temporary/contractual/casual basis. -25473
- Please indicate the Number of permanent women employees. -26206
- Please indicate the Number of permanent employees with disabilities - Nil
- Do you have an employee association that is recognised by management. - Yes
- What percentage of your permanent employees is members of this recognised employee association?
Except Management Employees in the tea estates of the Company and employees at the Head Office, every employee at the Tea Estate of the Company is part of the union.
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

No. of Sexual Harassment complaints received during the last financial year	0
No. of complaints resolved during the year	0
No. of complaints pending at the end of the year	0

- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (Only employees of the tea estates are covered)
 - Permanent Employees - 100%
 - Permanent Women Employees - 100%
 - Casual/Temporary/Contractual Employees - 100%
 - Employees with Disabilities – N.A.

PRINCIPLE 4

- Has the Company mapped its internal and external stakeholders? -No
- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders. - No
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so. - No

PRINCIPLE 5

- Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

Yes. The policy covers the employees of the Company and the service providers at the tea estates of the Company and the Contractors at the Head Office of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? - Nil

PRINCIPLE 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

It covers only the Company and is being introduced among other stakeholders in the supply chain.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Company has Rainforest Alliance Certification and the Company has taken several initiatives to address environmental issues. The major efforts include Tea Plantation and afforestation, Water Management and renewable energy. The details regarding the initiatives can be found at the following weblink.

<http://www.mcleodrussel.com/csr/environment.aspx>

3. Does the Company identify and assess potential environmental risks? Y/N - Yes.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? - No
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The Company has taken initiative on generation of renewable energy and have undertaken measures to harvest solar energy. Moreover, many of the estates of the Company use natural gas which is considered as a clean fuel. The details regarding the initiative can be accessed at <http://www.mcleodrussel.com/csr/environment.aspx>.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported? - Yes.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. - Nil

PRINCIPLE 7

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Indian Chamber of Commerce
- (b) Bengal Chamber of Commerce and Industry
- (c) Indian Tea Association
- (d) Calcutta Tea Traders Association
- (e) Guwahati Tea Auction Committee
- (f) Siliguri Tea Auction Committee.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company, in association with the Indian Tea Association has organised roadshows and other programmes across different parts of the country, to propagate the health benefits of drinking tea.

PRINCIPLE 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. - Yes

In terms of Inclusive growth and equitable development, the Company has taken active initiative and programmes. The Company has undertaken following measures in this regard:-

- a) Supporting elderly ladies at Old Age Home and villagers with distribution of food, clothes and blankets etc. and educational support to slum children.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?

The programmes are undertaken through external organisation.

3. Have you done any impact assessment of your initiative? - No.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.
Rs. 12 lakhs.

Details given in Principle 8(1) above

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. The Company monitors the progress of the projects and ensures that the Community benefits from the said projects by way of creation of employment, spreading of education, protection of environment, etc.

PRINCIPLE 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. - Nil.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information) - Yes
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. - No

4. Did your Company carry out any consumer survey/ consumer satisfaction trends? - No

For and on Behalf of the Board

A. Khaitan

Managing Director

Date: 29th June 2019

Place: Kolkata

K. K. Baheti

Wholetime Director & CFO

Annexure V

Dividend Distribution Policy

PREAMBLE

In terms of Regulation 43A of SEBI (Listing Obligation and Disclosure Requirements), 2015, McLeod Russel India Limited (the Company), is required to formulate a dividend distribution policy which would establish parameters of declaring dividend by the Company.

OBJECTIVE

This Dividend Policy is formulated to establish the circumstances under which the shareholders of the Company may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings shall be utilized and parameters that shall be adopted with regard to the classes of shares, if any.

Parameters of Dividend Distribution Policy

a) The circumstances under which the shareholders of the Company may or may not expect dividend

The Board of the Company would consider the performance and results of the Company as at the end of the financial year and at its discretion may recommend dividend to the shareholders of the Company. Depending on the financial performance, future requirements, the Board at its discretion

may also declare interim dividend pursuant to the applicable provisions of the Companies Act, 2013.

While distributing the profits of the Company to the shareholders the Board would ensure fairness, consistency and sustainability.

b) The financial parameters that shall be considered while recommending dividend

The following financial parameters would be considered while recommending dividend of the Company:-

- Profits of the Company for the relevant financial year
- Future outlook aligning with the internal and external circumstances persisting
- Cash Flow position of the Company considering the solvency ratios
- Opportunity to plough back profits, capital expenditure, investment needs and other opportunities to use the cash of the Company in the future
- Consideration towards contingencies and uncertain future events

c) Internal and external factors that shall be considered for recommendation of dividend

The following internal and external factors would be considered for recommendation of dividend:-

Internal Factors:-

- The growth in the profits would be considered in comparison to the earlier years and also the budgets of the Company.
- Present and future cash flow requirements considering various expansion plans of the Company.
- Reserves of the Company
- Revenues of the Company and growth in future
- Position of financial liabilities including contingent liabilities
- Short and Long term investments of the Company
- Capital expenditure
- Liquidity and solvency ratios
- Any other important parameter which the Board may deem fit.

External Factors:

- Operational cycles and business environment of the Company
- Economic scenario in the national and international context
- Cost of Debt and other fund raising options prevailing in the market
- Rates of taxation and inflation rates
- Outlook of the industry prevailing presently as well as in the future
- Market expectation
- Government policy reforms whether industry specific or otherwise

d) Policy as to how the retained earnings shall be utilized;

The retained earnings of the Company would be utilised for any one or more of the following purpose:-

- Capital Expenditure of the Company

- Working capital of the Company
- Growth and Expansion whether, organic or inorganic or otherwise
- Acquisitions and investments
- Further Investment in existing business
- Dividend Payment
- Buy Back
- Capital Reduction or any other Capital restructuring
- Other Capitalisation Purposes
- General Corporate Purpose
- Any other purpose as the Board may deem fit.

Amendments & Disclosure

In the event the Board proposes not to recommend dividends, the reason thereof would be disclosed in the Annual Report of the Company.

The Policy would be disclosed in the Annual Report of the Company as well as on the website of the Company.

The Board reserves the right to review this policy at its discretion and the amendments or revisions in the policy would be disclosed in the Annual Report as well as on the website of the Company.

For and on Behalf of the Board

A. Khaitan

Managing Director

Date: 29th June 2019

Place: Kolkata

K. K. Baheti

Wholetime Director & CFO

*Annexure VI***Remuneration Policy****1. PREAMBLE**

Section 178 of the Companies Act, 2013 requires every Listed Company and certain other class of Companies to adopt a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee set up, pursuant to above Section is to formulate the criteria for determining qualifications and positive attributes and independence of a Director and recommend to the Board the above Policy for adoption. SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ('Listing Regulation') also contains a similar provision. Additionally it requires, a Policy on Board diversity. The Company is also required to disclose the Remuneration Policy in its Annual Report.

2. POLICY

In compliance of the above requirements the Board of Directors of McLeod Russel India Limited ('MRIL'), being a Listed Company, has adopted this Remuneration Policy which would be reviewed at regular intervals by the Nomination and Remuneration Committee of the Board.

3. POLICY OBJECTIVES

The aims and objectives of the Policy may be summarised as under:-

- 3.1 The Remuneration Policy aims to enable the company to attract, retain and motivate appropriately qualified Persons/ Members for the Board and Executive level.
- 3.2 The Remuneration Policy seeks to enable the Company to provide a well-balanced and performance related compensation package, taking into account Shareholder interests, industry standards and relevant Indian corporate regulations.
- 3.3 The Remuneration Policy seeks to ensure that the interests of the Board Members and Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- 3.4 The Remuneration Policy will ensure that the remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4. PRINCIPLES OF REMUNERATION**I. TRANSPARENCY:**

The process of remuneration management shall be transparent, unbiased and impartial and conducted in good faith and in accordance with appropriate levels of confidentiality.

II. PERFORMANCE DRIVEN REMUNERATION:

The Company should follow the culture of performance driven remuneration by way of implementation of performance incentive system and annual assessment.

III. AFFORDABILITY AND SUSTAINABILITY:

The Company shall ensure that the remuneration at various levels is affordable and is capable of being sustained.

IV. FLEXIBILITY:

While the remuneration packages at various levels should be standardized, there should be enough scope to make it flexible with a view to reward candidates with exceptional qualities and competence.

V. INTERNAL EQUITY:

The Company shall strive to remunerate the Board Members and other Executives in terms of their roles and responsibilities undertaken within the Organisation. Their contribution and value addition for the growth of the Company shall be counted while fixing their remuneration and subsequent promotion. The same principle shall also be observed for other Executives.

VI. EXTERNAL EQUITY:

With a view to retain the best talents, the Company shall on a continuous basis procure information relating to market trend of remuneration packages being offered by various Companies in the same sector and try to match the remuneration accordingly.

VII. NON-MONETARY BENEFITS:

The Company may consider extending certain Non-monetary Benefits with a view to offer social security to the families of the present and the past employees of the Company.

5 REMUNERATION FOR DIRECTORS IN WHOLETIME EMPLOYMENT

The Board of Directors subject to the approval of the Shareholders at a General Meeting approves the remuneration payable to the Wholtime Directors and Managing Director ('Executive Directors') based on the recommendation of the Nomination and Remuneration Committee. Executive Directors' remuneration is reviewed annually against performance, keeping in view the size and complexity of business and challenges encountered during the period under review. In determining packages of remuneration, the Committee may consult the Chairman and/or external agencies. The remuneration package of the Executive Directors shall comprise of the following components.

a) Basic Salary:

The basic salary shall be fixed within a salary grade which allows the Board to grant increments within a time frame of three years.

b) Bonus:

The Executive Directors may be granted bonus not exceeding 6 months' salary in a year, as may be approved by the Board.

c) Allowance:

In addition to basic salary, the Board may subject to/ pursuant to the approval of the shareholders at a general meeting, grant fixed and/or variable Allowance/ Allowances to the Executive Directors as the Board may deem fit.

d) Perquisites:

The perquisites to be offered to the Executive Directors shall include housing, car, medical, leave travel concession, leave encashment, club fees and other perquisites in terms of the Rules framed by the Nomination and Remuneration Committee for the Directors and/or the Rules applicable to the Senior Executives of the Company.

e) Retiral benefits:

The Executive Directors will be entitled to retiral benefits in terms of the Company's Policy for the Senior Management which will be in accordance with the applicable laws.

f) Sitting Fees:

The Executive Directors will not be entitled to any fee for attending the Meetings of the Board of Directors and Committees thereof.

6 REMUNERATION OF NON- EXECUTIVE DIRECTORS

I. Sitting Fees:

The Non-Executive Directors shall be paid Sitting Fees for attending the Board and Committee Meetings as may be approved by the Board based on the recommendation of the Nomination and Remuneration Committee subject to the ceiling fixed in the Articles of Association of the Company and the Companies Act, 2013. They will also be reimbursed travelling and out of pocket expenses on actual basis for attending the meetings.

II. Commission:

Subject to the approval of the Members at a General Meeting, the Board may decide to pay commission on net profits to the Non- Executive Directors subject to the ceiling stipulated in the Companies Act, 2013.

7 REMUNERATION OF KEY MANAGERIAL PERSONNEL AND OTHER EXECUTIVES

The Human Resource Department of the Company shall follow the principles of remuneration stated hereinabove while deciding on the remuneration structure of the Key Managerial Personnel who are not Directors and for other Executives of the Company.

8 ROLE OF NOMINATION AND REMUNERATION COMMITTEE.

The role and responsibilities of the Nomination and Remuneration Committee shall be as prescribed in Section 178 of the Companies Act, 2013 and the Listing Regulation.

9 SELECTION OF BOARD MEMBERS

9.1 Nomination of a suitable person for appointment as a Director is a major responsibility of the Nomination and Remuneration Committee. The objective is to ensure that the Company's Board is competent at all points of time to be able to take decisions commensurate with the size and scale of operations and complexities of business. The Committee is to promptly identify candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board, after due consideration decides on the selection of the right candidate for appointment.

9.2 While considering nomination of candidates for appointment on the Board, the Nomination and Remuneration Committee will consider candidates not only from the field in which the Company operates but also from other professional areas like management, finance, accountancy, law, banking, merchant

banking, etc., with the objective of maintenance of Board diversity. The Committee shall also consider the following qualifications like possessing basic academic qualification, requisite knowledge, experience and business skills that will benefit the Company and its business operations.

- 9.3 At the time of considering the candidates for appointment as Director the criteria for determining positive attributes shall inter alia include the following :-

Achiever, constructive, creative, decisive, deliberative, devoted, diligent, disciplined, dynamic, enterprising, focused, result oriented, self confident, sees the whole picture.

- 9.4 While considering candidates for appointment as an Independent Director, the Nomination and Remuneration Committee shall consider the criteria for determining independence of a candidate as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder as also in the Listing Regulation.

10. APPROVAL AND PUBLICATION

This Remuneration Policy has been adopted by the Board of

Directors based on the recommendation of the Nomination and Remuneration Committee. The particulars of the Policy shall be published in the Report of the Board of Directors in terms of the Companies Act, 2013.

11. OTHER PROVISIONS

Any matter not provided for in this Policy shall be dealt with in accordance with the provisions in the Articles of Association of the Company, relevant state laws and other applicable laws and regulations. The right to interpret this Policy shall vest in the Board of Directors of the Company.

For and on Behalf of the Board

A. Khaitan
Managing Director

Date: 29th June 2019
Place: Kolkata

K. K. Baheti
Wholetime Director & CFO

Form No. MGT -9
Extract of Annual Return

as on the financial year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS:

i)	CIN	L51109WB1998PLC087076
ii)	Registration Date	05/05/1998
iii)	Name of the Company	McLeod Russel India Limited
iv)	Category / Sub-Category of the Company:	Public Company; Company having Share Capital
v)	Address of the Registered office and contact details	Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001; Telephone: 033-2210-1221; 033-2248-9434/35
vi)	Whether listed company	Yes; The shares of the Company are listed on BSE, NSE and CSE
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any :	M/s. Maheshwari Datamatics Pvt. Ltd. 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700001. Tel. : (033) 2243-5029; 2243-5809; 2248-2248 Fax : (033) 2248-4787 E-mail: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cultivation, manufacture and sale of tea	01271; 10791; 46306	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Borelli Tea Holdings Limited, Woodlands, 79, High Street, Greenhithe, Kent, DA9 9NL, U.K.	N.A.	Wholly Owned Subsidiary	100%	2(87)
2	Phu Ben Tea Company Limited, Thanh Ba Town, Thanh Ba District, Phu Tho Province, S. R. Vietnam	NA	Step down Subsidiary	100%	2(87)
3	McLeod Russel Uganda Limited, Mwenge Central Offices, Mwenge Estate, Kyarusozzi, Kyenjojo District, P.O. Box 371, Fort Portal, Uganda	NA	Step down Subsidiary	100%	2(87)
4	Pfunda Tea Company Limited, PO Box 206, Gisenyi, Rwanda.	NA	Step down Subsidiary	45%	2(87)
5	McLeod Russel Middle East DMCC, Unit No DTTC-G-029, DTTC Building, Plot No. S 10814, Jebel Ali Free zone-South, Dubai, UAE	NA	Step down Subsidiary	100%	2(87)
6	McLeod Russel Africa Limited, Kenya- Re Towers, P.O. Box 1243-001000 Nairobi, Kenya	NA	Step down Subsidiary	100%	2(87)
7	D1 Williamson Magor Bio Fuel Limited Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700001	U40107WB2006 PLC111183	Associate	34.30%	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2018]				No of Shares held at the end of the year [As on 31/Mar/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	156973	0	156973	0.1434	156973	0	156973	0.1503	0.0069
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	27385308	0	27385308	25.0195	27385308	0	27385308	26.2171	1.1976
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	27542281	0	27542281	25.1629	27542281	0	27542281	26.3674	1.2045
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.	17067500	0	17067500	15.5931	17067500	0	17067500	16.3395	0.7464
d) Banks/Fi									
e) Any other									
Sub-total (A)(2)	17067500	0	17067500	15.5931	17067500	0	17067500	16.3395	0.7464
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	44609781	0	44609781	40.7560	44609781	0	44609781	42.7069	1.9509
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	10933279	0	10933279	9.9888	14025526	0	14025526	13.4272	3.4384
b) Banks/Fi	1649632	37109	1686741	1.5410	1174504	36861	1211365	1.1597	0.056
c) Central Govt	0	112	112	0.0001	0	112	112	0.0001	0.0000
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	1544000	0	1544000	1.4106	1544000	0	1544000	1.4781	0.0675
g) FIIs	149113	0	149113	0.1362	97756	0	97756	0.0936	-0.0426
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds	0	0	0	0.0000	0	5	5	0.0000	0.0000
Foreign Portfolio Investors	25230880	0	25230880	23.0512	24168398	0	24168398	23.1375	0.0863
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	39506904	37221	39544125	36.1279	41010184	36978	41047162	39.2962	3.1683
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5112647	38533	5151180	4.7062	1816674	36791	1853465	1.7744	-2.9318
ii) Overseas	136350	0	136350	0.1246	136350	0	136350	0.1305	0.0059
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	12740449	1460432	14200881	12.9741	12093790	1256030	13349820	12.7804	-0.1937
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3418186	66826	3485012	3.1839	1675644	24400	1700044	1.6275	-1.5564
c) Others (Specify)									
Non Resident Indians	963655	18290	981945	0.8971	468257	17423	485680	0.4650	-0.4321
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals	3276	90050	93326	0.0853	0	90050	90050	0.0862	0.0009
Clearing Members	396563	0	396563	0.3623	261417	0	261417	0.2503	-0.1120
Trusts	6382	21	6403	0.0058	6382	21	6403	0.0061	0.0003
Foreign Bodies-D R									

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2018]				No of Shares held at the end of the year [As on 31/Mar/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Portfolio Investors									
NBFCs registered with RBI	115962	0	115962	0.1059	143548	0	143548	0.1374	0.0315
Employee Trusts									
Domestic Corporate Unclaimed Shares Account	92441	0	92441	0.0845	57496	0	57496	0.0550	-0.0295
Investor Education and Protection Fund Authority	641766	0	641766	0.5863	714519	0	714519	0.6840	0.0977
Sub-total(B)(2):-	23627677	1674152	25301829	23.1160	17374077	1424715	18798792	17.9968	-5.1192
Total Public Shareholding (B)=(B)(1)+(B)(2)	63134581	1711373	64845954	59.2439	58384261	1461693	59845954	57.2930	-1.9509
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	107744362	1711373	109455735	100.0000	102994042	1461693	104455735	100.0000	0.0000

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2018]			Shareholding at the end of the year [As on 31/Mar/2019]			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	KAMAL KISHORE BAHETI TRUSTEE [Borelli Tea Holdings Ltd.]	17067500	15.5931	0.0000	17067500	16.3395	0.0000	0.7464
2	WILLIAMSON MAGOR & CO LTD	11660946	10.6536	16.6416	11660946	11.1635	16.6416	0.5099
3	WILLIAMSON FINANCIAL SERVICES LIMITED	5898725	5.3891	79.0849	5898725	5.6471	100.0000	0.2580
4	WOODSIDE PARKS LIMITED	4506801	4.1175	100.0000	4506801	4.3146	100.0000	0.1971
5	BISHNAUTH INVESTMENTS LIMITED	3971108	3.6280	92.8985	3971108	3.8017	92.8985	0.1737
6	BABCOCK BORSIG LIMITED	995989	0.9099	90.3624	995989	0.9535	90.3624	0.0436
7	UNITED MACHINE CO LTD	129927	0.1187	0.0000	129927	0.1244	0.0000	0.0057
8	ZEN INDUSTRIAL SERVICES LIMITED	85366	0.0780	0.0000	85366	0.0817	0.0000	0.0037
9	YASHODHARA KHAITAN	72504	0.0662	0.0000	72504	0.0694	0.0000	0.0032
10	KILBURN ENGINEERING LTD	66666	0.0609	0.0000	66666	0.0638	0.0000	0.0029
11	ICHAMATI INVESTMENTS LTD	56710	0.0518	0.0000	56710	0.0543	0.0000	0.0025
12	B M KHAITAN	36588	0.0334	0.0000	36588	0.0350	0.0000	0.0016
13	ADITYA KHAITAN	17272	0.0158	0.0000	17272	0.0165	0.0000	0.0007
14	AMRITANSHU KHAITAN	15000	0.0137	0.0000	15000	0.0144	0.0000	0.0007
15	NITYA HOLDINGS & PROPERTIES LTD	10000	0.0091	0.0000	10000	0.0096	0.0000	0.0005
16	ISHA KHAITAN	7500	0.0069	0.0000	7500	0.0072	0.0000	0.0003
17	VANYA KHAITAN	5909	0.0054	0.0000	5909	0.0057	0.0000	0.0003
18	DUFFLAGHUR INVESTMENTS LIMITED	3030	0.0028	0.0000	3030	0.0029	0.0000	0.0001
19	KAVITA KHAITAN	2200	0.0020	0.0000	2200	0.0021	0.0000	0.0001
20	EVEREADY INDUSTRIES INDIA LIMITED	40	0.0000	0.0000	40	0.0000	0.0000	0.0000
	TOTAL	44609781	40.7560	35.1974	44609781	42.7069	37.9630	1.9509

iii) Change in Promoters' Shareholding for the financial year 2018-19

Sl. No	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DUFFLAGHUR INVESTMENTS LIMITED				
	01-04-2018	3030	0.0028		
	31-03-2019	3030	0.0029	3030	0.0029
2	EVEREADY INDUSTRIES INDIA LIMITED				
	01-04-2018	40	0.0000		
	31-03-2019	40	0.0000	40	0.0000
3	ICHAMATI INVESTMENTS LTD				
	01-04-2018	56710	0.0518		
	31-03-2019	56710	0.0543	56710	0.0543
4	UNITED MACHINE CO LTD				
	01-04-2018	129927	0.1187		
	31-03-2019	129927	0.1244	129927	0.1244
5	WILLIAMSON MAGOR & CO LIMITED				
	01-04-2018	11660946	10.6536		
	31-03-2019	11660946	11.1635	11660946	11.1635
6	WOODSIDE PARKS LIMITED				
	01-04-2018	4506801	4.1175		
	31-03-2019	4506801	4.3146	4506801	4.3146
7	WILLIAMSON FINANCIAL SERVICES LIMITED				
	01-04-2018	5898725	5.3891		
	31-03-2019	5898725	5.6471	5898725	5.6471
8	ZEN INDUSTRIAL SERVICES LIMITED				
	01-04-2018	85366	0.0780		
	31-03-2019	85366	0.0817	85366	0.0817
9	BABCOCK BORSIG LIMITED				
	01-04-2018	995989	0.9099		
	31-03-2019	995989	0.9535	995989	0.9535
10	KILBURN ENGINEERING LTD				
	01-04-2018	66666	0.0609		
	31-03-2019	66666	0.0638	66666	0.0638

Sl. No	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	BISHNAUTH INVESTMENTS LIMITED				
	01-04-2018	3971108	3.6280		
	31-03-2019	3971108	3.8017	3971108	3.8017
12	NITYA HOLDINGS & PROPERTIES LTD				
	01-04-2018	10000	0.0091		
	31-03-2019	10000	0.0096	10000	0.0096
13	KAMAL KISHORE BAHETI TRUSTEE (BORELLI TEA HOLDINGS LIMITED)				
	01-04-2018	17067500	15.5931		
	31-03-2019	17067500	16.3395	17067500	16.3395
14	YASHODHARA KHAITAN				
	01-04-2018	72504	0.0662		
	31-03-2019	72504	0.0694	72504	0.0694
15	ADITYA KHAITAN				
	01-04-2018	17272	0.0158		
	31-03-2019	17272	0.0165	17272	0.0165
16	KAVITA KHAITAN				
	01-04-2018	2200	0.0020		
	31-03-2019	2200	0.0021	2200	0.0021
17	B M KHAITAN				
	01-04-2018	36588	0.0334		
	31-03-2019	36588	0.0350	36588	0.0350
18	AMRITANSHU KHAITAN				
	01-04-2018	15000	0.0137		
	31-03-2019	15000	0.0144	15000	0.0144
19	ISHA KHAITAN				
	01-04-2018	7500	0.0069		
	31-03-2019	7500	0.0072	7500	0.0072
20	VANYA KHAITAN				
	01-04-2018	5909	0.0054		
	31-03-2019	5909	0.0057	5909	0.0057

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	ICICI PRUDENTIAL DYNAMIC PLAN				
	01-04-2018	5469622	4.9971		
	11/05/2018 - Transfer	93	0.0001	5469715	4.9972
	25/05/2018 - Transfer	-28	0.0000	5469687	4.9972
	22/06/2018 - Transfer	-65	0.0001	5469622	4.9971
	07/12/2018 - Transfer	-113280	0.1076	5356342	5.0883
	14/12/2018 - Transfer	-405505	0.3852	4950837	4.7031
	21/12/2018 - Transfer	-293689	0.2812	4657148	4.4585
	28/12/2018 - Transfer	-22734	0.0218	4634414	4.4367
	31/12/2018 - Transfer	-9898	0.0095	4624516	4.4272
	04/01/2019 - Transfer	-179843	0.1722	4444673	4.2551
	11/01/2019 - Transfer	-220094	0.2107	4224579	4.0444
	18/01/2019 - Transfer	-206511	0.1977	4018068	3.8467
	25/01/2019 - Transfer	-21882	0.0209	3996186	3.8257
	31-03-2019	3996186	3.8257	3996186	3.8257
2.	M&G ASIAN FUND #				
	01-04-2018	1200284	1.0966		
	18/05/2018 - Transfer	-123679	0.1130	1076605	0.9836
	25/05/2018 - Transfer	-35000	0.0320	1041605	0.9516
	15/06/2018 - Transfer	-17376	0.0159	1024229	0.9357
	27/07/2018 - Transfer	-18516	0.0171	1005713	0.9315
	03/08/2018 - Transfer	-11853	0.0110	993860	0.9246
	10/08/2018 - Transfer	-34103	0.0317	959757	0.8928
	24/08/2018 - Transfer	-66191	0.0618	893566	0.8344
	31/08/2018 - Transfer	-12645	0.0118	880921	0.8243
	14/09/2018 - Transfer	-9325	0.0087	871596	0.8158
	12/10/2018 - Transfer	-198701	0.1875	672895	0.6350
	19/10/2018 - Transfer	-256598	0.2422	416297	0.3929
	02/11/2018 - Transfer	-87538	0.0830	328759	0.3117
	09/11/2018 - Transfer	-172907	0.1639	155852	0.1477
	01/03/2019 - Transfer	-12394	0.0119	143458	0.1373
	08/03/2019 - Transfer	-143458	0.1373	0	0.0000
	31-03-2019	0	0.0000	0	0.0000
3.	GENERAL INSURANCE CORPORATION OF INDIA				
	01-04-2018	1000000	0.9136		
	31-03-2019	1000000	0.9573	1000000	0.9573



Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	THE NEW INDIA ASSURANCE COMPANY LIMITED *				
	01-04-2018	958753	0.8759		
	31-03-2019	958753	0.9179	958753	0.9179
5.	EDGBASTON ASIAN EQUITY TRUST				
	01-04-2018	5519122	5.0423		
	06/04/2018 - Transfer	36865	0.0337	5555987	5.0760
	06/07/2018 - Transfer	-30997	0.0285	5524990	5.0750
	03/08/2018 - Transfer	-53874	0.0501	5471116	5.0897
	05/10/2018 - Transfer	83328	0.0783	5554444	5.2189
	07/12/2018 - Transfer	-49704	0.0472	5504740	5.2293
	04/01/2019 - Transfer	22605	0.0216	5527345	5.2916
	11/01/2019 - Transfer	102334	0.0980	5629679	5.3895
	18/01/2019 - Transfer	132146	0.1265	5761825	5.5160
	25/01/2019 - Transfer	83440	0.0799	5845265	5.5959
	08/02/2019 - Transfer	144514	0.1383	5989779	5.7343
	22/02/2019 - Transfer	162497	0.1556	6152276	5.8898
	01/03/2019 - Transfer	121520	0.1163	6273796	6.0062
	31-03-2019	6273796	6.0062	6273796	6.0062
6.	THE EDGBASTON ASIAN EQUITY (JERSEY) TRUST				
	01-04-2018	1552552	1.4184		
	06/04/2018 - Transfer	10459	0.0096	1563011	1.4280
	06/07/2018 - Transfer	30997	0.0285	1594008	1.4642
	03/08/2018 - Transfer	53874	0.0501	1647882	1.5330
	05/10/2018 - Transfer	-97185	0.0913	1550697	1.4570
	07/12/2018 - Transfer	-3869	0.0037	1546828	1.4694
	11/01/2019 - Transfer	29001	0.0278	1575829	1.5086
	18/01/2019 - Transfer	28012	0.0268	1603841	1.5354
	08/02/2019 - Transfer	82103	0.0786	1685944	1.6140
	22/02/2019 - Transfer	45218	0.0433	1731162	1.6573
	01/03/2019 - Transfer	33816	0.0324	1764978	1.6897
	31-03-2019	1764978	1.6897	1764978	1.6897
7.	HDFC SMALL CAP FUND *				
	01-04-2018	326000	0.2978		
	20/04/2018 - Transfer	970000	0.8862	1296000	1.1840
	08/06/2018 - Transfer	-50000	0.0457	1246000	1.1384
	24/08/2018 - Transfer	1661300	1.5514	2907300	2.7150

Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	31/08/2018 - Transfer	1447000	1.3540	4354300	4.0746
	07/09/2018 - Transfer	800000	0.7487	5154300	4.8241
	14/09/2018 - Transfer	557196	0.5215	5711496	5.3456
	21/09/2018 - Transfer	651000	0.6096	6362496	5.9575
	28/09/2018 - Transfer	75000	0.0702	6437496	6.0278
	31-03-2019	6437496	6.1629	6437496	6.1629
	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND				
	01-04-2018	0	0.0000		
	06/04/2018 - Transfer	1347674	1.2313	1347674	1.2313
	01/06/2018 - Transfer	1000046	0.9137	2347720	2.1449
	03/08/2018 - Transfer	-743196	0.6914	1604524	1.4927
	17/08/2018 - Transfer	-200000	0.1868	1404524	1.3116
	28/09/2018 - Transfer	-293776	0.2751	1110748	1.0400
	05/10/2018 - Transfer	-5522	0.0052	1105226	1.0385
	12/10/2018 - Transfer	-246706	0.2328	858520	0.8102
	19/10/2018 - Transfer	-235119	0.2219	623401	0.5883
	02/11/2018 - Transfer	-59341	0.0563	564060	0.5347
	09/11/2018 - Transfer	-19500	0.0185	544560	0.5160
	16/11/2018 - Transfer	-544560	0.5168	0	0.0000
	31-03-2019	0	0.0000	0	0.0000
9	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND - SERIES V				
	01-04-2018	3961529	3.6193		
	24/08/2018 - Transfer	-181199	0.1692	3780330	3.5302
	30/11/2018 - Transfer	-6675	0.0063	3773655	3.5816
	07/12/2018 - Transfer	-65306	0.0620	3708349	3.5228
	14/12/2018 - Transfer	-22418	0.0213	3685931	3.5015
	28/12/2018 - Transfer	-25674	0.0246	3660257	3.5041
	04/01/2019 - Transfer	-2000	0.0019	3658257	3.5022
	11/01/2019 - Transfer	-12877	0.0123	3645380	3.4899
	18/01/2019 - Transfer	-12203	0.0117	3633177	3.4782
	25/01/2019 - Transfer	-12797	0.0123	3620380	3.4659
	15/02/2019 - Transfer	-29347	0.0281	3591033	3.4379
	31-03-2019	3591033	3.4379	3591033	3.4379
10.	THE NOMURA TRUST AND BANKING CO., LTD AS THE TRUSTEE OF NOMURA INDIA STOCK MOTHER FUND				
	01-04-2018	6508116	5.9459		



Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11.	14/09/2018 - Transfer	-32896	0.0308	6475220	6.0604
	31-03-2019	6475220	6.1990	6475220	6.1990
	LAKSHMI CAPITAL INVESTMENTS LIMITED #				
	01-04-2018	1287207	1.1760		
	06/04/2018 - Transfer	-20000	0.0183	1267207	1.1577
	13/04/2018 - Transfer	-20000	0.0183	1247207	1.1395
	08/06/2018 - Transfer	-80000	0.0731	1167207	1.0664
	15/06/2018 - Transfer	-24000	0.0219	1143207	1.0444
	29/06/2018 - Transfer	-15519	0.0142	1127688	1.0303
	20/07/2018 - Transfer	-20000	0.0185	1107688	1.0240
	27/07/2018 - Transfer	-120000	0.1111	987688	0.9148
	03/08/2018 - Transfer	-360000	0.3349	627688	0.5839
	10/08/2018 - Transfer	-237000	0.2205	390688	0.3634
	17/08/2018 - Transfer	-150000	0.1401	240688	0.2248
	24/08/2018 - Transfer	-200000	0.1868	40688	0.0380
	31/08/2018 - Transfer	-40688	0.0381	0	0.0000
	31-03-2019	0	0.0000	0	0.0000
12.	NOMURA FUNDS IRELAND PUBLIC LIMITED COMPANY- NOMURA FUNDS IRELAND - INDIA EQUITY				
	01-04-2018	2514930	2.2977		
	27/04/2018 - Transfer	312100	0.2851	2827030	2.5828
	01/06/2018 - Transfer	45847	0.0419	2872877	2.6247
	08/06/2018 - Transfer	100000	0.0914	2972877	2.7161
	15/06/2018 - Transfer	183982	0.1681	3156859	2.8841
	22/06/2018 - Transfer	343009	0.3134	3499868	3.1975
	27/07/2018 - Transfer	100000	0.0926	3599868	3.3342
	31-03-2019	3599868	3.4463	3599868	3.4463
13	NORDEA 1 SICAV - INDIAN EQUITY FUND				
	01-04-2018	1101939	1.0067		
	08/06/2018 - Transfer	-44514	0.0407	1057425	0.9661
	24/08/2018 - Transfer	-88734	0.0829	968691	0.9046
	14/09/2018 - Transfer	66877	0.0626	1035568	0.9692
	08/02/2019 - Transfer	-11375	0.0109	1024193	0.9805
	31-03-2019	1024193	0.9805	1024193	0.9805
*	Not in the list of Top 10 shareholders as on 01/04/2018 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.				
#	Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.				

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	B M KHAITAN				
	01-04-2018	36588	0.0334		
	31-03-2019	36588	0.0350	36588	0.0350
2.	ADITYA KHAITAN				
	01-04-2018	17272	0.0158		
	31-03-2019	17272	0.0165	17272	0.0165
3.	AMRITANSHU KHAITAN				
	01-04-2018	15000	0.0137		
	31-03-2019	15000	0.0144	15000	0.0144
4.	AZAM MONEM				
	01-04-2018	500	0.0005		
	31-03-2019	500	0.0005	500	0.0005
5.	RAJEEV TAKRU				
	01-04-2018	900	0.0008		
	31-03-2019	900	0.0009	900	0.0009
6.	KAMAL KISHORE BAHETI				
	01-04-2018	100	0.0001		
	31-03-2019	100	0.0001	100	0.0001
7.	MR RANABIR SEN				
	01-04-2018	133	0.0001		
	31-03-2019	133	0.0001	100	0.0001
8.	BHARAT BAJORIA				
	01-04-2018	1800	0.0016		
	05/10/2018 - Transfer	-1000	0.0009	800	0.0008
	31-03-2019	800	0.0008	800	0.0008
9.	UTSAV PAREKH				
	01-04-2018	0	0		
	31-03-2019	0	0	0	0
10.	R SRINIVASAN				
	01-04-2018	0	0		
	31-03-2019	0	0	0	0

Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11.	RAMNI NIRULA				
	01-04-2018	0	0		
	31-03-2019	0	0	0	0
12.	PADAM KUMAR KHAITAN				
	01-04-2018	1500	0.0014		
	31-03-2019	1500	0.0014	1500	0.0014
13.	ASHOK BHANDARI				
	01-04-2018	0	0		
	31-03-2019	0	0	0	0
14.	JYOTI GHOSH				
	01-04-2018	0	0		
	31-03-2019	0	0	0	0
15.	AMITABHA GUHA SARKAR				
	01-04-2018	650	0.0006		
	31-03-2019	650	0.0006	650	0.0006

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	81,458.68	16,000.00		97,458.68
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	107.14	13.89		121.03
Total (i+ii+iii)	81,565.82	16,013.89		97,579.71
Change in Indebtedness during the financial year				
• Addition	69,765.01	-		69,765.01
• Reduction	-	3,485.03		3,485.03
Net Change	69,765.01	3,485.03		66279.98
Indebtedness at the end of the financial year				
i) Principal Amount	1,51,033.41	12,000.00		1,63,033.41
ii) Interest due but not paid	267.14	527.22		794.36
iii) Interest accrued but not due	30.28	-		30.28
Total (i+ii+iii)	1,51,330.01	12,528.04		1,63,858.05

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs. in lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		A. Khaitan	K.K. Baheti	R. Takru	A. Monem	
		MD	WTD & CFO	WTD	WTD	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	386.60	155.89	155.89	155.89	854.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.83	1.28	2.41	2.05	6.57
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission- as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	387.43	157.17	158.30	157.94	860.84
	Ceiling as per the Act	10% of the Net Profits calculated u/s 198 of the Act.				

B. Remuneration to other directors:

Rs. in lakhs

Sl. No.	Particulars of Remuneration	Name of Directors										Total Amount
		B.M. Khaitan	R. Srinivasan	B. Bajoria	R. Sen	U. Parekh	R. Nirula	Amri-tanshu Khaitan	Padam Khaitan	Ashok Bhandari	Jyoti Ghosh	
	Independent Directors											
	Fee for attending board / committee meetings	-	2.4	2.2	4.4	1.8	2.0	-	0.4	1.8	.40	15.40
	Commission	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	2.4	2.2	4.4	1.8	2.0	-	.40	1.8	.40	15.40
	Other Non-Executive Directors											
	Fee for attending board / committee meetings	.40	-	-	-	-	-	2.2	-	-	-	2.60
	Commission	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (2)	0.4	-	-	-	-	-	2.2	-	-	-	2.60
	Total (B)=(1+2)	0.4	2.4	2.2	4.4	1.8	2.0	2.2	.40	1.8	.40	18.00
	Total Managerial Remuneration (A+B)											878.84
	Overall Ceiling as per the Act	11% of the Net Profits calculated u/s 198 of the Act. (Excluding Sitting Fees)										

C. Remuneration to other directors:

Rs. in lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO*	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	46.22	-	46.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.55	-	0.55
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-	
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission- as % of profit - others, specify...	-	-	-	-
5.	Others – Retrial Benefits	-	2.98	-	2.98
	Total	-	49.75	-	49.75

*Remuneration of the Wholetime Director and CFO has been shown in VI A above.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no penalty, punishment or compounding of offences during the year ended 31st March 2019.

For and on behalf of the Board

Date: 29th June 2019
Place: Kolkata

A. Khaitan
Managing Director

K.K. Baheti
Wholetime Director & CFO

Annexure VIII

Secretarial Audit Report

For The Financial Year Ended 31.03.2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

McLeod Russel India Limited

Four Mangoe Lane

Surendra Mohan Ghosh Sarani

Kolkata – 700 001

West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **McLeod Russel India Limited** having its Registered Office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

AUDITORS' RESPONSIBILITY

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2019 according to the provisions of (as amended) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - (a) The Securities and Exchange Board of India (Substantial

Acquisition of Shares and Takeovers) Regulation, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. Food Safety and Standards Act, 2006
2. Tea Act, 1953
3. Tea Waste Control Order, 1959
4. Tea (Marketing) Control Order, 2003
5. Tea (Distribution & Export) Control Order, 2005
6. Plant Protection Code (Formulated by Tea Board of India)
7. Plantations Labour Act, 1951

to the extent of its applicability to the Company during the financial year ended 31.03.2019 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except:

1. ***The Company has granted loans in excess of the stipulated limits under Section 186 of the Companies Act, 2013.***
2. ***The Company was unable to discharge its obligations for repayment of loans and settlement of other financial and non-financial liabilities including statutory liabilities.***

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

We further report that :

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that :

1. The Company has taken approval from shareholders by passing Special Resolution in terms of Section 180(1)(a) of the Companies Act, 2013 for approval of sale, lease, or otherwise disposal of certain tea estates of the Company or the assets thereof having value in excess of 20% but not exceeding 35% of the value of undertaking of the Company.
2. The Company has sold assets of 14 Tea Estates in Assam and 2 in Dooars during the year under report. The Company has also entered into a Memorandum of Understanding for sale of assets of yet another Tea Estate in Assam.

3. The Company has granted loans / provided securities to various companies during the year under report. The Company has obtained legal opinion that these transactions do not fall under the ambit of the provisions of Section 185 of the Companies Act, 2013.
4. The Company had applied to the Central Government for approval of payment of excess remuneration to Mr. Aditya Khaitan, Managing Director of the Company during the financial year ended 31.03.2016. However, the Ministry of Corporate Affairs vide letter No. G44202406/1/2017-CL-VII dated 15th May, 2018 approved a remuneration of Rs. 1,33,88,100/- only. The Company filed an application with the Ministry of Corporate Affairs dated 10th August, 2018 to reconsider the original application for waiver of excess remuneration paid to the Managing Director in the light of the fact that the waiver as well as payment of total remuneration was approved by the shareholders by Special Resolution. However, as per the MCA Notification dated 12th September, 2018, the application stands abated and as informed by the management, the Company will seek the approval of the members of the Company for payment of the excess remuneration to the Managing Director in terms of Section 197(17) of the Companies Act, 2013, as amended within the stipulated time.
5. The Company had applied to the Central Government for approval of payment of excess remuneration to Mr. Aditya Khaitan, Managing Director of the Company during the financial year ended 31.03.2018 and 31.03.2019, subsequent to approval of the shareholders by way of Special Resolution at the 19th Annual General Meeting of the Company held on 09th August, 2017. However, as per the MCA Notification dated 12th September, 2018, the application stands abated and as informed by the management, the Company will seek the approval of the members of the Company for payment of the excess remuneration to the Managing Director in terms of Section 197(17) of the Companies Act, 2013, as amended within the stipulated time.
6. The Board of Directors of the Company at its meeting held on 30.05.2018 approved Buy-back of fully paid up Equity Shares of the Company from open market through stock exchange mechanism for a total amount not exceeding Rs. 100,00,00,000/- ("Maximum Buyback Size") and at a price not exceeding Rs. 210/- per equity share ("Maximum Buyback Price) payable in cash which would make the maximum number of Equity Shares to be bought back to be 47,61,904 Equity Shares ("Maximum Buyback Shares") which is 4.35% of the total number of paid-up Equity Shares of the Company.
7. The Company bought back 50,00,000 Equity Shares of the Company at an average price of Rs. 138.03 per equity share by deploying Rs. 69,01,28,178.20 (excluding transaction costs) which represents approximately 69.01% of the Maximum Buy-Back Size. The Buy Back Period commenced on 19.06.2018 and concluded upon expiry of 6 months on 18.12.2018.

For A. K. LABH & Co.

Company Secretaries

(CS A. K. LABH)

Practicing Company Secretary

FCS – 4848 / CP No.- 3238

Place : Kolkata

Dated : 29.06.2019

Annexure IX
Conservation of energy, technology absorption, foreign exchange earnings and outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Account) Rules, 2014]

(A) CONSERVATION OF ENERGY -

During the year, the Company has taken various initiatives towards upgradation and modernisation of equipments and machineries at different tea estates of the Company which have directly or indirectly resulted in conservation of energy. The Company has installed Continuous Withering Machines (CWM) in some of the estates which have enhanced the efficiency, withering capacity and conserved energy. Moreover, Rotor Vane Machines, CTC Machines, Khari Sifters, Orthodox ECP Dryers, Milling/Chasing Machines, Coal Stove, Colour sorters and energy efficient Gensets have also been installed at different estates of the Company to encourage efficiency and conservation of energy.

During the year under review the Company has incurred capital expenditure of Rs. 1493.96 lakhs on various plant and machinery in its tea estates inter alia for conservation of energy. The Company makes persistent effort to explore ways to conserve energy and use alternative sources of energy. The Company is making steady development in this direction and the Company expects that further improvement towards conservation of energy could be seen in the future.

(B) TECHNOLOGY ABSORPTION-
(i) the efforts made towards technology absorption;

Modernisation and upgradation of equipments and machines is a continuous process for the Company to enhance efficiency of operations, productivity and conservation of energy. Advanced technologies and improved machineries and equipments are installed at various tea estates for improving efficiency and productivity. The Company is also investing in plucking machines and plucking sheers to mitigate the problem of shortage of pruning and pluckers at various tea estates. During the year, advanced machines such as Orthodox ECP Dryers, Colour Sorters, Rotor Vane Machine, Tractors, irrigation equipment etc had been installed at various tea estates as a part of the continuous endeavour of the Company to upgrade technology.

The Company conducts various workshops and interactive group discussions regularly duly complimented by efficient training of staff with specific approach towards improvement of efficiency. The Company in its own interest encourages and values innovative achievements of the operating people in the agriculture and manufacture of tea. The Company

also uses Vermi-wash, Vermicompost, Bio Humic Spray (BHS) and Indigenous Technical Knowledge (ITK) for improving the organic status of the soil and plant nutrition.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

The adoption of improved technology, regular upgradation, modernisation of equipments, conducting various workshops and implementation of organic technologies help in improving the yield and quality of tea. The Company is a major exporter of tea from India.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company did not import any technology during the last three financial years.

(iv) the expenditure incurred on Research and Development.

Rs. lakhs

Expenditure on Research & Development	2018-19	2017-18
Capital Expenditure	Nil	Nil
Revenue Expenditure	193.21*	204.74*
Total	193.21	204.74

* Revenue expenditure on Research & Development represents subscription to Tea Research Association.

(C) Foreign exchange earnings and Outgo

The total foreign exchange earnings during the year in terms of actual inflows was about Rs. 41,434.72 Lakhs and the foreign exchange outgo during the year in terms of imports was about Rs. 1253.38 Lakhs.

For and on Behalf of the Board

A. Khaitan
Managing Director

Date : 29th June 2019
Place : Kolkata

K.K. Baheti
Whole Time Director & CFO

Annexure X

Remuneration and other specified Particulars of Employees

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	Name	Ratio of Remuneration of each Director to Median Remuneration of the following categories for the financial year 2018-19	
			All Employees	Executive Grade Employees
		Non-Executive Directors		
		Mr. B. M. Khaitan	0.64:1	0.03:1
		Dr. R. Srinivasan	3.86:1	0.2:1
		Mr. B. Bajoria	3.54:1	0.19:1
		Mr. R. Sen	7.07:1	0.37:1
		Mr. U. Parekh	2.89:1	0.15:1
		Mrs. R. Nirula	3.21:1	0.17:1
		Mr. Amritanshu Khaitan	3.54:1	0.19:1
		Mr. Padam Kumar Khaitan	0.64:1	0.03:1
		Mr. Ashok Bhandari	2.89:1	0.15:1
		Mr. Jyoti Ghosh	0.64:1	0.03:1
		Executive Directors		
		Mr. Aditya Khaitan - Managing Director	622.67:1	32.99:1
		Mr. Rajeev Takru - Whole Time Director	254.42:1	13.48:1
		Mr. Azam Monem - Whole Time Director	253.84:1	13.45:1
		Mr. Kamal Kishore Baheti - Whole Time Director & CFO	252.6:1	13.38:1
(ii)	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year	There has been no increase in the remuneration of Managing Director, Wholetime Directors and Company Secretary of the Company. The Non-executive Directors have only received sitting fees for attending Meetings during 2018-19.		
(iii)	The percentage increase in the median remuneration of the employees in the financial year	No increase in the median remuneration of the employees in the financial year.		
(iv)	The number of permanent employees on the rolls of Company as on 31st March 2019:	51591		
(v)	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	There has been no average percentage increase in the salaries of employees in the last financial year. Also, there has been no average increase in the managerial remuneration in the last financial year.		
(vi)	Affirmation that the remuneration is as per the Remuneration Policy of the Company.	The remuneration paid during the financial year ended 31st March 2019 is in terms of the Remuneration Policy of the Company.		

Information pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The following are the names of top ten employees in terms of remuneration drawn

Name	Designation	Remuneration received (in Rs. lakhs)#	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age (years)	The last employment held before joining the Company	The percentage of equity shares held	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
A. Khaitan	Managing Director	387.43	In Whole time employment as per contract	B.Com (Hons); 27 years	01.04.2005	51	N.A.	0.0165	Mr. B.M. Khaitan – Father
R. Takru	Whole Time Director	158.30	-do-	B.A. (Hons); 43 years	01.04.2005	64	Eveready Industries India Limited, Senior Vice- president	0.0008	No
A. Monem	Whole Time Director	157.94	-do-	B.Com (Hons); 38 years	01.04.2005	59	Eveready Industries India Limited, Senior Vice- president	0.0005	No
K.K. Baheti	Whole Time Director & CFO	157.17	-do-	B.Com (Hons), FCA, ACS, AICWA; 33 years	01.04.2005	56	Eveready Industries India Limited, Vice- president	0.0000	No
P. Bhar	Vice President	54.74	Permanent Employment	B.Com (Hons), FCA, AICWA; 39 years	01.01.2012	62	D1 Williamson Magor Bio Fuel Limited, Managing Director	0.0000	No
A. Pandit	Visiting Agent	54.46	Permanent Employment	B.A.; 41 years	01.04.2005	63	Williamson Tea Assam Limited, Senior Manager	0.0002	No
A. Guha Sarkar	Senior Vice-President & Company Secretary	49.75	Permanent Employment	B.COM (Hons), LLB, ACS; 42 years	16.02.2005	64	Williamson Magor & Co. Limited, Company Secretary	0.0006	No
B.K. Newar	Vice President	47.01	Permanent Employment	B.Com (Hons) FCA, FCS; 35 years	01.04.2004	58	Eveready Industries India Limited, General Manager	0.0000	No
V.K. Singh	Senior General Manager	45.70	Permanent Employment	B. COM; 38 years	01.04.2004	64	Eveready Industries India Limited Senior Manager	0.0000	No
P.K. Murari	Assistant Visiting Agent	42.27	Permanent Employment	B. COM; 36 years	01.04.2005	56	Eveready Industries India Limited	0.0000	No

Remuneration received includes salary, allowances and monetary value of other perquisites computed as per Income Tax Act, 1961 and Rules thereunder and also Company's contribution to retirement funds, etc.

Information pursuant to Rule 5(2) of Chapter XIII of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(II) The following persons were employed throughout the financial year and was in receipt of remuneration for that year which, in the aggregate, was not less than rupees One crore two lakhs:-

Name	Designation	Remuneration received (in Rs. lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age (years)	The last employment held	The percentage of equity shares held	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
A. Khaitan	Managing Director	387.43	In Whole time employment as per contract	B.Com (Hons); 27 years	01.04.2005	51	N.A.	0.0158	Mr. B.M. Khaitan – Father
R. Takru	Whole Time Director	158.30	-do-	B.A. (Hons); 43 years	01.04.2005	64	Eveready Industries India Limited, Senior Vice- president	0.0008	No
A. Monem	Whole Time Director	157.94	-do-	B.Com (Hons); 38 years	01.04.2005	59	Eveready Industries India Limited, Senior Vice- president	0.0005	No
K.K. Baheti	Whole Time Director & CFO	157.17	-do-	B.Com (Hons), FCA, ACS, AICWA; 33 years	01.04.2005	56	Eveready Industries India Limited, Vice- president	0.0000	No

(III) There was no employee in the Company, whether employed throughout or part of the financial year 2018-19, who has drawn remuneration in excess of that drawn by the Managing Director or Whole Time Directors and holds along with spouse and dependent children not less than two per cent of the equity share capital of the Company.

For and on Behalf of the Board

A. Khaitan
Managing Director

K.K. Baheti
Whole Time Director & CFO

Place: Kolkata
Date: 29th June 2019

Annual Report on CSR Activities

1. Your Company is conscious of its social responsibilities and the environment in which it operates. The Company continues its welfare activities in the field of education, health, creation of livelihood and other welfare activities to improve the general standard of living in and around the area where the Company operates. The Company had contributed to one CSR project voluntarily during the financial year ended 31st March, 2019. The Board has a CSR Committee and has adopted a CSR Policy pursuant to which the CSR activities are undertaken in one or more of the fields covered under Schedule VII to the Companies Act, 2013. The detailed CSR Policy of the Company can be accessed at <http://www.mcleodrussel.com/investors/policies.aspx>
2. The Composition of the CSR Committee is furnished under the head Corporate Social Responsibility in the Directors Report.
3. Average net profit of the company during the three immediately preceding financial years: Rs. (2155.40) lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Nil
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year: Nil. However, the Company voluntarily spent Rs. 12 lakhs
 - (b) Amount unspent, if any: Nil
 - (c) Manner in which the amount spent during the financial year is detailed below.

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (vide Schedule VII to the Companies Act, 2013)	Projects or programs (i) Local area or other (ii) Specify the State and district where projects or programs were undertaken	Amount of outlay (budget of the Company) project or program wise (Rs. in lakhs)	Amount spent on the projects or programs (Rs. in lakhs)	Cumulative CSR expenditure upto the reporting period (Rs. in lakhs)	Amount spent: Direct or through implementing agency
1.	Supporting elderly ladies at Old Age Home and villagers with distribution of food, clothes and blankets etc. and educational support to slum children.	Sch. VII Item (i), (ii) and (iii)	Local area being Howrah, Hooghly and Kolkata, West-Bengal where the Company has its Registered and Head Office	12.00	12.00	12.00	Implementing Agency – MCKS food for Hungry Foundation, WB
TOTAL				12.00	12.00	12.00	

6. In terms of the requirements of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Company was not required to spend on CSR activities during the financial year ended 31st March 2019 since the Company had no average net profits during the three immediately preceding financial years. However, the Company has voluntarily spent 12 lakhs in one CSR Project undertaken by the Company during the year.
7. We hereby declare that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

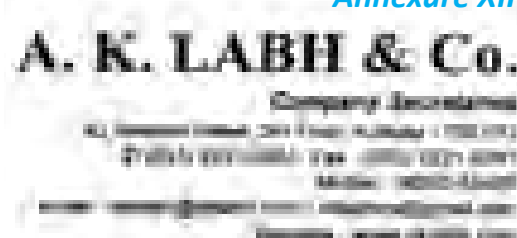
For and on Behalf of the Board

Date: 29th June 2019
Place: Kolkata

A. Khaitan
Managing Director

R. Takru
Chairman CSR Committee

Annexure XII



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
McLeod Russel India Limited
Four Mangoe Lane
Surendra Mohan Ghosh Sarani
Kolkata – 700 001
West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **McLeod Russel India Limited** having CIN : L51109WB1998PLC087076 and having registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001, West Bengal (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Raghavachari Srinivasan	00003968	11/03/2005
2.	Ashok Bhandari	00012210	10/10/2018
3.	Ramni Nirula	00015330	15/09/2011
4.	Aditya Khaitan	00023788	16/02/2005
5.	Rajeev Takru	00023796	20/01/2004
6.	Azam Monem	00023799	16/02/2005
7.	Kamal Kishore Baheti	00027568	20/01/2004
8.	Utsav Parekh	00027642	26/05/2005
9.	Ranabir Sen	00068697	11/03/2005
10.	Amritanshu Khaitan	00213413	31/03/2015
11.	Jyoti Ghosh	08217481	12/02/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date : 29th June 2019

Signature :
Name : Atul Kumar Labh
Membership No. : FCS 4848
CP No. : 3238

Independent Auditor's Report

To The Members of Mcleod Russel India Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

ADVERSE OPINION

We have audited the accompanying standalone financial statements of Mcleod Russel India Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, due to the significance of the matters described in the Basis for Adverse Opinion section below, the aforesaid standalone financial statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and also does not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR ADVERSE OPINION

- (a) During the year, the Company had extended advances aggregating to Rs. 84,175.00 lacs to certain promoter group companies, as capital advances. The promoter group companies to whom such advances were given have substantially lent these onward to another promoter group company. Of the total capital advances, Rs. 77,575.00 lacs was converted to Inter-Corporate Deposits (ICD) as of 31 March, 2019. In this connection, we draw attention to paragraphs 1(a) and 1(b) under section 'Report on Other Legal and Regulatory Requirements' regarding the aforesaid ICDs that, in our opinion, is prejudicial to the interests of the Company and the initial recording of these amounts as capital advance was reflected only by book entries.
- (b) As at 31 March 2019, ICDs of Rs. 174,468.00 lacs given to promoter group companies and other companies [including Rs. 77,575.00 lacs referred to in paragraph (a) above] and Rs. 7,702.52 lacs interest accrued on such ICDs (net of provision of Rs. 8,509.40 lacs), respectively, are doubtful of recovery considering the financial condition of the promoter group companies and the other companies to whom these ICDs have been given. However, the Company has not made any provision for the outstanding amounts recorded as ICDs and interest accrued thereon. Consequently, the non-current portion of loans and interest accrued thereon are overstated and loss for the year is understated by Rs. 182,170.52 lacs.

- (c) The aggregate amount of Rs. 174,468.00 lacs disclosed as ICDs outstanding as at 31 March, 2019 are in excess of limits on lending prescribed under section 186 to the Act by Rs. 61,156.16 lacs for which approval has not been obtained from the members of the Company. Further, in view of the matter described in paragraph (e) below, we are unable to state if any of the promoter group companies are companies whose Board of Directors or Managing Director or Manager, whereof is accustomed to act in accordance with the directions of any director of the Company, and therefore covered under section 185 of the Act and any non-compliance thereto.
- (d) The Company has recognised Rs. 6,781.86 lacs as sundry income from one of the promoter group companies. In our opinion and according to the information obtained by us, the sundry income may have been funded to the said promoter group company through monies indirectly lent by the Company as more fully described in paragraph (a) above or through ICDs granted and therefore may not have been actually realised. We also draw attention to paragraph 1(b) under section 'Report on Other Legal and Regulatory Requirements' where we have opined that the aforesaid interest income may have been reflected only by book entries and prejudicial to the interests of the Company. However, considering the amount already quantified as a modification of the audit opinion in respect of outstanding balance of ICDs from these promoter group companies described in paragraph (b) above, this recognition of sundry income will not have any further impact on the loss for the year.
- (e) The promoter group companies referred to in paragraphs (a) and (b) above have not been considered as related parties by the Management under the Act and under the applicable accounting standards (Ind AS). Considering the commonality of some of the directors of the promoter group companies referred to in paragraphs (a) and (b) above and the Company and its employees, including key managerial personnel, we are unable to ascertain if the aforesaid promoter group companies could, in substance, be deemed to be related parties to the Company in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". We are unable to ascertain the impact of non-compliance with the disclosure requirements for related parties in the financial statements and the provisions of the Act and consequential impact, if any, on these financial statements.
- (f) During the year, the Company had given advance to a body corporate aggregating to Rs. 1,400.00 lacs which was outstanding as at 31 March, 2019 (included as Other Current Assets in Note 15 to the Balance Sheet). In the absence of appropriate audit evidences, we are unable to comment on the validity and recoverability of such advance.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described

in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our adverse opinion on the standalone financial statements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 61 of the standalone financial statements. The Company has incurred net loss of Rs. 441.62 lacs during the year ended 31 March, 2019, and current liabilities exceed current assets by Rs. 143,566.07 lacs as on 31 March, 2019. During the year ended 31 March, 2019, the Company was unable to discharge its obligations for repayment of loans and settlement of other financial and non-financial liabilities including statutory liabilities. The Company's management is currently in discussion with the lenders for carrying out a refinancing proposal. These events and conditions, including for those matters stated in the Basis for Adverse Opinion section above, indicate a material uncertainty which cast a significant doubt on the Company's ability to continue as a going concern, and therefore it may be unable to

realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Company to continue as a going concern is solely dependent on the acceptance of the refinancing proposal, which is not wholly within the control of the Company.

The Management of the Company has prepared the statement on going concern basis based on their assessment of the successful outcome of the refinancing proposal and accordingly no adjustments have been made to the carrying value of the assets and liabilities and their presentation / classification in the Balance Sheet.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Adverse Opinion section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<u>Valuation of biological assets and agricultural produce</u> Biological assets of the Company include unharvested green tea leaves which are measured at fair value less costs to sell. The Company's agricultural produce comprises of harvested green leaves and is valued at fair value less cost to sell at the point of harvest. Finished goods produced from agricultural produce are valued at lower of cost arrived at by adding the cost of conversion to the fair value of agricultural produce and the net realisable value. For harvested or unharvested green leaves, since there is no active market for own leaves, significant estimates are used by management in determining the valuation of biological assets and agricultural produce consumed in manufacture of black tea. The principal assumptions and estimates in the determination of the fair value include assumptions about the yields, prices of green leaf purchased from outside suppliers and the stage of transformation. The determination of these assumptions and estimates require careful evaluation by management and could lead to material impact on the financial position and the results of the Company. The carrying values of biological assets and inventories of black tea amounted to Rs. 453.72 lacs (note 10) and Rs. 5,734.46 lacs (note 9) respectively. Refer note no 1.7 and 1.8 to the financial statement for accounting policy of the Company with respect to the above.	<u>Principal audit procedures performed:</u> Our audit approach was a combination of test of internal controls and substantive procedures and included: • Obtaining an understanding of the fair value measurement methodologies used and assessing the reasonableness and consistency of the significant assumptions used in the valuation; • Evaluating the design and implementation of Company's controls around the valuation of biological assets and agricultural produce; • Assessing the plucking yields to analyse the stage of transformation considered for the fair valuation of biological assets; and • Assessing the basis, reasonableness and accuracy of adjustments made to prices of green leaves purchased from outside suppliers considering the quality differential of the Company's production. Testing the consistency of application of the fair value approaches and models over the years.

Sr. No.	Key Audit Matter	Auditor's Response
2.	<u>Capital advances:</u> The management gives advances which are towards capital project and order of the Company. During the year ended 31 March 2019, advances aggregating to Rs. 84,175 lacs were given and recorded as capital advances. The aggregate of such advances are considered material to the size of the Company.	<u>Principal audit procedures performed:</u> We have, inter alia, performed the following procedures in order to address the risk: - We gained an understanding of key controls around the procedures for granting and recovering / adjustment of the advances and assessed the design and implementation of the controls thereof; - We verified the approved budget and board approvals for giving advances; - We verified the bank transactions for grant and refunds of advances to/ from such parties; - We obtained balance confirmations from all such parties for the balances outstanding as on 31 March 2019; - We examined the minutes of the meeting of board of directors to understand the purpose of giving such advances and economic substance and business rational of the transactions; - We further discussed the plan of the Management for recovering these advances; - We evaluated the relationship of the parties to whom such advances were given with the Company; and - We obtained the financial statements of the parties to whom the advances have been given and assessed the financial position of the company, checked for any material uncertainty in the going concern assumption of those parties.
3.	<u>Going Concern:</u> The Company has incurred net loss of Rs. 441.62 lacs during the year ended 31 March, 2019, and current liabilities exceed current assets by Rs. 143,566.07 lacs as on 31 March 2019. During the year ended 31 March, 2019, the Company was unable to discharge its obligations for repayment of loans and settlement of other financial and non-financial liabilities including statutory liabilities. The availability of sufficient funding and the testing of whether the company will be able to continue meeting its obligations under the financing covenants are important for the going concern assumption and, as such, are significant aspects of our audit. Refer note no 61 to the standalone financial statements of the Company.	<u>Principal audit procedures performed:</u> We obtained an understanding of controls instituted by the management to assess going concern assumptions and tested the effectiveness of the management controls. Our audit procedures included testing management assumptions on the appropriateness of the going concern assumptions and reasonableness of the assumptions used, focusing in particular the business projections of Company and other sources of funding, among others, through the following procedures: • We have analyzed management's report to gain an understanding of the inputs and process supporting the cash flow projections prepared for the purpose of going concern assessment; • We have reviewed the minutes of the meetings of the Company with the consortium of banks for negotiating the refinancing plan; • We have tested the compliance with debt covenants associated with loans obtained; and • We assessed the appropriateness of the related disclosures in note to financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
4.	<u>Inter corporate deposits (ICDs)</u> As at 31 March, 2019, the total of ICDs given to various bodies corporate was Rs. 174,468.00 lacs. The management has given loans to body corporates and the total amounts outstanding is considered material considering the total assets of the Company. Since, the ICDs are in the nature of loans, compliance with provisions of the Companies Act, 2013 is also relevant. The ICDs are unsecured and therefore the recoverability of the ICDs is solely dependent on the financial performance and status of the companies to whom the ICDs were given. Accrual of interest income on the ICDs and assessing the recoverability of the ICDs and making necessary provisions in case the ICDs are doubtful of recovery are significant matters in the audit.	<u>Principal audit procedures performed:</u> We have, inter alia, performed the following procedures in order to address the risk: – We gained an understanding of key controls around the assessment of procedures for granting and recovering of the ICDs and monitoring the compliance with the provision of the Companies Act, 2013 and assessed the design and implementation of the controls; – We verified the board approvals for giving ICDs to each body corporate. We checked the maximum approved limit for each such body corporate and verified that during the year, the amount outstanding from each such body corporate did not exceed the maximum limit approved by the board of directors of the Company; - We verified all the bank transactions for receipts and re-payments of ICDs to / from such body corporates; - We obtained balance confirmations from all such body corporates for the ICD and interest balances outstanding as on 31 March, 2019; - We evaluated the relationship of the Body Corporates to whom such ICDs were given with the Company with regard to the provisions of the Act and under Ind AS 24 "Related Party Disclosures"; - We obtained the financial statements of the body corporates to whom the ICDs have been given and assessed the financial position of those parties; – We compared the interest rate charged with that of the Company's borrowing rates and whether the amounts accrued as interest income were reasonably certain of ultimate realisation; and – We checked the compliance with provisions of the Companies Act, 2013.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the Report of the Directors and the following annexures thereto (namely Management Discussion and Analysis, Corporate Governance Report, annual Report on CSR Activities, Business Responsibility Report, Form MGT – 9, Conservation of energy, technology absorption, foreign exchange earnings and outgo and remuneration and other specified particulars of employees) but does not include the standalone financial statements and our auditor's report thereon. The Report of the Directors is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial

performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As regards to the matters to be inquired by the auditors in terms of Section 143(1) of the Act, we report, to the extent applicable, as follows:
 - (a) With respect to the grant of capital advances which

were converted to ICDs at the year end, referred to in paragraph (a) in the Basis for Adverse Opinion section above, considering the financial condition of the parties to whom these amounts were given, consequent to which interest income has not been fully recognised and since the balances are unsecured, these are prejudicial to the interests of the Company.

- (b) We refer to the initial recording of amounts given to certain promoter group companies as capital advance and the sundry income of Rs. 6,781.86 lacs recognised by the Company in these financial statements, as more fully described in paragraphs (a) and (d), respectively, in the Basis for Adverse Opinion section above. In our opinion, these advances did not have any underlying economic substance and business rationale justifying such accounting at the time of disbursement and the interest income may not have been actually realised and therefore were represented merely by book entries which are prejudicial to the interests of the Company.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and except for the effects/ possible effects of the matters described in the Basis for Adverse Opinion section above and matter reported in paragraph (vii)(a) of Annexure B regarding non-availability of information from certain tea estates of the Company, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects/ possible effects of the matters described in the Basis for Adverse Opinion section above and matter reported in paragraph (vii)(a) of Annexure B regarding non- availability of information from certain tea estates of the Company, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) Due to the matters described in the Basis for Adverse Opinion section above, in our opinion, the aforesaid standalone financial statements do not comply with the Ind AS specified under Section 133 of the Act.
 - e) The matters described in the Basis for Adverse Opinion section above and Material Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion section above and matter reported in paragraph (vii)(a) of Annexure B regarding non- availability of information from certain tea estates of the Company.
 - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, which is subject to the possible effect of the matters described in the Basis for Adverse Opinion paragraph of our Audit Report and the material weakness described in Basis for Qualified Opinion in our separate Report on the Internal Financial Controls over Financial Reporting.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm Registration

No. 117366W/W-100018)

A. Bhattacharya

(Partner)

(Membership No. 054110)

Place: Kolkata

Date: 29 June 2019

Annexure “A” To The Independent Auditor’s Report

(Referred to in paragraph 2(h) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of McLeod Russel India Limited (“the Company”) as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on ‘the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)’. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over

financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

BASIS FOR QUALIFIED OPINION

According to the information and explanations given to us and

based on our audit, the following material weaknesses have been identified in the Company's internal financial controls over financial reporting as at 31 March 2019:

- (a) The Company did not have an appropriate internal control system relating to the grant of capital advances/ other advances to promoter group companies/ other companies, including ascertaining economic substance and business rationale of the transactions, establishing segregation of duties and determining credentials of the counterparties.
- (b) With respect to inter Corporate Deposits (ICDs), the Company did not have appropriate internal control system to evaluate the credit worthiness of the parties to whom the ICDs were granted, ascertaining the actual realisation of monies towards interest income and evaluation of the recoverability of the balances outstanding.
- (c) The Company did not have an appropriate internal control system to ensure compliance with the provisions of the Companies Act, 2013, with respect to lending including limits.
- (d) We are unable to state if the Company had appropriate internal controls system to ascertain related parties to ensure compliance with the requirements of the Companies Act, 2013 and the applicable accounting standards (Ind AS).

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

QUALIFIED OPINION

In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible

effects of the material weaknesses described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31 March, 2019, and these material weaknesses have affected our opinion on the said standalone financial statements of the Company and we have issued an adverse opinion on the standalone financial statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm Registration

No. 117366W/W-100018)

A. Bhattacharya

(Partner)

(Membership No. 054110)

Place: Kolkata

Date: 29 June 2019

Annexure “B” To The Independent Auditor’s Report

(Referred to in paragraph 3 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date and except for the effects / possible effects of the matters described in the Basis for Adverse Opinion paragraphs of our Audit Report and the material weaknesses described in the Basis for Qualified Opinion in our separate Report on the Internal financial Controls Over Financial Reporting)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / court orders approving schemes of arrangements / amalgamations and other documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of land that have been taken on lease, according to the information and explanations given to us and the records examined by us and based on the examination of the court orders approving schemes of arrangements/ amalgamations and other documents provided to us, we report that, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

Further, Immovable properties of land and buildings (including leasehold properties) whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders.
- (ii) As explained to us, the inventories other than stocks lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) Except for the effects / possible effects of the matters described in paragraphs (a) and (b) of the Basis for Adverse Opinion section on which we are unable to comment, the Company has granted unsecured loans to other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no amount overdue for more than 90 days at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us and as described in paragraph (c) of the Basis for Adverse Opinion section of our Audit Report, the Company has not complied with the provisions of section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable. In view of the matter described in paragraph (e) of the Basis for Adverse Opinion section of our Audit Report, we are unable to state if any of the promoter group companies are companies whose Board of Directors or Managing Director or Manager, whereof is accustomed to act in accordance with the directions of any director of the Company, and therefore covered under section 185 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and had no unclaimed deposits at the beginning of the year as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities, except for the tea estates sold during the year wherein we have not been provided with the required information. In absence of such information, we are unable to comment on regularity of depositing undisputed dues for such tea estates.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable except for Income-tax details of which is given below:

Name of Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the Amount Relates
Income Tax Act, 1961	Corporate Dividend Tax *	344.77	2005-06 to 2007-08

*Refer note 50 (b) to the standalone financial statements.

- (c) Details of dues of Income-tax, Service Tax and Excise Duty which have not been deposited as on 31 March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in lacs)	Amount Unpaid (Rs. in lacs)
Income Tax Act, 1961	Tax deducted at Source	Commissioner of Income tax (Appeals)	2008-09	5,278.00	4,578.00
Finance Act, 1944	Service Tax	Commissioner (Appeals)/ CESTAT	2004-05 to 2007-08	150.72	131.61
Finance Act, 1944	Service Tax	Principal Commissioner of Service Tax	2008-09 to 2012-13	433.00	373.72
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	1999 to 2003	42.30	42.30

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks, except as under:

Particulars	Amount of default of repayment (Rs. in lacs)		Period of default
	Principal	Interest	
Due to Financial Institutions:			
Housing Development Finance Corporation	2,000.00	-	28 February to 31 March 2019
Aditya Birla Finance Limited	1,000.00	26.22	24 January 2019 to 31 March 2019
Srei Equipment Finance Limited	5,000.00	152.06	6 January 2019 to 31 March 2019

The Company has not issued any debentures and does not have any loans or borrowings from Government.

- (ix) As described in paragraphs (a) and (b) of the Basis for Adverse Opinion section, we are unable to comment on whether the

money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.

- (x) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year. In our opinion and according to the information and explanations given to us, and based on the matters described in the Basis for Adverse Opinion section of our audit report, we have reasons to believe that an offence involving suspected fraud has been committed on the Company during the year by its officers or employees, whereby moneys have been given to promoter group companies in a manner which is prejudicial to the interests of the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xiii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiv) Due to the effects/ possible effects of the matters described in paragraph (e) of the Basis for Adverse Opinion, we are unable to state whether the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the completeness / correctness of the disclosures / details of related party transactions in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvii) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

A. Bhattacharya
(Partner)

Place: Kolkata
Date: 29 June 2019

(Membership No. 054110)

Balance Sheet

as at 31st March, 2019

Rs. Lakhs

	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	1,07,429.52	1,58,874.69
Capital Work-in-Progress		4,744.86	9,475.77
Other Intangible Assets	4	1,467.04	1,755.45
Financial Assets			
Investments			
- Investment in Subsidiary and Associate	5A	22,936.98	22,936.98
- Other Investments	5B	4,238.54	9,610.06
Loans	6	1,74,468.00	-
Other Financial Assets	7	10,296.34	3,398.95
Other Non-Current Assets	8	10,268.65	4,438.93
Total Non-Current Assets		3,35,849.93	2,10,490.83
Current Assets			
Inventories	9	9,351.64	12,473.08
Biological Assets other than bearer plants	10	453.72	516.11
Financial Assets			
Trade Receivables	11	2,564.88	9,898.15
Cash and Cash Equivalents	12	30,657.80	254.67
Other Bank Balances	13	1,067.10	351.78
Loans	6	13.49	64,632.04
Other Financial Assets	7	813.16	16,814.41
Current Tax Assets (Net)	14	7,007.46	7,256.92
Other Current Assets	15	6,973.69	7,540.60
Total Current Assets		58,902.94	1,19,737.76
Non Current Assets held for Sale	3A	12,719.39	-
TOTAL ASSETS		4,07,472.26	3,30,228.59
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	5,222.79	5,472.79
Other Equity	17	1,62,174.60	1,75,625.40
Total Equity		1,67,397.39	1,81,098.19
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	18	15,812.32	34,941.08
Provisions			
Employee Benefit Obligations	19	4,072.48	5,088.18
Deferred Tax Liabilities (Net)	20	17,188.93	13,680.01
Other Non-Current Liabilities	21	532.13	534.40
Total Non-Current Liabilities		37,605.86	54,243.67
Current Liabilities			
Financial Liabilities			
Borrowings	22	1,34,212.77	49,323.33
Trade Payables	23		
(a) Total outstanding dues of Micro and Small Enterprises		-	-
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		15,674.94	10,624.75
Other Financial Liabilities	24	32,490.28	26,566.19
Other Current Liabilities	25	16,229.38	622.54
Provisions			
Employee Benefit Obligations	19	1,304.51	3,121.54
Other Provisions	26	860.77	344.77
Current Tax Liabilities (Net)	27	1,696.36	4,283.61
Total Current Liabilities		2,02,469.01	94,886.73
Total Liabilities		2,40,074.87	1,49,130.40
TOTAL EQUITY AND LIABILITIES		4,07,472.26	3,30,228.59

The accompanying notes 1 to 61 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

A. Bhattacharya
Partner
Kolkata, 29th June 2019

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

Debanjan Sarkar
Company Secretary

Statement of Profit and Loss

For the year ended 31st March, 2019

Rs. Lakhs

	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from Operations	28	1,30,992.54	1,59,633.58
Other Income	29	31,538.90	32,285.22
Total Income		1,62,531.44	1,91,918.80
Expenses:			
Cost of Materials Consumed	30	15,887.01	18,780.10
Changes in Inventories of Finished Goods	31	(460.42)	1,447.48
Employee Benefits Expense	32	74,541.60	83,652.90
Finance Costs	33	32,665.24	17,092.79
Depreciation and Amortisation Expense	34	6,921.73	8,268.15
Other Expenses	35	51,016.97	54,354.03
Total Expenses		1,80,572.13	1,83,595.45
Profit/(Loss) before Exceptional Items and Tax		(18,040.69)	8,323.35
Exceptional Items	57(a)	18,040.90	-
Profit before Tax		0.21	8,323.35
Tax expense:			
Current Tax	56	710.15	4,391.44
Provision for tax relating to earlier years written back	56	(3,973.29)	-
Deferred Tax	56	3,704.97	(2,794.17)
Profit/(Loss) for the year		(441.62)	6,726.08
Other Comprehensive Income/(Loss)			
a) Items that will not be reclassified to profit or loss			
Remeasurements of post employment defined benefit plans		(660.49)	(3,045.66)
Change in fair value of Equity instruments through other comprehensive income		(5,371.52)	2,385.06
b) Income Tax relating to items that will not be reclassified to profit or loss	56	211.23	972.97
Other Comprehensive Income/(Loss)		(5,820.78)	312.37
Total Comprehensive Income/(Loss) for the year		(6,262.40)	7,038.45
Earnings per Equity Share: [Nominal Value per share : Rs. 5/-]			
- Basic		(0.41)	6.15
- Diluted		(0.41)	6.15

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In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. Bhattacharya
Partner
Kolkata, 29th June 2019

For and on behalf of the Board of Directors

A. Khaitan
Managing Director

K. K. Baheti
Wholtime Director & CFO

Debanjan Sarkar
Company Secretary

Statement of Changes In Equity

For the year ended 31st March, 2019

A. EQUITY SHARE CAPITAL

Rs. Lakhs

	Note	Amount
As at 1st April 2017		5,472.79
Changes in Equity Share Capital during the year		-
As at 1st April 2018	16	5,472.79
Changes in Equity Share Capital during the year (Equity shares bought back and cancelled)	58	(250.00)
As at 31st March 2019	16	5,222.79

B. OTHER EQUITY

Rs. Lakhs

	Reserves and Surplus					Revaluation Surplus	Equity Investments through FVTOCI	Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Re- serve	Other Reserve			
Balance at 1st April 2017	11,053.58	82,979.66	14,238.41	201.68	19,209.20	34,534.18	6,643.88	1,68,860.59
Transfer from retained earnings to general reserve	-	15,000.00	(15,000.00)	-	-	-	-	-
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	660.44	-	-	-	(660.44)	-	-
Profit/(Loss) for the year	-	-	6,726.08	-	-	-	-	6,726.08
Other Comprehensive Income	-	-	(2,072.69)	-	-	-	2,385.06	312.37
Total Comprehensive Income for the year	-	-	4,653.39	-	-	-	2,385.06	7,038.45
Dividend Paid	-	-	(273.64)	-	-	-	-	(273.64)
Balance at 1st April 2018	11,053.58	98,640.10	3,618.16	201.68	19,209.20	33,873.74	9,028.94	1,75,625.40
Adjustment for Buy Back of Equity Share Capital [Refer Note 58]	(6,651.28)	-	-	-	-	-	-	(6,651.28)
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	1,435.85	-	-	-	(1,435.85)	-	-
Profit/(Loss) for the year	-	-	(441.62)	-	-	-	-	(441.62)
Other Comprehensive Income	-	-	(449.26)	-	-	-	(5,371.52)	(5,820.78)
Total Comprehensive Income for the year	-	-	(890.88)	-	-	-	(5,371.52)	(6,262.40)
Dividend Paid	-	-	(537.12)	-	-	-	-	(537.12)
Balance at 31st March 2019	4,402.30	1,00,075.95	2,190.16	201.68	19,209.20	32,437.89	3,657.42	1,62,174.60

The accompanying notes 1 to 61 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

A. Bhattacharya
Partner
Kolkata, 29th June 2019

A. Khaitan
Managing Director

K. K. Baheti
Wholtime Director & CFO

Debanjan Sarkar
Company Secretary

Statement of Cash Flows

For the year ended 31st March, 2019

Rs. Lakhs

	Year Ended	
	31st March, 2019	31st March, 2018
A. Cash Flow from operating activities		
Profit before income tax	0.21	8,323.35
Adjustments to reconcile profit for the year to net cash generated from operating activities:-		
Depreciation and Amortisation Expense	6,921.73	8,268.15
Loss/(Profit) on disposal of Property, Plant and Equipment	(17,679.93)	796.61
Amortisation of Subsidy - Capital Items	(28.92)	(27.65)
Changes in Fair Value of Biological Assets	62.39	(118.09)
Dividend Income	(8,115.05)	(16,003.69)
Interest Income	(14,592.48)	(14,201.95)
Finance Costs	32,665.24	17,092.79
Fair Value Loss on Derivatives (Net)	197.78	1,049.44
Liabilities no longer required written back	(272.20)	(53.08)
Bad Debts Written off	41.84	-
Provision for doubtful interest/advances receivables	7,454.80	-
Allowance for Doubtful Receivables/ advances/ claims	615.06	-
Allowance for bad and doubtful accrued interest no longer required written back	-	(340.00)
Foreign currency translations and transactions - Net	(0.01)	(0.77)
Operating Profit Before Working Capital Changes	7,270.46	4,785.11
Adjustment for:		
Trade Receivables, Loans, Other Financial Assets and Other Assets	6,792.47	3,518.78
Inventories	3,121.44	1,553.88
Trade Payables, Employee Benefit Obligations, Other Financial Liabilities, Other Current Liabilities	14,032.60	972.70
Cash Generated from operations	31,216.97	10,830.47
Income taxes (paid)/ Refund	402.90	(2,444.79)
Net cash from operating activities	31,619.87	8,385.68
B. Cash flows from investing activities:		
Advance received towards buyback of shares of subsidiary	8,390.93	-
Withdrawal of NABARD Deposits	5,902.95	2,015.25
Purchases of Property, Plant and Equipment and Intangibles Assets	(7,430.22)	(7,893.59)
Proceeds from sale of property, plant and equipment	56,642.15	1,340.81
Loans Given	(8,47,745.00)	(81,054.06)
Repayment of Loans Given	7,37,895.55	50,186.00
Investment in Fixed deposits (Net)	(750.00)	-
Dividends Received	8,115.05	16,003.69
Interest Received	11,621.54	9,639.39
Net cash used in investing activities	(27,357.05)	(9,762.51)
C. Cash flows from financing activities		
Payment for buyback of shares including transaction cost	(6,901.00)	-
Proceeds from Long Term Borrowings	4,500.00	36,867.73
Repayment of Long Term Borrowings	(23,814.71)	(10,260.80)
Proceeds from Short Term Borrowings	4,83,900.44	-
Repayment from Short Term Borrowings	(3,99,011.00)	(8,210.85)
Interest paid	(31,961.63)	(16,976.36)
Dividends paid	(537.12)	(273.64)
Net Increase/ (decrease) in statutory restricted bank accounts balances	(34.68)	(45.66)
Net cash from financing activities	26,140.30	1,100.42
Net Increase/ (decrease) in Cash and Cash Equivalents	30,403.12	(276.41)
Opening Cash and Cash Equivalents	254.67	530.31
Closing Cash and Cash Equivalents	30,657.79	253.90
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.		
2. Cash and Cash Equivalents		
Cash and Cash Equivalents as above	30,657.79	253.90
Unrealised loss on foreign currency cash and cash equivalents	0.01	0.77
Cash and Cash Equivalents (Note-12)	30,657.80	254.67

The accompanying notes 1 to 61 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

A. Bhattacharya
Partner
Kolkata, 29th June 2019

A. Khaitan
Managing Director

K. K. Baheti
Wholtime Director & CFO

Debanjan Sarkar
Company Secretary

Notes to Financial Statements

BACKGROUND

McLeod Russel India Limited is a public Company limited by shares, incorporated and domiciled in India. The shares of the Company are listed in National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in cultivation and manufacturing of tea. The tea produced is sold in domestic as well as international markets.

1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation

1.1.1 Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016.

1.1.2 Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 – Presentation of financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.1.3 Historical Cost Convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- i) certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- ii) defined benefit plans – plan assets measured at fair value;
- iii) certain biological assets (including unplucked green leaves) – measured at fair value less cost to sell.

1.2 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

1.3 Foreign Currency Translation

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency (i.e. the currency of the primary economic environment in which the Company operates) using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign Currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

1.4 Revenue Recognition

1.4.1 Revenue from Contracts with Customer

Revenue is measured at the fair value of the consideration received or receivable, net of returns, claims and discounts to customers. Revenue excludes amounts collected on behalf of third parties, such as Goods and Services Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

1.4.2 Interest and dividend Income

Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive dividend is established. Income from investments are accounted on an accrual basis.

1.5 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Notes to Financial Statements

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the acquisition/construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

1.6 Accounting for Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.7 Inventories

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realisable value. Cost being the fair value less cost to sell at the point of harvest of tea leaves.

Raw materials of purchased tea leaves, Stores and Spare parts and Finished Goods are stated at lower of cost and net realisable value. Cost of Finished Goods comprise of direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.8 Biological Assets

Tea leaves growing on tea bushes are measured at fair value less cost to sell with changes in fair value recognised in Statement of Profit and Loss.

1.9 Financial Assets

1.9.1 Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

1.9.2 Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where

Notes to Financial Statements

those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The Company measures all equity investments (except subsidiary and associate) at fair value through profit or loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Investment in subsidiary and associate are carried at cost less accumulated impairment, if any.

Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any.

Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income/expenses.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.9.3 Impairment of financial assets

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) held at amortized cost and financial assets that are measured at fair value through other comprehensive income for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

1.9.4 Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Notes to Financial Statements

1.10 Financial liabilities

1.10.1 Initial recognition and measurement

The Company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

1.10.2 Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those mentioned below.

1.10.3 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as Fair Value through profit or loss, fair value gains/losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/losses are not subsequently transferred to Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

1.10.4 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment

when due. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

1.11 Property, Plant and Equipment

Land is carried at cost and not depreciated. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April 2015 measured as per the previous generally accepted accounting principles and also includes expenditure that is directly attributable to the acquisition of the items. Properties in the course of construction are carried at cost, less any impairment loss.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, which are also supported by technical evaluation. Item of Property, Plant and Equipment for which related actual cost do not exceed Rs. 5,000 are fully depreciated in the year of purchase. In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-

Plant and Equipment : Ranging from 7 years to 30 years

Non-factory Buildings : Ranging from 15 years to 70 years

Bearer Plants : 77 years

Notes to Financial Statements

Bearer plants comprising of mature tea bushes are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

Costs incurred for infilling are generally recognized in the Statement of Profit and Loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

1.12 Intangible Assets

1.12.1 Trademark

Separately acquired Trademark is shown at cost. It is amortised over expected useful life and is subsequently carried at cost less accumulated amortisation and impairment losses, if any. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April 2015 measured as per the previous generally accepted accounting principles.

1.12.2 Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Costs of purchased software are recorded as intangible assets and amortised from the point at which the asset is available for use.

1.12.3 Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Trademark 20 years
- Computer software 5 years

1.13 Non-current assets held for sale

Non-current assets held for sale are presented separately in the balance sheet when the following criteria are met:

- the Company is committed to selling the asset;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- Sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

1.14 Provision, Contingent Liabilities and Contingent Assets, legal or constructive

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

1.15 Employee Benefits

1.15.1 Short-term Employee Benefits

These are recognised at the undiscounted amount as expense for the year in which the related service is rendered.

1.15.2 Other Long-term Employee Benefits (Unfunded)

The cost of providing long-term employee benefits is determined using Projected Unit

Notes to Financial Statements

Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

1. 15.3 Post-employment Benefit Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Other Comprehensive Income for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

1. 15.4 Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.16 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to

increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.17 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.18 Research and Development

Revenue expenditure on Research and Development is recognised as a charge in the Statement of Profit and Loss. Capital expenditure on assets acquired for Research and Development is added to Property, Plant and Equipment, if any.

1.19 Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss

1.20 Changes in Accounting Standards and Other recent accounting Pronouncements

On 30th March 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The new standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the Statement of Profit and Loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards Amendment) Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1 2019.

Notes to Financial Statements

-Ind AS 12 – Income taxes – Appendix C on uncertainty over income tax treatments

-Ind AS 23 – Borrowing costs

-Ind AS 28 – Investment in associates and joint ventures

-Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements

-Ind AS 109 – Financial instruments

-Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments and does not expect significant impact on its financial statements.

2. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements require the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a high degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates and judgements are:

i. Taxation

The Company is engaged in agricultural activities and accordingly, significant judgement is involved in determining the tax liability for the Company. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date.

ii. Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

iii. Impairment of property, plant and equipment

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

iv. Employee Benefits

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based in part on current market conditions.

v. Provisions and Contingencies

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the balance sheet date.

vi. Fair Value of Biological Assets

The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

vii. Fair valuation

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 - Financial Instruments and Ind AS 113 - Fair Value Measurement. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc. or on the basis of networth of the companies as applicable.

Notes to Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS AMOUNT					ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT
	As at 1st April 2017	Additions during the year	Disposals during the year	Assets Held for Sale [Note 57(b)]	As at 31st March 2018	As at 1st April 2017	Depreciation for the year	Disposals during the year	Assets Held for Sale [Note 57(b)]	As at 31st March 2018	As at 31st March 2018
Land [Refer (a) below]	4,312.32	-	-	-	4,312.32	-	-	-	-	-	4,312.32
Buildings	44,637.41	4,315.49	409.43	-	48,543.47	5,162.59	2,804.33	56.40	-	7,910.52	40,632.95
Plant and Equipment	32,430.23	2,506.67	287.05	-	34,649.85	3,953.25	2,417.52	56.83	-	6,313.94	28,335.91
Furniture and Fixtures	889.04	78.90	4.95	-	962.99	250.16	126.53	1.19	-	375.50	587.49
Vehicles	3,103.57	444.46	31.89	-	3,516.14	876.25	536.89	19.06	-	1,394.08	2,122.06
Office Equipment	86.98	14.49	-	-	101.47	43.80	23.93	-	-	67.73	33.74
Computer	268.30	63.44	2.23	-	329.51	125.48	53.26	1.70	-	177.04	152.47
Bearer Plants	90,102.38	-	1,653.50	-	88,448.88	3,948.54	1,919.04	116.45	-	5,751.13	82,697.75
Total	175,830.23	7,423.45	2,389.05	-	180,864.63	14,360.07	7,881.50	251.63	-	21,989.94	158,874.69

a) Represents cost of proportionate share of undivided land pertaining to certain portion of a office building.

Particulars	GROSS AMOUNT					ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT
	As at 1st April 2018	Additions during the year	Disposals during the year	Assets Held for Sale [Note 57(b)]	As at 31st March 2019	As at 1st April 2018	Depreciation for the year	Disposals during the year	Assets Held for Sale [Note 57(b)]	As at 31st March 2019	As at 31st March 2019
Land [Refer (a) below]	4,312.32	-	-	-	4,312.32	-	-	-	-	-	4,312.32
Buildings	48,543.47	3,828.51	14,029.35	3,714.44	34,628.19	7,910.52	2,462.28	2,612.46	942.53	6,817.81	27,810.38
Plant and Equipment	34,649.85	1,493.96	9,946.39	2,736.76	23,460.66	6,313.94	2,016.06	1,995.98	698.46	5,635.56	17,825.10
Furniture and Fixtures	962.99	51.04	251.71	53.78	708.54	375.50	94.78	102.36	26.32	341.60	366.94
Vehicles	3,516.14	55.95	996.96	224.98	2,350.15	1,394.08	434.51	491.10	132.40	1,205.09	1,145.06
Office Equipment	101.47	5.90	29.92	6.61	70.84	67.73	14.40	20.29	6.34	55.50	15.34
Computer	329.51	28.88	66.99	19.30	272.10	177.04	45.48	39.11	13.62	169.79	102.31
Bearer Plants	88,448.88	938.87	20,428.87	7,925.78	61,033.10	5,751.13	1,564.41	1,526.67	607.84	5,181.03	55,852.07
Total	180,864.63	6,403.11	45,750.19	14,681.65	126,835.90	21,989.94	6,631.92	6,787.97	2,427.51	19,406.38	107,429.52

a) Represents cost of proportionate share of undivided land pertaining to certain portion of a office building.

Notes to Financial Statements

3A NON CURRENT ASSETS HELD FOR SALE

Particulars	Capital Work In Progress	Property, Plant & Equipment*	Total
As at April 1, 2018	-	-	-
Additions	465.25	12,254.14	12,719.39
Disposals	-	-	-
As at March 31, 2019	465.25	12,254.14	12,719.39

* Represents net carrying amount [Refer Note 3]

4. OTHER INTANGIBLE ASSETS

Particulars	GROSS AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	As at 1st April 2017	Additions during the year	Disposals during the year	As at 31st March 2018	As at 1st April 2017	Amortisation for the year	Disposals during the year	As at 31st March 2018	As at 31st March 2018
Trade Mark [Brand] [Refer (a) below]	2,437.50	-	-	2,437.50	500.00	250.00	-	750.00	1,687.50
Computer Software [Refer (b) below]	522.62	5.59	-	528.21	323.61	136.65	-	460.26	67.95
Total	2,960.12	5.59	-	2,965.71	823.61	386.65	-	1,210.26	1,755.45

Particulars	GROSS AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	As at 1st April 2018	Additions during the year	Disposals during the year	As at 31st March 2019	As at 1st April 2018	Amortisation for the year	Disposals during the year	As at 31st March 2019	As at 31st March 2019
Trade Mark [Brand] [Refer (a) below]	2,437.50	-	-	2,437.50	750.00	250.00	-	1,000.00	1,437.50
Computer Software [Refer (b) below]	522.62	1.40	-	529.61	460.26	39.81	-	500.07	29.54
Total	2,965.71	1.40	-	2,967.11	1,210.26	289.81	-	1,500.07	1,467.04

(a) Trade mark (Brand - WM logo), acquired in January 2005, is being amortised under straight line method over 20 years on prudent basis based on valuation by independent valuer, considering the factors like effective life/utility.

(b) Computer Software is being amortised under straight line method over 5 years.

Notes to Financial Statements**5. NON-CURRENT INVESTMENTS**

(In Equity Shares of Rs 10 each fully paid, except otherwise stated)

Rs. Lakhs

	31st March 2019	31st March 2018
5A Investment in Subsidiary and Associate		
In Subsidiary (at cost unless stated otherwise)		
Unquoted		
Borelli Tea Holdings Limited -BTHL, (U.K.) * #		
362000 (31.03.2018 - 362000) Shares of GBP 1/- each	22,936.98	22,936.98
In Associate (at cost unless stated otherwise)		
Unquoted		
D1 Williamson Magor Bio Fuel Limited		
7281201 (31.03.2018 - 7281201) Shares , fully impaired	-	-
	22,936.98	22,936.98
a. Aggregate amount of unquoted investments	22,936.98	22,936.98
b. Aggregate amount of impairment in the value of investments	2,184.35	2,184.35
* The Company has undertaken to continue to directly hold 100% (31st March 2018 – 100%) of the shares in the share capital of Borelli Tea Holdings Limited (BTHL) in connection with the Term Loan obtained by BTHL and the shares pledged to lender.		
# Standard Chartered Bank has exclusive charge by way of pledge of company's shareholding in BTHL on account of loan of Rs 100 Crores (Balance Outstanding as on 31st March 2019 Rs. 60 Crores)		
5B Other Investments (at fair value through other comprehensive income)		
Quoted		
Murablack India Limited		
500000 (31.03.2018 - 500000) Shares , fully impaired	-	-
McNally Bharat Engineering Co. Limited - MBECL**		
3052295 (31.03.2018 - 3052295) Shares	209.08	1,799.33
Williamson Financial Services Limited		
1666953 (31.03.2018 - 1666953) Shares	308.39	481.72
Eveready Industries India Limited ##		
1663289 (31.03.2018 - 1663289) Shares of Rs. 5/- each	3,194.31	6,233.17
Kilburn Engineering Limited		
848168 (31.03.2018 - 848168) Shares	373.19	628.92
The Standard Batteries Limited		
1003820 (31.03.2018 - 1003820) Shares of Re. 1/- each	60.33	92.85
Kilburn Chemicals Limited		
350200 (31.03.2018 - 350200) Shares	90.70	371.21
Kilburn Office Automation Limited		
31340 (31.03.2018 - 31340) Shares	1.83	2.15

Notes to Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
Suryachakra Seafood Limited		
400000 (31.03.2018 - 400000) Shares, fully impaired	-	-
Unquoted		
ABC Tea Workers Welfare Services Limited		
11067 (31.03.2018 - 11067) Shares	0.71	0.71
Total Non-Current Investments	4,238.54	9,610.06
a. Aggregate amount of unquoted investments	0.71	0.71
b. Aggregate amount of quoted investments	4,237.83	9,609.35
c. Aggregate market value of quoted investments	4,237.83	9,609.35
d. Aggregate amount of impairment in the value of investments #	-	-

** In connection with a Term Loan of Rs. 5,000.00 lakhs (31st March 2018 – Rs. 5000.00 lakhs) taken by McNally Bharat Engineering Company Limited (MBECL) from banks, the Company has furnished a Non-Disposal Undertaking of its present and future holding of shares in MBECL, to remain valid so long as any monies remain due by MBECL in respect of the said loan to such banks.

Amount is below the rounding off norm adopted by the Company.

Offered as pledge to Housing Development Finance Corporation Limited against short-term loan of Rs. 7,500 lakhs; however creation of the pledge has not been completed till 31st March 2019.

6. LOANS

(Unsecured - considered good unless otherwise stated)

Rs. Lakhs

	31st March 2019		31st March 2018	
	Current	Non-Current	Current	Non-Current
Loans to Employees				
Considered Good	13.49	-	72.04	-
Considered Doubtful	-	9.56	-	9.56
Less: Allowance for Doubtful Loans	-	(9.56)	-	(9.56)
Loans to Bodies Corporate				
Considered Good [Refer Note 60]	-	174,468.00	64,560.00	-
Considered Doubtful	-	1,098.00	-	1,098.00
Less: Allowance for Doubtful Loans	-	(1,098.00)	-	(1,098.00)
	13.49	174,468.00	64,632.04	-

Notes to Financial Statements**7. OTHER FINANCIAL ASSETS**

Rs. Lakhs

	31st March 2019		31st March 2018	
	Current	Non-Current	Current	Non-Current
Margin Money Deposit with banks (a)	-	19.69	-	17.72
Other Long Term Receivable				
- From Sale of specified assets of Tea Estates	-	2,317.08	-	91.13
Interest Accrued on Loans and Deposits [Refer Note 60]				
Considered good	-	7,959.57	12,425.86	-
Considered Doubtful	-	8,509.40	-	1,149.60
Less: Allowance for Doubtful Interest Receivable	-	(8,509.40)	-	(1,149.60)
Deposits with National Bank for Agriculture and Rural Development	387.15	-	3,000.00	3,290.10
Receivable on account of claim/disposal of assets	426.01	-	1,388.55	-
	813.16	10,296.34	16,814.41	3,398.95

(a) For issuing Bank Guarantees.

8. OTHER NON-CURRENT ASSETS

Rs. Lakhs

	31st March 2019	31st March 2018
Capital Advances *	6,704.03	529.38
Advances Other than Capital Advances:		
Advances to Suppliers, Service Providers etc.	1,217.20	1,217.20
Less : Allowance for Doubtful Advances	(1,217.20)	(1,217.20)
Subsidies receivable from Government	579.35	579.35
Advance for Employee Benefit [Refer Note 38]	494.36	465.06
Prepaid Expenses	247.01	255.13
Tax Payment under Protest [Refer Note 50 (a)]	700.00	700.00
Security Deposits	1,543.90	1,910.01
	10,268.65	4,438.93

* Includes Rs. 6,600 lakhs (31.03.2018 - Rs. Nil) paid to Williamson Magor & Company Limited towards purchase of certain floors of an office building

Notes to Financial Statements

9. INVENTORIES

Rs. Lakhs

	31st March 2019	31st March 2018
At lower of cost and net realisable value		
Raw Materials (Green Leaf)	2.17	317.26
Finished Goods (Stock of Tea)	5,734.46	5,274.04
[including in transit Rs. Nil (31.03.2018 - Rs. 918.40 lakhs)]		
Stores and Spares *	3,615.01	6,881.78
	9,351.64	12,473.08

* Net of allowance for slow moving/obsolete inventory Rs. 81.93 lakhs (31.03.2018 - Rs. 81.93 lakhs)

10. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

Rs. Lakhs

	31st March 2019	31st March 2018
Fair Value of Biological Assets other than Bearer Plants (Unharvested Tea Leaves)*	453.72	516.11
	453.72	516.11
Biological Assets Other Than Bearer Plants		
As at Opening date	516.11	398.02
Increase due to harvest/physical changes	453.72	516.11
Decrease due to harvest/physical changes	(516.11)	(398.02)
As at closing date	453.72	516.11

*Unharvested tea leaves on bushes as on 31st March 2019 was 16.93 lakh kgs (31.03.2018- 19.85 lakh kgs).

11. TRADE RECEIVABLES

Rs. Lakhs

	31st March 2019	31st March 2018
Secured		
- Considered Good	350.00	350.00
Unsecured		
- Considered Good	2,214.88	9,548.15
- Considered Doubtful	371.49	340.90
Less: Allowance for Doubtful Debts	(371.49)	(340.90)
	2,564.88	9,898.15

Transferred Receivables

The carrying amounts of the trade receivables include receivables which have been discounted with banks in terms of arrangement with banks. The Company has retained the credit risk and continued to recognise the transferred assets in their entirety in the Balance Sheet.

The relevant carrying amounts are as follows:

Total transferred receivables	813.35	1,458.25
Associated payable [Refer Note 24]	813.35	1,458.25

Notes to Financial Statements**12. CASH AND CASH EQUIVALENTS**

Rs. Lakhs

	31st March 2019	31st March 2018
Balance with banks in Current Accounts *	30,626.41	182.45
Cash on hand	31.39	72.22
	30,657.80	254.67

* Includes Rs. 120.30 lakhs as on 31st March 2019 (31st March 2018 - Rs. Nil) pertaining to bank accounts held in the name of Company but operated by buyers against sale of specified assets of certain Tea estates [Refer note 57(a)]

13. OTHER BANK BALANCES

Rs. Lakhs

	31st March 2019	31st March 2018
Dividend Accounts **	316.94	351.62
Deposits with Banks	750.00	-
Escrow Accounts/Fractional Share Sale Proceeds Account	0.16	0.16
	1,067.10	351.78

** Earmarked for payment of unclaimed dividend

14. CURRENT TAX ASSETS (NET)

Rs. Lakhs

	31st March 2019	31st March 2018
Advance Tax - Agricultural Income Tax	6,699.70	6,949.16
[Net of Provision Rs. 15,319.34 lakhs (31.03.2018 - Rs 15,069.89 lakhs)]		
Advance Tax - Fringe Benefit Tax	307.76	307.76
[Net of Provision Rs. 273.20 lakhs (31.03.2018 - Rs 273.20 lakhs)]		
	7,007.46	7,256.92

15. OTHER CURRENT ASSETS

Rs. Lakhs

	31st March 2019	31st March 2018
Balance with Government Authorities	1,097.35	1,232.55
Advances to Suppliers, Service Providers etc.		
Considered Good	2,342.64	1,514.68
Considered Doubtful	150.54	103.69
Less: Allowance for Doubtful Advances	(150.54)	(103.69)
Advance for Employee Benefits [Refer Note 38]	1,221.06	1,824.32
Advance to Employees	345.40	706.27
Recoverable from Director [Refer Note 43 (f)]	263.01	263.01
Prepaid Expenses	719.22	835.96
Subsidies receivable from Government	609.10	591.05
Accrued Duty exemption benefits pertaining to exports	331.80	528.65
Compensation receivable from Government	44.11	44.11
	6,973.69	7,540.60

Notes to Financial Statements

16. EQUITY SHARE CAPITAL

Rs. Lakhs

	31st March 2019	31st March 2018
Authorised		
12,00,00,000 (31.03.2018 - 12,00,00,000) Equity Shares of Rs. 5/- each	6,000.00	6,000.00
Issued, subscribed and paid-up		
10,94,55,735 (31.03.2018 - 10,94,55,735) Equity Shares of Rs. 5/- each fully paid up	5,472.79	5,472.79
Less: Buy Back of 50,00,000 shares during the year [Refer Note 58]	(250.00)	-
	5,222.79	5,472.79

(A) Reconciliation of number of Equity Shares outstanding

	31st March 2019 No of Shares	31st March 2018 No of Shares
As at beginning of the year	109,455,735	109,435,735
Less: Buy back of shares	5,000,000	-
At the end of the year	104,455,735	109,435,735

(B) Rights, preferences and restrictions attached to Shares

The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 5/- per share. Each shareholder is eligible for one vote per share held and is entitled to participate in Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(C) Shareholders holding more than 5% of the Equity Shares in the Company

	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2018
	(No. of Shares)	%	(No. of Shares)	%
Kamal Baheti (Trustee of Borelli Tea Holdings Limited, U.K.)	17,067,500	16.34	17,067,500	15.59
Williamson Magor & Co. Limited	11,660,946	11.16	11,660,946	10.65
The Nomura Trust & Banking Co. Ltd as the Trustee of Nomura India Stock Mother Fund	64,75,220	6.20	6,508,116	5.95
Williamson Financial Services Limited	5,898,725	5.65	5,898,725	5.39
Edgbaston Asian Equity Trust	6,273,796	6.01	5,519,122	5.04
HDFC Small Cap Fund	6,437,496	6.16	-	-

Notes to Financial Statements**17. OTHER EQUITY**

Rs. Lakhs

	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Reserve	Other Reserve	Revaluation Surplus	Equity Investments through FVTOCI	Total
As at 1 April 2017	11,053.58	82,979.66	14,238.41	201.68	19,209.20	34,534.18	6,643.88	168,860.59
Profit for the year	-	-	6,726.08	-	-	-	-	6,726.08
Transfer from retained earnings to general reserve	-	15,000.00	(15,000.00)	-	-	-	-	-
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	660.44	-	-	-	(660.44)	-	-
Dividend Paid	-	-	(273.64)	-	-	-	-	(273.64)
Items of Other Comprehensive Income recognised directly in retained earnings	-	-	-	-	-	-	-	-
Remeasurements of post-employment defined benefit obligations (Net of Tax)	-	-	(2,072.69)	-	-	-	-	(2,072.69)
Changes in Fair Value of equity instruments designated at FVTOCI	-	-	-	-	-	-	2,385.06	2,385.06
As at 31 March 2018	11,053.58	98,640.10	3,618.16	201.68	19,209.20	33,873.74	9,028.94	175,625.40
Profit/(Loss) for the year	-	-	(441.62)	-	-	-	-	(441.62)
Adjustment for Buy Back of Equity Share Capital [Refer Note 58]	(6,651.28)	-	-	-	-	-	-	(6,651.28)
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	1,435.85	-	-	-	(1,435.85)	-	-
Dividend Paid	-	-	(537.12)	-	-	-	-	(537.12)
Items of Other Comprehensive Income recognised directly in retained earnings	-	-	-	-	-	-	-	-
Remeasurements of post-employment defined benefit obligations (Net of Tax)	-	-	(449.26)	-	-	-	-	(449.26)
Changes in Fair Value of equity instruments designated at FVTOCI	-	-	-	-	-	-	(5,371.52)	(5,371.52)
As at 31 March 2019	4,402.30	100,075.95	2,190.16	201.68	19,209.20	32,437.89	3,657.42	162,174.60

Nature and Purpose of Other Reserves**a) Capital Reserve**

Represents the amount transferred from the transferor company pursuant to Scheme of Arrangement effected in earlier years.

b) Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

c) General Reserve

General Reserve is created and utilised in compliance with the provisions of the Companies Act, 2013.

Notes to Financial Statements

d) Other Reserves

Represents the balance amount of reserve which had arisen on transfer of Bulk Tea Division of Eveready Industries India Limited pursuant to Scheme of Arrangement.

e) Retained Earnings

Retained earnings represent accumulated profits earned by the Company and remaining undistributed as on date and remeasurement of defined benefit plans.

f) Revaluation Surplus

Revaluation Surplus, being the excess of market value over the carrying value of certain assets is transferred from the transferor companies pursuant to the Schemes of Arrangement. The said reserve is utilised for adjustment of depreciation attributable to such excess amount and is credited to general reserve.

g) Equity Investments through FVTOCI

The Company has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income. These changes are accumulated within the Equity Investments through FVTOCI. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

18. NON CURRENT BORROWINGS

Rs. Lakhs

	31st March 2019	31st March 2018
SECURED		
Term Loans from Banks		
ICICI Bank Limited	2,995.81	4,988.93
Less : Current maturities of long term debts	(1,996.39)	(1,993.13)
	999.42	2,995.80
a) Nature of Security Secured by first pari passu charge of certain tea estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets.		
b) Rate of Interest Interest is payable on monthly basis at base rate plus 0.40% p.a.		
c) Terms of Repayment six (31.03.2018-Ten) equal quarterly installments of Rs. 500 Lakhs each.		
ICICI Bank Limited	6,030.90	8,838.64
Less : Current maturities of long term debts	(1,082.64)	(1,937.75)
	4,948.26	6,900.89
a) Nature of Security Secured by first pari passu charge of certain tea estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets.		
b) Rate of Interest Interest is payable on monthly basis at 1 year MCLR plus 1.70% p.a		
c) Terms of Repayment Repayable Rs. 130 lakhs in September, 2019 and 12 equal installments of Rs. 500 lakhs each from December, 2019.		

Notes to Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
HDFC Bank Limited	2,297.05	5,988.68
Less : Current maturities of long term debts	(2,297.05)	(2,991.63)
	-	2,997.05
a) Nature of Security Secured by extension of exclusive charge over certain tea estates		
b) Rate of Interest Interest is payable on monthly basis at HDFC bank at 1 year MCLR plus 1.40% p.a.		
c) Terms of Repayment Repayable Rs 50 lakhs in June 2019 and balance in 3 quarterly equal instalments of Rs 750 lakh each (31.03.2018 - Eight)		
HDFC Bank Limited	4,400.00	-
Less : Current maturities of long term debts	(1,446.24)	-
	2,953.76	-
a) Nature of Security (i) Secured by first pari-passu charge on the entire present and future moveable fixed assets of the company (ii) To be secured by equitable mortgage of specific tea estates of the company		
b) Rate of Interest Interest is payable on monthly basis at 3-month MCLR plus 3.00% p.a.		
c) Terms of Repayment 12 equal quarterly instalments of Rs. 375 Lakhs each starting from June, 2019		
RBL Bank Limited	5,934.28	9,960.44
Less : Current maturities of Long term debt	(3,940.06)	(3,960.44)
	1,994.22	6,000.00
a) Nature of Security Subservient charge by way of hypothecation/mortgage over the fixed assets of the Company both present and future.		
b) Rate of Interest Interest is payable on monthly basis at RBL Bank's 1 year MCLR plus 1.10%		
c) Terms of Repayment Repayable in six (31.03.2018- ten) equal quarterly instalments of Rs. 1000 Lakhs each		

Notes to Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
Yes Bank Limited	4,312.57	4,898.96
Less : Current maturities of Long term debt	(1,219.62)	(898.89)
	3,092.95	4,000.07
a) Nature of Security		
(i) Exclusive charge on all the Moveable Fixed assets of certain tea estates- both present and future		
(ii) To be secured by Exclusive charge on all the Immoveable Fixed assets of certain tea estates- both present and future		
(iii) To be Secured by way of Pledge of entire equity shares of Mcleod Russel Uganda Limited (MRUL)		
(iv) To be secured by Mortgage of a property of Seajuli Developers & Finance Limited located at 4, Sunny Park, Kolkata -700019		
(v) To be secured by Pledge of entire equity shares of Phuben Tea Company Limited(PBTC), Vietnam in favour of bank		
b) Rate of Interest		
Interest is payable on monthly basis at 1 year MCLR plus 1.15% per annum		
c) Terms of Repayment		
Repayable in sixteen equal quarterly instalments commencing from August, 2018 of Rs. 312.50 lakhs each		
Yes Bank Limited	-	2,391.18
Less : Current maturities of Long term debt	-	-
	-	2,391.18
a) Nature of Security		
Exclusive charge by way of equitable mortgage on certain tea estates and subservient charge on entire current assets and movable fixed assets.		
b) Rate of Interest		
Interest is payable on monthly basis at 1 year MCLR.		
c) Terms of Repayment		
Repayable in fourteen equal quarterly instalments commencing from February, 2022 of Rs. 178.50 lakhs each		
Yes Bank Limited	-	7,324.24
Less : Current maturities of Long term debt	-	(493.65)
	-	6,830.59
a) Nature of Security		
Exclusive charge by way of equitable mortgage on certain tea estates and subservient charge on entire current assets and movable fixed assets.		
b) Rate of Interest		
Interest is payable on monthly basis at 1 year MCLR plus 1.15%		
c) Terms of Repayment		
Repayable in twenty eight equal quarterly instalments commencing from December, 2018 of Rs. 267.80 lakhs each		

Notes to Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
Term Loan from Others		
Housing Development Finance Corporation Limited	2,850.03	3,744.27
Less : Current maturities of Long term debt	(1,026.32)	(918.77)
	1,823.71	2,825.50
a) Nature of Security Secured by mortgage of property at Registered Office, Kolkata and certain tea estates.		
b) Rate of Interest Interest is payable on monthly basis at HDFC CORP-PLR plus 2.10% p.a.		
c) Terms of Repayment Thirty one (31.03.2018 - Forty three) equated monthly instalments (including interest) of Rs. 108.46 Lakhs each.		
	15,812.32	34,941.08

19. EMPLOYEE BENEFIT OBLIGATIONS

Rs. Lakhs

	31st March 2019		31st March 2018	
	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits [Refer Note 38]	1,304.51	4,072.48	3,121.54	5,088.18
	1,304.51	4,072.48	3,121.54	5,088.18

20. DEFERRED TAX LIABILITIES (NET)

Rs. Lakhs

	31st March 2019	31st March 2018
Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
i) Property, Plant and Equipment and Other Intangible Assets	24,308.15	29,540.05
ii) Other Items	-	175.32
Deferred Tax Liabilities (A)	24,308.15	29,715.37
Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
i) Losses under Agricultural Income Tax	-	8,624.15
ii) Items allowed for tax purpose on payment	2,141.62	2,502.70
iii) Allowance for Doubtful debts, Advances etc.	1,529.16	1,448.08
iv) Minimum Alternate Tax Credit Entitlement	3,063.37	3,078.54
v) Other items	385.07	381.89
Deferred Tax Assets (B)	7,119.22	16,035.36
Net Deferred Tax Liabilities (A-B)	17,188.93	13,680.01

Notes to Financial Statements
MOVEMENT IN DEFERRED TAX LIABILITIES

Rs. Lakhs

Particulars	Property, Plant and Equipment	Losses under Agricultural Income Tax	Items Allowed for tax purpose on payment	Allowance for Doubtful debts, Advances etc.	Other items	Total
As at 1st April 2017	29,615.87	(5,748.63)	(1,683.12)	(1,356.19)	(302.23)	20,525.70
Charged /(credited)						
- to profit or loss	(75.82)	(2,875.52)	153.39	(91.89)	95.66	(2,794.18)
- to other comprehensive income	-	-	(972.97)	-	-	(972.97)
As at 31st March 2018	29,540.05	(8,624.15)	(2,502.70)	(1,448.08)	(206.57)	16,758.55
Less: Minimum Alternate Tax Credit Entitlement						(3,078.54)
Net Deferred Tax Liabilities						13,680.01
As at 1st April 2018	29,540.05	(8,624.15)	(2,502.70)	(1,448.08)	(206.57)	16,758.55
Charged /(credited)						
- to profit or loss	(5,231.90)	8,624.15	572.31	(81.08)	(178.50)	3,704.98
- to other comprehensive income			(211.23)			(211.23)
As at 31st March 2019	24,308.15	-	(2,141.62)	(1,529.16)	(385.07)	20,252.30
Less: Minimum Alternate Tax Credit Entitlement						(3,063.37)
Net Deferred Tax Liabilities						17,188.93

21. OTHER NON - CURRENT LIABILITIES

Rs. Lakhs

	31st March 2019	31st March 2018
Deferred Revenue arising from Government Grants	532.13	534.40
	532.13	534.40

22. CURRENT BORROWINGS

Rs. Lakhs

	31st March 2019	31st March 2018
Secured Loans from Banks		
Cash Credit, Packing Credit and Demand Loans	27,222.77	23,323.33
Nature of Security Secured by equitable first mortgage by way of deposit of title deeds of immovable properties of certain tea estates ranking pari passu and hypothecation of tea crop, movable properties and book-debts, present and future of the Company.		
Secured Loans - Short Term		
Axis Bank Limited	7,500.00	-
(a) Nature of security: Secured by second charge on certain tea-estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets		
Personal guarantee of Mr. Aditya Khaitan, Director		

Notes to Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
Axis Bank Limited	7,500.00	10,000.00
(a) Nature of security: Secured by second charge on certain tea-estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets		
RBL Bank Limited	11,000.00	-
(a) Nature of security: Subservient charge by way of hypothecation / mortgage over fixed assets of the Company - both present and future		
Standard Chartered Bank	6,000.00	-
(a) Nature of security: Exclusive charge by way of pledge of Company's shareholding in Borelli Tea Holdings Limited		
Personal guarantee of Mr. Aditya Khaitan, Director		
IndusInd Bank Limited	3,500.00	-
(a) Nature of security: (i) Exclusive charge on certain tea estates with minimum cover of 1.4x (ii) Pledge of shares of company held by Mr. K K Baheti (as Trustee of Borelli Tea Holdings Limited) (iii) Personal guarantee of Mr. Aditya Khaitan, Director		
Yes Bank Limited	37,990.00	-
(a) Nature of security: (i) Exclusive charge on all the Moveable Fixed assets of certain tea estates- both present and future (ii) To be secured by Exclusive charge on all the Immoveable Fixed assets of certain tea estates- both present and future (iii) To be secured by way of Pledge of entire equity shares of Mcleod Russel Uganda Limited (MRUL) (iv) To be secured by Mortgage of a property of Seajuli Developers & Finance Limited located at 4, Sunny Park, Kolkata -700019 (v) To be secured by Pledge of Listed Equity shares of Eveready Industries Limited and the Company, held by Williamson Magor Co. Limited, Williamson Financial Services Limited and Bishanuth Investments Limited equivalent to 0.5x times of Short term loan facility. (vi) To be secured by Pledge of entire equity shares of Phuben Tea Company Limited(PBTC), Vietnam in favour of bank		
Secured Loans from Others		
Housing Development Finance Corporation Ltd	6,500.00	-
(a) Nature of security: (i) Secured by mortgage of property at 4 Mangoe Lane- entire ground to sixth floor and 10th floor owned by Williamson Magor & Co Limited (ii) Secured by mortgage of property at 4 Mangoe Lane- entire seventh to ninth floor (iii) Secured by Company's share-holding in Eveready Industries India Limited, and additionally secured by certain shareholding of group-companies in Eveready Industries India Limited (iv) Secured by pledge of 1.35 lakh shares of the Company held by group-companies (v) Personal guarantee of Mr. Aditya Khaitan, Director		

Notes to Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
SREI Equipment Finance Limited	5,000.00	-
(a) Nature of Security To be Secured by Exclusive charge on the equipment procured from the loan, pari-passu charge on moveable assets of certain tea-estates of the Company Personal guarantee of Mr. Aditya Khaitan, Director		
Techno Electric and Engineering Company Limited	10,000.00	-
(a) Nature of Security Mortgage of a property of Seajuli Developers & Finance Limited located at 4, Sunny Park, Kolkata -700019 To be Secured by Exclusive charge by way of equitable mortgage on certain tea estates		
Unsecured Loans - Short Term		
Unsecured Loans from Banks		
RBL Bank Limited	2,000.00	16,000.00
Unsecured Loans from Others		
Intercompany Loans from Body Corporates	10,000.00	-
	134,212.77	49,323.33

23. TRADE PAYABLES

Rs. Lakhs

	31st March 2019	31st March 2018
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises [Refer Note 52]	-	-
b) Total outstanding dues other than micro enterprises and small enterprises	15,674.94	10,624.75
	15,674.94	10,624.75

24. OTHER FINANCIAL LIABILITIES

Rs. Lakhs

	31st March 2019	31st March 2018
Current maturities of long-term debts	13,008.32	13,194.27
Interest accrued but not due on borrowings	30.28	121.03
Interest accrued and due on borrowings	794.36	-
Unpaid Dividends*	316.94	351.62
Unclaimed Fractional Share Sale Proceeds	0.16	0.16
Deposits Received from Agents/Customers	108.09	108.09
Employee Benefits Payable	12,871.25	10,631.02
Capital Liabilities	972.83	89.24
Payable for Bill Discounting [Refer Note 11]	813.35	1,458.25
Derivative not designated as hedges	807.29	609.51
Payable on account of Disposal of Assets	2,766.81	-
Sitting fees payable to Non-Executive Directors	0.60	3.00
	32,490.28	26,566.19

*There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

Notes to Financial Statements**25. OTHER CURRENT LIABILITIES**

Rs. Lakhs

	31st March 2019	31st March 2018
Advances from Customers / Selling Agents	6,851.46	5.46
Advance from subsidiary for buy back of shares [Refer Note 59]	8,390.92	-
Statutory Liabilities	987.00	617.08
	16,229.38	622.54

26. PROVISIONS

Rs. Lakhs

	31st March 2019	31st March 2018
Provision for Tax on Proposed Dividend [Refer Note 50 (b)]	344.77	344.77
Provision for Other Retiral Benefits [Refer Note 26.1 below]	516.00	-
	860.77	344.77

Note 26.1: This represents the management estimate of the amount that may have to be reimbursed to an Employee Provident Fund, in respect of certain investments made by the said fund, which may not be ultimately recoverable.

27. CURRENT TAX LIABILITIES (NET)

Rs. Lakhs

	31st March 2019	31st March 2018
Provision for Income Tax	1,696.36	4,283.61
[Net of Advance Tax Rs. 20,040.63 lakhs (31.03.2018 - Rs 21,264.31 lakhs)]		
Tax deducted at Source (TDS)	537.62	-
Less: Provision for Doubtful Tax deducted at Source	(537.62)	-
	1,696.36	4,283.61

28. REVENUE FROM OPERATIONS

Rs. Lakhs

	31st March 2019	31st March 2018
Sale of Products - Tea	128,473.50	156,382.18
Other Operating Revenues		
Consultancy Fees	250.01	222.66
Government Grants		
Subsidy on Orthodox Tea	139.94	146.02
Replantation Subsidy	260.79	386.78
Transport Subsidy	251.25	326.47
Subsidy- Capital Items	28.92	27.65
Profit on Compulsory acquisition of Leasehold Land by Government	94.16	494.79
Accrued duty exemption entitlement and other benefits relating to exports / premium on sale thereof	1,493.97	1,647.03
	130,992.54	159,633.58

Notes to Financial Statements

Government grants are related to certain incentives being made available by the Government of India for Tea Industry. There are certain grants which relate to the period prior to 1st April 2016. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance.

29. OTHER INCOME

Rs. Lakhs

	31st March 2019	31st March 2018
Interest Income from Financial assets carried at amortised cost		
On Deposits	1,855.72	309.23
On Loans	12,736.76	13,892.72
Interest Income on Tax Refunds	275.49	58.82
Dividend income from equity investments in a subsidiary company	8,081.62	15,986.73
Dividend income from equity investments measured at fair value through other comprehensive income	33.43	16.96
Insurance Claims	149.39	248.79
Sundry Income [Refer Note (a) and (b) below]	8,134.29	1,358.75
Allowance for bad and doubtful accrued interest no longer required written back	-	340.00
Liabilities/provision no longer required written back	272.20	53.08
Net Gain on Foreign Currency Transaction and Translation	-	20.14
	31,538.90	32,285.22

- (a) Sundry Income includes Rs. 640.00 lakhs (31.03.2018 : Rs. 1,108.00 lakhs) being receivables written off by predecessor companies now recovered.
- (b) Financial compensation of Rs. 6,781.86 lakhs (31.03.2018 : Nil) for delayed start of projects received from contractors.

30. COST OF MATERIALS CONSUMED

Rs. Lakhs

	31st March 2019	31st March 2018
Green Leaf (Consumed)	15,887.01	18,780.10
	15,887.01	18,780.10

31. CHANGES IN INVENTORIES OF FINISHED GOODS

Rs. Lakhs

	31st March 2019	31st March 2018
Stock of Tea at the beginning of the year	5,274.04	6,721.52
Less: Stock of Tea at the end of the year	(5,734.46)	(5,274.04)
(Increase)/Decrease	(460.42)	1,447.48

Notes to Financial Statements**32. EMPLOYEE BENEFITS EXPENSE**

Rs. Lakhs

	31st March 2019	31st March 2018
Salaries and Wages	59,548.26	66,001.87
Contribution to Provident and Other Funds	7,428.98	8,274.18
Staff Welfare Expenses	7,564.36	9,376.85
	74,541.60	83,652.90

33. FINANCE COSTS

Rs. Lakhs

	31st March 2019	31st March 2018
Interest Expense		
On financial liabilities measured at amortised cost	28,321.44	16,201.81
Other borrowing cost	4,343.80	890.98
	32,665.24	17,092.79

34. DEPRECIATION AND AMORTISATION EXPENSE

Rs. Lakhs

	31st March 2019	31st March 2018
Depreciation on Property, Plant and Equipment	6,631.92	7,881.50
Amortisation of Other Intangible Assets	289.81	386.65
	6,921.73	8,268.15

35. OTHER EXPENSES

Rs. Lakhs

	31st March 2019	31st March 2018
Consumption of Stores and Spare Parts	4,579.95	6,251.33
Consumption of Packing Materials	1,349.45	1,577.68
Power and Fuel	16,826.90	19,513.70
Rent	58.65	61.72
Lease Rent [Refer Note 39 (b)]	88.13	53.13
Repairs - Buildings	914.43	2,110.72
- Machinery	2,601.50	3,634.43
- Others	1,204.40	1,709.69
Insurance	797.59	896.53
Rates and Taxes	646.94	720.30
Cess on Tea	0.01	104.12
Green Leaf Cess	925.00	1,163.09
Travelling	776.77	1,232.92
Legal and Professional Fees	799.28	916.65
Freight, Shipping and Selling Expenses	6,211.05	7,829.83
Brokerage on Sales	758.30	808.51
Selling Agents' Commission	54.89	238.51

Notes to Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
Expenditure towards Corporate Social Responsibility (CSR) activities [Refer Note 55]	12.00	17.94
Loss on disposal of Property Plant & Equipment (Net)	360.76	796.61
Bad Debts written off	41.84	-
Provision for Doubtful Interest Receivable [Refer Note 60]	7,454.80	-
Provision for Doubtful Receivable/ Advances/ Claims	615.06	-
Net Loss on Foreign Currency Transaction and Translation	894.31	-
Fair Value Loss on Derivatives (Net)	197.78	1,049.44
Changes in Fair Value of Biological Assets	62.39	(118.09)
Miscellaneous Expenses [Refer Note 53]	2,784.79	3,785.27
	51,016.97	54,354.03

36. SCHEMES OF AMALGAMATION/SCHEME OF ARRANGEMENT GIVEN EFFECT TO IN EARLIER YEARS

Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Schemes, such assets and liabilities remain included in the books of the Company under the name of the transferor companies (including other companies which were amalgamated with the transferor companies from time to time).

37. EMPLOYEE BENEFITS

I. Provident Fund and Other Plans

During the year an amount of Rs. 5,355.13 lakhs (31st March 2018 - Rs. 6,561.77 lakhs) has been recognised as expenditure towards Defined Contribution plans of the Company.

Provident Fund:

Contributions towards provident funds are recognised as an expense for the year. The Company has set up Provident Fund Trusts in respect of certain categories of employees which is administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employees' salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government

under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date as per the principle laid down in Ind AS19 issued by Ministry of corporate affairs and guidelines GN26 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the balance sheet date. Further during the year, the Company's contribution of Rs. 344.40 lakhs (31st March 2018 – Rs. 393.37 lakhs) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds'.

II. Post Employment Defined Benefit Plans:

a) Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs. 20.00 lakhs. Vesting occurs upon completion of five years of service. The amount of gratuity payable is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Notes to Financial Statements**b) Superannuation (Funded)**

The Company's Superannuation scheme, a Defined Benefit plan, is administered through trust funds and covers certain categories of employees. Investments of the funds are managed by insurance companies / trustees themselves. Benefits under these plans had been frozen in earlier years with regard to salary levels then prevailing. Upon retirement, death or cessation of employment, Superannuation Funds purchase annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

c) Staff Pension – Type A (Funded)

The Company's Staff Pension Scheme – Type A, a Defined Benefit plan, is administered through a trust fund and covers certain categories of employees. Investments of the fund are managed by Life Insurance Corporation of India. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

d) Staff Pension – Type B (Unfunded)

The Company's Staff Pension Scheme – Type B, a Defined Benefit plan, covers certain categories of employees. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

e) Medical Insurance Premium Re-imbursement (Unfunded)

The Company has a scheme of re-imbursement of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit. The scheme is in the nature of Defined Benefit plan.

f) Expatriate Pension (Unfunded)

The Company has an informal practice of paying pension to certain categories of retired expatriate employees and in certain cases to their surviving spouses. The scheme is in the nature of Defined Benefit plan.

Notes to Financial Statements

The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended 31st March 2019 and corresponding figures for the previous year:

Rs. Lakhs

		For the year ended 31st March, 2019					
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
I	Components of Employer Expense						
	- Recognised in Profit or Loss						
	1 Current Service Cost	851.06	-	-	813.46	-	-
	2 Past Service Cost	-	-	-	-	-	-
	3 Net Interest Cost	(176.01)	(108.71)	-	401.21	33.77	0.66
	4 Total expense recognised in the Statement of Profit and Loss	675.05	(108.71)	-	1,214.67	33.77	0.66
	- Re-measurements recognised in Other Comprehensive Income						
	5 Return on plan assets (excluding amounts included in Net interest cost)	(316.29)	5.73	-	-	-	-
	6 Effect of changes in demographic assumptions	-	-	-	-	-	-
	7 Effect of changes in financial assumptions	189.41	4.80	-	18.18	3.59	1.35
	8 Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
	9 Effect of experience adjustments	2,975.64	(88.07)	-	(1,996.63)	(151.70)	14.48
	10 Total re-measurements included in Other Comprehensive Income	2,848.76	(77.54)	-	(1,978.45)	(148.11)	15.83
	11 Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (4+10)	3,523.81	(186.25)	-	(763.78)	(114.34)	16.49

Notes to Financial Statements

Rs. Lakhs

		For the year ended 31st March, 2018					
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
I	Components of Employer Expense						
	- Recognised in Profit or Loss						
	1 Current Service Cost	1,283.45	-	96.38	958.16	-	-
	2 Past Service Cost	247.31	-	-	-	-	-
	3 Net Interest Cost	(254.39)	(98.39)	48.56	328.12	34.80	0.92
	4 Total expense recognised in the Statement of Profit and Loss	1,276.37	(98.39)	144.94	1,286.28	34.80	0.92
	- Re-measurements recognised in Other Comprehensive Income						
	5 Return on plan assets (excluding amounts included in Net interest cost)	290.45	14.45	(2.29)	-	-	-
	6 Effect of changes in demographic assumptions	-	-	-	-	-	-
	7 Effect of changes in financial assumptions	(290.39)	(15.32)	(23.82)	(44.66)	(6.92)	(2.50)
	8 Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
	9 Effect of experience adjustments	2,465.87	(53.82)	(73.15)	773.66	(0.62)	14.72
	10 Total re-measurements included in Other Comprehensive Income	2,465.93	(54.69)	(99.26)	729.00	(7.54)	12.22
	11 Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (4+10)	3,742.30	(153.08)	45.68	2,015.28	27.26	13.14

Rs. Lakhs

		As on 31st March, 2019					
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
II	Net Asset/(Liability) recognised in Balance Sheet						
	1 Present Value of Defined Benefit Obligation	13,420.76	1,182.44	-	4,473.00	322.07	16.18
	2 Fair Value of Plan Assets	13,630.63	2,687.99	-	-	-	-
	3 Status [Surplus/(Deficit)]	209.87	1,505.55	-	(4,473.00)	(322.07)	(16.18)
	4 Restrictions on Asset Recognised	-	-	-	-	-	-

Notes to Financial Statements

Rs. Lakhs

		As on 31st March, 2018					
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
II	Net Asset/(Liability) recognised						
	in Balance Sheet						
	1 Present Value of Defined Benefit Obligation	16,810.00	1,441.00	688.92	6,151.92	464.23	17.94
	2 Fair Value of Plan Assets	17,689.99	2,850.39	11.00	-	-	-
	3 Status [Surplus/(Deficit)]	879.99	1,409.39	(677.92)	(6,151.92)	(464.23)	(17.94)
	4 Restrictions on Asset Recognised	-	-	-	-	-	-

Rs. Lakhs

		For the year ended 31st March, 2019					
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
III	Change in Defined Benefit Obligation (DBO)						
	1 Present Value of DBO at the beginning of the year	16,810.00	1,441.00	688.92	6,151.92	464.23	17.94
	2 Current Service Cost	851.06	-	-	813.46	-	-
	3 Past Service Cost	-	-	-	-	-	-
	4 Interest Cost	769.20	97.39	-	401.21	33.77	0.66
	5 Remeasurement gains / (losses):						
	a. Effect of changes in demographic assumptions	-	-	-	-	-	-
	b. Effect of changes in financial assumptions	189.41	4.80	-	18.18	3.59	1.35
	c. Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
	d. Effect of experience adjustments	2,975.64	(88.07)	-	(1,996.63)	(151.70)	14.48
	6 Curtailment Cost / (Credits)	-	-	-	-	-	-
	7 Settlement Cost / (Credits)	(2,500.66)	-	-	-	-	-
	8 Liabilities assumed in business combination	-	-	-	-	-	-
	9 Exchange difference on foreign plans	-	-	-	-	-	-
	10 Benefits Paid	(3,241.25)	(260.30)	-	(225.32)	(27.82)	(18.25)
	11 Transfer to buyers of specified assets of certain Tea Estates	(2,432.64)	(12.38)	(688.92)	(689.82)	-	-
	12 Present Value of DBO at the end of the year	13,420.76	1,182.44	-	4,473.00	322.07	16.18

Notes to Financial Statements

Rs. Lakhs

		For the year ended 31st March, 2018					
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
III	Change in Defined Benefit Obligation (DBO)						
	1 Present Value of DBO at the beginning of the year	14,345.74	1,451.26	643.47	4,385.91	466.89	19.29
	2 Current Service Cost	1,283.45	-	96.38	958.16	-	-
	3 Past Service Cost	247.31	-	-	-	-	-
	4 Interest Cost	1,017.63	109.78	49.42	328.12	34.79	0.92
	5 Remeasurement gains / (losses):						
	a. Effect of changes in demographic assumptions	-	-	-	-	-	-
	b. Effect of changes in financial assumptions	(290.39)	(15.32)	(23.82)	(44.66)	(6.92)	(2.50)
	c. Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
	d. Effect of experience adjustments	2,465.87	(53.82)	(73.15)	773.66	(0.62)	14.72
	6 Curtailment Cost / (Credits)	-	-	-	-	-	-
	7 Settlement Cost / (Credits)	-	-	-	-	-	-
	8 Liabilities assumed in business combination	-	-	-	-	-	-
	9 Exchange difference on foreign plans	-	-	-	-	-	-
	10 Benefits Paid	(2,259.61)	(50.90)	(3.38)	(249.27)	(29.91)	(14.49)
	11 Present Value of DBO at the end of the year	16,810.00	1,441.00	688.92	6,151.92	464.23	17.94

Rs. Lakhs

		As at 31st March, 2019	As at 31st March, 2018
IV	Best Estimate of Employers' Expected Contribution for the next year		
	- Gratuity	2,775.74	2,437.21
	- Superannuation	-	4.22
	- Staff Pension Fund	-	-

Notes to Financial Statements

Rs. Lakhs

		For the year ended 31st March, 2019					
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
V	Change in Fair Value of Assets						
	1 Plan Assets at the beginning of the year	17,689.99	2,850.39	11.00	-	-	-
	2 Asset acquired in Business Combination	-	-	-	-	-	-
	3 Interest Income	945.21	206.09	-	-	-	-
	4 Remeasurement Gains / (Losses) on plan assets	316.29	(5.73)	-	-	-	-
	5 Actual Company Contributions	3,007.62	-	-	-	-	-
	6 Benefits Paid	(3,241.25)	(260.30)	-	-	-	-
	7 Settlement Cost	(2,500.66)	-	-	-	-	-
	8 Transfer to buyers of specified assets of certain Tea Estates	(2,586.57)	(102.46)	(11.00)	-	-	-
	9 Plan Assets at the end of the year	13,630.63	2,687.99	-	-	-	-

Rs. Lakhs

		For the year ended 31st March, 2018					
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
V	Change in Fair Value of Assets						
	1 Plan Assets at the beginning of the year	16,708.42	2,703.70	11.23	-	-	-
	2 Asset acquired in Business Combination	-	-	-	-	-	-
	3 Interest Income	1,272.02	208.17	0.86	-	-	-
	4 Remeasurement Gains / (Losses) on plan assets	(290.45)	(14.45)	2.29	-	-	-
	5 Actual Company Contributions	2,259.61	3.87	-	-	-	-
	6 Benefits Paid	(2,259.61)	(50.90)	(3.38)	-	-	-
	7 Plan Assets at the end of the year	17,689.99	2,850.39	11.00	-	-	-

Notes to Financial Statements

		As at 31st March, 2019		As at 31st March, 2018	
		Discount Rate (%)	Return on Plan Assets (%)	Discount Rate (%)	Return on Plan Assets (%)
VI	Actuarial Assumptions				
	1 Gratuity	7.50	7.50	7.70	7.70
	2 Superannuation	7.50	7.50	7.70	7.70
	3 Staff Pension Type A	-	-	7.70	7.70
	4 Staff Pension Type B	7.50	-	7.70	-
	5 Medical Benefit Liability	7.50	-	7.70	-
	6 Expatriate Pension	7.50	-	7.70	-

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

		As at 31st March, 2019		As at 31st March, 2018	
		Amount (Rs. Lakhs)	%	Amount (Rs. Lakhs)	%
VII	Major Category of Plan Assets as a % of the Total Plan Assets				
	1 Government Bonds	45.17	0.28	45.11	0.22
	2 Investment with Life Insurance Corporation of India	199.69	1.22	3,086.28	15.02
	3 Investment with Other Insurance Companies	16,034.77	98.26	17,339.22	84.37
	4 Cash and Cash Equivalents	38.99	0.24	80.77	0.39
	Total	16,318.62	100.00	20,551.38	100.00

Plan assets represent investment in various categories. The return on amounts invested with LIC is declared annually by them. Return on amounts invested with Insurance companies, other than LIC, is mostly by way of Net Asset Value declared on units purchased, with some schemes declaring returns annually. Investment in Bonds and Special Deposit carry a fixed rate of interest. The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risk of asset management and other relevant factors.

VIII. Sensitivity Analysis

The sensitivity analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to Financial Statements

	Impact on Defined Benefit Obligations					
	As on 31st March, 2019					
	Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
	%	%	%	%	%	%
Increase in Assumption by 0.50%						
1 Discount Rate	(3.49)	(1.69)	-	(2.14)	(0.74)	(1.58)
2 Salary Growth Rate	3.88	-	-	2.35	0.07	-
3 Attrition Rate	0.17	-	-	0.05	0.05	-
Decrease in Assumption by 0.50%	-	-	-	-	-	-
1 Discount Rate	3.74	1.79	-	2.21	0.78	1.55
2 Salary Growth Rate	(3.64)	-	-	(2.29)	(0.07)	-
3 Attrition Rate	(0.17)	-	-	(0.05)	(0.05)	-

	Impact on Defined Benefit Obligations					
	As on 31st March, 2018					
	Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
	%	%	%	%	%	%
Increase in Assumption by 0.50%						
1 Discount Rate	(3.09)	(1.38)	(1.45)	(2.32)	(1.56)	(1.69)
2 Salary Growth Rate	3.43	-	1.11	2.45	0.08	-
3 Attrition Rate	0.15	-	0.15	0.07	0.05	-
Decrease in Assumption by 0.50%						
1 Discount Rate	3.30	1.45	1.56	2.46	1.63	1.62
2 Salary Growth Rate	(3.23)	-	(0.89)	(2.33)	(0.08)	-
3 Attrition Rate	(0.15)	-	(0.15)	(0.07)	(0.05)	-

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility** The plan liabilities are calculated using a discount rate set with reference to bond yields: if plan assets underperform this yield, this will create a deficit. The plan asset investments is in bonds, special deposit, LIC and other insurance companies. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio is maintained at a fixed range. Any deviation from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.
- Changes in yields** A decrease in yields will increase plan liabilities.
- Life Expectancy** The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in the increase in the plans liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Notes to Financial Statements

The average duration of liabilities for all the funds is as follows :

Particulars	31st March 2019	31st March 2018
	No. of Years	No. of Years
Defined benefit obligation		
Gratuity Fund (Funded)		
McLeod Russel India Limited Employees Gratuity Fund	15	15
The Moran Tea Company India Limited Employees Gratuity Fund	-	19
George Williamson (Assam) Limited Employees Group Gratuity Fund	16	17
Doom Dooma Tea Employees Gratuity Fund	-	15
The Bisnauth Tea Company Limited Employees Group Gratuity fund	17	16
Superannuation Fund (Funded)		
Doom Dooma Tea Management Employees Pension Fund	-	6
George Williamson (Assam) Limited Superannuation Fund	3	3
Williamson Magor & Company Limited Superannuation Fund	5	5
McLeod Russel India Limited Superannuation Fund	5	5
Staff Pension Fund Type A (Funded)		
Doom Dooma India Limited Staff Pension Fund	-	7
Staff Pension Fund Type B (Funded)		
McNeil & Magor and McLeod Russel Group	7	10
Moran Tea Company Limited.	-	10
Medical Benefit Liability (Unfunded)		
McLeod Russel India Limited	5	5
Expatriate Pension (Unfunded)		
McLeod Russel India Limited	5	6

The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:

Rs. Lakhs

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March 2019					
Defined benefit obligation					
Gratuity Fund (Funded)	1,801.78	1,362.72	3,560.40	21,027.38	27,752.28
Superannuation Fund (Funded)	1,011.18	55.42	213.55	279.35	1,559.50
Staff Pension Fund Type A (Funded)					-
Staff Pension Fund Type B (Unfunded)	968.27	625.50	1,422.23	2,957.53	5,973.53
Medical Benefit Liability (Unfunded)	187.04	175.01	423.61	585.32	1,370.98
Expatriate Pension (Unfunded)	3.97	2.97	6.10	5.29	18.33
	3,972.24	2,221.62	5,625.89	24,854.87	36,674.62

Notes to Financial Statements

Rs. Lakhs

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March 2018					
Defined benefit obligation					
Gratuity Fund (Funded)	4,006.78	1,838.86	5,142.92	25,666.82	36,655.38
Superannuation Fund (Funded)	944.33	165.69	262.97	423.27	1,796.26
Staff Pension Fund Type A (Funded)	241.48	69.19	154.99	600.24	1,065.90
Staff Pension Fund Type B (Unfunded)	1,871.52	679.68	1,974.01	4,844.46	9,369.67
Medical Benefit Liability (Unfunded)	247.78	216.23	583.29	1,049.82	2,097.12
Expatriate Pension (Unfunded)	3.60	1.11	3.16	11.98	19.85
	7,315.49	2,970.76	8,121.34	32,596.59	51,004.18

38. CLASSIFICATION OF PROVISION/ADVANCE FOR EMPLOYEE BENEFITS

Rs. Lakhs

	Classified as Non-Current		Classified as Current	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Provision for Employee Benefits				
- Staff Pension	3,539.10	4,348.55	933.90	2,481.29
- Medical Benefit	141.67	225.47	180.40	238.76
- Expatriate Pension	12.34	14.48	3.84	3.46
- Other Employee Benefits	379.37	499.68	186.37	398.03
	4,072.48	5,088.18	1,304.51	3,121.54
Advance for Employee Benefits				
- Gratuity Fund	-	-	209.87	879.99
- Superannuation Fund	494.36	465.06	1,011.19	944.33
	494.36	465.06	1,221.06	1,824.32

39. COMMITMENTS

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Rs. Lakhs

	31st March 2019	31st March 2018
(I) Property, Plant and Equipment		
Commitment (Gross)	9,511.12	1,133.38
Advances against above commitments [Refer Note 8]	6,704.03	529.38
Commitment (Net)	2,807.09	604.00

(b) Non-cancellable operating leases

The Company has entered into non-cancellable operating lease agreements for a plot of land for a period of 30 years with option for renewal on mutually agreed terms, and a tea-manufacturing factory for the period from 1st January, 2013 to 31st December, 2017 (Renewed with effect from 1st January 2018 for 5 years) and warehousing for storage of tea chests/packs for the period of 5 years with effect from 11th April 2016. The aggregate lease rentals payable are charged as 'Lease Rent' under Note 35.

Notes to Financial Statements

Commitments for minimum lease payments in relation to non-cancellable operating leases as follows:

Rs. Lakhs

	31st March 2019	31st March 2018
Within one year	98.96	55.63
Later than one year but not later than five years	224.44	211.27
Later than five years	201.94	212.60
	525.34	479.50

40. CONTINGENT LIABILITIES

a) Claims against the Company not acknowledged as debts :-

Rs. Lakhs

	31st March 2019	31st March 2018
Electricity Dues	53.38	53.38
Excise Duty	42.30	10.75
Income Tax	72.44	97.88
Service Tax	564.52	1,010.58
Land Revenue	9.65	9.65

b) Guarantees given on behalf of a subsidiary in order to secure the loan availed by them - Rs. 22,819.50 lakhs (31st March 2018 - Rs. 21,509.40 lakhs); Year-end balance of loan Rs. 5,641.87 lakhs (31st March 2018 - Rs. 8,009.54 lakhs).

c) The Company has given a Corporate Guarantee for Rs. 2,500 lakhs secure a part of the loan of Rs. 5,000 lakhs given by Luxmi Township & Holdings Limited to Williamson Magor & Company Limited.

d) Bank Guarantees Rs. 196.84 lakhs (31st March 2018 - Rs. 181.33 lakhs)

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the same.

The Company does not expect any reimbursement in respect of the above contingent liabilities.

41. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Refer to Note 48(b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing Annual General Meeting.

42. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Rs. Lakhs

Particulars	Note	31st March 2019	31st March 2018
Current Assets			
Financial Assets			
Trade Receivables	11	2,564.88	9,898.15
Cash and Cash Equivalents	12	30,657.80	254.67
Loans	6	13.49	64,632.04
Other Financial Assets	7	813.16	16,814.41
Current Tax Assets (Net)	14	7,007.46	7,256.92
Total Charge on Financial Assets		41,056.79	98,856.19

Notes to Financial Statements

Rs. Lakhs

Particulars	Note	31st March 2019	31st March 2018
Non-financial Assets			
Inventories	9	9,351.64	12,473.08
Biological Assets	10	453.72	516.11
Other Current Assets	15	6,973.69	7,540.60
Total Charge on Non- Financial Assets		16,779.05	20,529.79
Total Current assets pledged as security		57,835.84	1,19,385.98
Non-current Assets			
Property, Plant and Equipment(including Capital Work-in-Progress)		1,17,646.76	1,60,910.13
Loans	6	1,74,468.00	-
Total Non-current assets pledged as security		2,92,114.76	1,60,910.13
Total Assets pledged as security		3,49,950.60	2,80,296.11

43. RELATED PARTY DISCLOSURES AS PER IND AS-24

(a) Subsidiaries

Borelli Tea Holdings Limited (BTHL)

(b) Step Down Subsidiaries

Phu Ben Tea Company Limited (PBTCL)

McLeod Russel Uganda Limited (MRUL)

Gisovu Tea Company Limited (GTCL) (Divested fully on 26th March, 2019 of 60% shareholding by BTHL)

McLeod Russel Middle East DMCC (MRME)

McLeod Russel Africa Limited (MRAL)

Pfunda Tea Company Limited (PTCL) (90% holding till 26th March, 2019 and thereafter 45% holding)

(c) Associate

D1 Williamson Magor Bio Fuel Limited

(d) Key Management Personnel

Mr. Brij Mohan Khaitan (BMK)

Mr. Aditya Khaitan (AK)

Mr. Rajeev Takru (RT)

Mr. Azam Monem (AM)

Mr. Kamal Kishore Baheti (KKB)

Mr. Amritanshu Khaitan (AAK)

Dr. Raghavachari Srinivasan (RAS)

Mr. Bharat Bajoria (BB)

Mr. Ranabir Sen (RS)

Mr. Utsav Parekh (UP)

Mrs. Ramni Nirula (RN)

Mr. Padam Kumar Khaitan (PKK)

Mr. Ashok Bhandari (AB)

Mr. Jyoti Ghosh (JG)

Chairman till 27.03.2019 [Deceased on 01.06.2019]

Managing Director and also Chairman w.e.f 27.03.2019

Wholetime Director

Wholetime Director

Wholetime Director

Non-Executive Director

Non-Executive Director

Non-Executive Director till 12.02.2019

Non-Executive Director

Non-Executive Director

Non-Executive Director

Non-Executive Director till 12.02.2019

Non-Executive Director w.e.f 10.10.2018 [Resigned on 29.04.2019]

Non-Executive Director w.e.f 12.02.2019 [Resigned on 13.05.2019]

Notes to Financial Statements

(e) Relatives of Key Management Personnel with whom transactions took place during the year.

Mr. Brij Mohan Khaitan (BMK)	Father of Mr. Aditya Khaitan
Mrs. Kavita Khaitan (Kk)	Wife of Mr. Aditya Khaitan
Mrs. Zubeena Monen (ZM)	Wife of Mr. Azam Monem
Mrs. Isha Khaitan (IK)	Wife of Mr. Amritanshu Khaitan
Miss Vanya Khaitan (VK)	Daughter of Mr. Amritanshu Khaitan

(f) Transactions with Key Management Personnel:

(i) Key Management Personnel Compensation:

Rs. Lakhs

	31st March 2019	31st March 2018	Excess Recoverable (**)	Net
Short- term employment benefits				
AK	360.43	384.98	263.01	121.97
RT	147.50	187.03	-	187.03
AM	147.14	186.97	-	186.97
KKB	146.37	186.23	-	186.23
	801.44	945.21	263.01	682.20
Post-employment benefits				
AK	27.00	27.00	-	27.00
RT	10.80	10.80	-	10.80
AM	10.80	10.80	-	10.80
KKB	10.80	10.80	-	10.80
	59.40	59.40	-	59.40
Total compensation	860.84	1,004.61	263.01	741.60

(**) In view of inadequacy of profit during the year 2016-17, the Department of Company Affairs (Government Of India) in response to Company's application, vide its letter dated 15th May 2018 has sanctioned remuneration of Rs. 133.88 lakhs for the Managing Director. The Company vide its letter dated 23rd May 2018 has made a representation to the Government to reconsider the sanctioned remuneration stating that a special resolution was passed by the shareholders on 9th August 2017 approving the remuneration paid to him as well as waiving recovery for the excess remuneration. Pending disposal of the Company's appeal by the Central Government, the amount paid in excess over the sanctioned amount is being 'held in trust' [as per section 197(9) of the Companies Act 2013] by the managing director and will be adjusted / recovered accordingly.

(ii) Dividends paid to Key Management Personnel

Rs. Lakhs

	31st March 2019	31st March 2018
BMK	0.18	0.09
AK	0.09	0.04
RT	*	*
AM	*	*
KKB	*	0.01
Total	0.27	0.14

*Amount is below the rounding off norm adopted by the Company.

Notes to Financial Statements

(g) Transactions / Balances with subsidiaries:

(i) Sales and purchases of goods and services:

Rs. Lakhs

	31st March 2019	31st March 2018
MRME		
Sale of tea	69.26	89.51
BTHL		
Royalty Expenses (Gross)	341.90	417.67
MRUL		
Consultancy Income	215.44	187.04
PBTCL		
Consultancy Income	34.57	35.62

(ii) Other transactions:

Rs. Lakhs

	31st March 2019	31st March 2018
BTHL		
Guarantee Commission (Gross)	-	53.18
Dividend received	8,081.62	15,986.73
Dividend Paid	85.34	67.67

(iii) Loan to subsidiary - BTHL:

Rs. Lakhs

	31st March 2019	31st March 2018
Loans given	-	-
Repayment of Loans	-	5,300.00
Interest Charged	-	359.68
Interest Received	-	874.39
At the end of the year		
Principal	-	-
Interest Receivable	-	-

(iv) Expenses Incurred on behalf of the subsidiaries:

Rs. Lakhs

	31st March 2019	31st March 2018
At the beginning of the year		
MRUL	-	2.32
PBTCL	3.32	17.73
MRME	1.85	-
GTC	-	3.90
PTCL	-	5.44
	5.17	29.39

Notes to Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
Incurring during the year		
MRUL	38.87	18.88
BTHL	0.69	-
MRAL	4.53	-
MRME	3.77	1.85
GTC	7.51	4.28
PTCL	7.24	5.41
	62.61	30.42
Reimbursements Received		
MRUL	38.87	21.20
PBTCL	-	14.41
MRME	1.47	-
GTC	7.51	8.18
PTCL	7.24	10.85
	55.09	54.64
At the end of the year		
BTHL	0.69	-
PBTCL	3.32	3.32
MRAL	4.53	-
MRME	4.15	1.85
	12.69	5.17

(v) Outstanding balances:

The following balances are outstanding at the end of the reporting period in relation to transactions with subsidiaries/step down subsidiaries:

Rs. Lakhs

	31st March 2019	31st March 2018
MRUL		
Trade Receivables (Consultancy fees)	140.03	48.88
PBTCL		
Trade Receivables (Consultancy fees)	31.12	-
BTHL		
Royalty Payable	679.42	417.67
Guarantee Commission receivable	53.18	53.18

(vi) Balance of investment at year end

Rs. Lakhs

	31st March 2019	31st March 2018
BTHL	22,936.98	22,936.98

Notes to Financial Statements

(h) Transactions / Balances with associate:

Rs. Lakhs

	31st March 2019	31st March 2018
Balance of investment at year end	-	-

* (Cost - Rs. 2,184.35 lakhs, fully impaired)

(i) Transactions with relatives of Key Management Personnel:

	31st March 2019	31st March 2018
Dividend Paid		
YK	0.36	*
KK	0.01	*
IK	0.04	*
VK	0.03	*

(j) Transactions with Non-Executive Directors:

Rs. Lakhs

	31st March 2019	31st March 2018
Sitting Fees		
BMK	0.40	1.60
AAK	2.20	1.60
RAS	2.40	2.80
BB	2.20	3.20
RS	4.40	3.40
UP	1.80	2.00
RN	2.00	2.00
PKK	0.40	1.20
AB	1.80	-
JG	0.40	-
	18.00	17.80
Sitting Fees payable		
RAS	-	0.40
BB	-	0.60
RS	-	0.60
AAK	0.40	-
UP	0.20	0.60
RN	-	0.40
PKK	-	0.40
	0.60	3.00

Notes to Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
Dividend Paid		
AAK	0.08	0.04
BB	0.01	*
RS	*	*
PKK	0.01	*
	0.10	0.04

* Amount is below the rounding off norm adopted by the Company.

44. EARNINGS PER SHARE

	31st March 2019	31st March 2018
Earnings per share (EPS) has been computed as under:		
(a) Profit for the year [Rs. in lakhs]	(441.62)	6,726.08
(b) Weighted average number of Equity shares outstanding for the purpose of basic earnings per share	106610774	109455735
(c) Earnings per share on profit for the year [face value Rs. 5.00 per share] Basic and Diluted EPS [(a)/(b)](Rs.)	(0.41)	6.15

45. SEGMENT INFORMATION

(a) In terms of Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Act, segment information has been presented in the Consolidated Financial Statements, prepared pursuant to Indian Accounting Standard (Ind AS) 110 on 'Consolidated Financial Statements' and Indian Accounting Standard (Ind AS) 28 on 'Investments in Associates and Joint Ventures' notified in the Act, included in the Annual Report for the year.

(b) Geographical Information

Rs. Lakhs

	31st March 2019	31st March 2018
1. Revenue from external Customers		
- Within India	97,471.27	117,706.97
- Outside India	33,521.27	41,926.61
Total	130,992.54	159,633.58

Rs. Lakhs

	31st March 2019	31st March 2018
2. Non Current Assests*		
- Within India	136,135.13	174,079.78
- Outside India	-	-
Total	136,135.13	174,079.78

*excludes financial assets,deferred tax assets,post-employment benefit assets.

(c) The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Notes to Financial Statements

46. FAIR VALUE MEASUREMENTS

Financial instruments by category

Rs. Lakhs

	31st March 2019					31st March 2018				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets										
Investments										
- Equity Instruments	-	4,238.54	-	4,238.54	4,238.54	-	9,610.06	-	9,610.06	9,610.06
Trade Receivables	-	-	2,564.88	2,564.88	2,564.88	-	-	9,898.15	9,898.15	9,898.15
Loans	-	-	174,481.49	174,481.49	174,481.49	-	-	64,632.04	64,632.04	64,632.04
Cash and Cash Equivalents	-	-	30,657.80	30,657.80	30,657.80	-	-	254.67	254.67	254.67
Other Bank Balances	-	-	1,067.10	1,067.10	1,067.10	-	-	351.78	351.78	351.78
Other Financial Assets	-	-	11,109.50	11,109.50	11,109.50	-	-	20,213.36	20,213.36	20,213.36
Derivative assets	-	-	-	-	-	-	-	-	-	-
Total Financial assets	-	4,238.54	219,880.77	224,119.31	224,119.31	-	9,610.06	95,350.00	104,960.06	104,960.06
Financial liabilities										
Borrowings	-	-	163,858.05	163,858.05	163,858.05	-	-	97,579.71	97,579.71	97,579.71
(including interest accrued but not due and interest due)										
Trade payables	-	-	15,674.94	15,674.94	15,674.94	-	-	10,624.75	10,624.75	10,624.75
Other Financial Liabilities	-	-	17,850.03	17,850.03	17,850.03	-	-	12,641.38	12,641.38	12,641.38
Derivative Liability	807.29	-	-	807.29	807.29	609.51	-	-	609.51	609.51
Total Financial liabilities	807.29	-	197,383.02	198,190.31	198,190.31	609.51	-	120,845.84	121,455.35	121,455.35

(i) Fair value hierarchy

(a) Financial Instruments

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

There are no transfers between level 1, level 2 and level 3 during the year.

Notes to Financial Statements

Rs. Lakhs

Financial assets and liabilities measured at fair value through profit or loss recurring fair value measurements at 31st March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investment at FVTOCI					
Quoted Equity Investments	5B	4,237.83	0.71		4,238.54
Total Financial assets		4,237.83	0.71	-	4,238.54
Financial liabilities					
Derivatives not designated as hedges					
Interest rate swap at FVTPL	24	-	807.29	-	807.29
Total Financial assets and liabilities		-	807.29	-	807.29

Rs. Lakhs

Financial assets which are measured at amortised cost for which fair values are disclosed at 31st March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Other financial assets	7	-	-	10,296.34	10,296.34
Total Financial assets		-	-	10,296.34	10,296.34
Financial liabilities*					
Borrowings	18	-	-	15,812.32	15,812.32
Total Financial liabilities		-	-	15,812.32	15,812.32

* Represents fair value of Non-current financial instruments

Rs. Lakhs

Financial assets and liabilities measured at fair value through profit or loss recurring fair value measurements at 31st March 2018	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investment at FVTOCI					
Quoted Equity Investments	5B	9,609.35	0.71	-	9,610.06
Total Financial assets		9,609.35	0.71	-	9,610.06
Financial liabilities					
Derivatives not designated as hedges					
Interest rate swap at FVTPL	24	-	609.51	-	609.51
Total Financial assets and liabilities		-	609.51	-	609.51

Rs. Lakhs

Financial assets which are measured at amortised cost for which fair values are disclosed at 31st March 2018	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Other financial assets	7	-	-	3,398.95	3,398.95
Total Financial assets		-	-	3,398.95	3,398.95
Financial liabilities*					
Borrowings	18	-	-	34,941.08	34,941.08
Total Financial liabilities		-	-	34,941.08	34,941.08

* Represents fair value of Non-current financial instruments

Notes to Financial Statements

(b) Biological assets other than bearer plants

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its biological assets other than bearer plants into level 2 in the fair value hierarchy, since no significant adjustments need to be made to the prices obtained from the local markets.

Rs. Lakhs

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 31st March, 2019	Note	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	10	-	453.72	-	453.72
Total		-	453.72	-	453.72

Rs. Lakhs

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 31st March, 2018	Note	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	10	-	516.11	-	516.11
Total		-	516.11	-	516.11

47 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the company has risk management policies as described below :-

(A) Credit risk

Credit risk refers to the risk of financial loss arising from default / failure by the counter party to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments. None of the financial instruments of the Company result in material concentration of credit risks.

Credit risk on receivables is minimum since sales through different mode (eg. auction, consignment, private - both domestic and export) are made after judging credit worthiness of the customers, advance payment or against letter of credit by banks. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties including subsidiary, the Company is not expecting any material risk on account of non-performance by any of the parties.

For derivative and financial instruments, the Company manage its credit risks by dealing with reputable banks and financial institutions. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with

approved counter parties and within credit limits assigned to each counter party. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The carrying value of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 46.

(B) Liquidity risk

Liquidity risk refers to the risk that the Company fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

Notes to Financial Statements

- i all non-derivative financial liabilities, and
- ii derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Rs. Lakhs

Contractual maturities of financial liabilities as at 31st March 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (including interest accrued but not due)	148,251.46	8,926.82	7,026.57	-	164,204.85
Trade Payables	15,674.94	-	-	-	15,674.94
Other financial liabilities	17,850.03	-	-	-	17,850.03
Total non-derivative financial liabilities	181,776.43	8,926.82	7,026.57	-	197,729.82
Derivatives					
Interest rate swaps	807.29	-	-	-	807.29
Total derivative financial liabilities	807.29	-	-	-	807.29

Rs. Lakhs

Contractual maturities of financial liabilities as at 31st March 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (including interest accrued but not due)	62,850.17	14,359.52	16,538.70	4,466.60	98,214.99
Trade Payables	10,624.75	-	-	-	10,624.75
Other financial liabilities	12,641.38	-	-	-	12,641.38
Total non-derivative financial liabilities	86,116.30	14,359.52	16,538.70	4,466.60	121,481.12
Derivatives					
Interest rate swaps	609.51	-	-	-	609.51
Total derivative financial liabilities	609.51	-	-	-	609.51

(C) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company, as risk management policy, hedges foreign currency transactions to mitigate the risk exposure and reviews periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed.

The following table sets forth information relating to foreign currency exposure as at 31st March 2019.

Notes to Financial Statements

Rs. Lakhs

	USD	EUR	GBP	Total
Financial Assets (a)				
Cash and Cash equivalents	-	-	11.24	11.24
Trade Receivable	1,045.94	-	5.98	1,051.92
Other Financial Assets	-	-	53.18	53.18
	1,045.94	-	70.40	1,116.34
Financial Liabilities (b)				
Trade Payable	-	-	679.42	679.42
	-	-	679.42	679.42
Net Exposure in Foreign Currency (a-b)	1,045.94	-	(609.02)	436.92

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Company would result in increase / decrease in the Company's profit before tax by approximately Rs. 111.63 lakhs for financial assets and decrease / increase in the Company's profit before tax by approximately Rs. 67.94 lakhs for financial liabilities.

The following table sets forth information relating to foreign currency exposure as at 31st March 2018.

Rs. Lakhs

	USD	EUR	GBP	Total
Financial Assets (a)				
Cash and Cash equivalents	-	-	17.05	17.05
Trade Receivable	238.08	-	-	238.08
	238.08	-	17.05	255.13
Financial Liabilities (b)				
Trade Payable	-	-	417.67	417.67
	-	-	417.67	417.67
Net Exposure in Foreign Currency (a-b)	238.08	-	(400.62)	(162.54)

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Company would result in increase / decrease in the Company's profit before tax by approximately Rs. 25.51 lakhs for financial assets and decrease / increase in the Company's profit before tax by approximately Rs. 41.77 lakhs for financial liabilities.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets bear fixed rates of interest, wherever applicable. Therefore, there is no risk of interest rate volatility. The Company's main interest rate risk arises from short term and long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31st March 2019 and 31st March 2018, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure of the Company's financial assets and financial liabilities as at 31st March 2019 and 31st March 2018, to interest rate risk is as follows:

Notes to Financial Statements

Rs. Lakhs

	31st March 2019		31st March 2018	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	175,624.84	-	70,867.82
Financial liabilities	163,033.41	108.09	97,458.68	108.09
	163,033.41	175,732.93	97,458.68	70,975.91

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in an impact (decrease/increase in case of net income) of Rs. 815.17 lakhs and Rs. 487.29 lakhs on profit before tax for the year ended 31 March 2019 and 31 March 2018 respectively.

(iii) Price risk

The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term strategic purpose which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March 2019 is Rs. 4,238.54 lakhs (2018 - Rs. 9,610.06 lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

(D) Agricultural Risk

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (tea) due to increase in supply/availability.

The Company manages the above financial risks in the following manner:

- Sufficient inventory levels of agro chemicals, fertilizers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Slightly higher level of consumable stores viz packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Forward contracts are made with overseas customers as well as domestic private customers, in order to mitigate the financial risk in fluctuation of selling price of tea.
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

48 CAPITAL MANAGEMENT**(a) Risk Management**

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Net debt implies total borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Company.

The following table summarises the Net Debt, Equity and Ratio thereof.

Notes to Financial Statements

Rs. Lakhs

	Note	31st March 2019	31st March 2018
(i) Total Debt			
Borrowings - Non-Current	18	15,812.32	34,941.08
- Current	22	134,212.77	49,323.33
Current Maturities of Long Term Debt	24	13,008.32	13,194.27
		163,033.41	97,458.68
Less : Cash and Cash Equivalents	12	30,657.80	254.67
Net Debt		132,375.61	97,204.01
(ii) Equity attributable to Shareholders		167,397.39	181,098.19
(iii) Net debt to equity ratio		0.79	0.54

Under the terms of the major borrowing facilities, the Company has not complied with some of the financial covenants as imposed by the bank and financial institutions.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2019 and 31st March 2018.

(b) Dividend

Rs. Lakhs

	31st March 2019	31st March 2018
(i) Equity Shares		
Final dividend paid for the year ended 31st March 2018 of Rs. 0.50/- (31st March 2017 - Rs. 0.25/-) per fully paid share*	537.12	273.64
(ii) Dividends not recognised at the end of the reporting period		
Due to inadequacy of profits, the Board of Directors has not recommended any dividend for the financial year ended 31st March 2019 (31st March 2018 - Rs. 0.50/-).	-	547.28

* The Record date of dividend was 01.08.2018 for the FY 2017-18. The Company had bought back 20,32,441 shares by 31st July 2018. Hence, no dividend was paid on these shares.

49. DISCLOSURE PURSUANT TO SEBI'S (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Rs. Lakhs

		31st March 2019	31st March 2018
i)	Loans and Advances in the Nature of Loans to Subsidiary		
	Loan to Subsidiary		
	Borelli Tea Holdings Limited		
	- Balance at the year end	-	-
	- Maximum amount outstanding at any time during the year	-	5,300.00
ii)	Loans and Advances in the Nature of Loans to Firms/Companies in which Directors are Interested		
	Loan to a Company in which a Director of the Company is a Director		
	United Machines Company Limited		
	- Balance at the year end	-	240.00
	- Maximum amount outstanding at any time during the year	240.00	240.00

Notes to Financial Statements

NOTE 50.

(a) In connection with an overseas acquisition of a subsidiary in 2005, the Income Tax authority had raised a demand of Rs. 5,278 lakhs during the year 2009-10 on the Company on account of alleged non-deduction of tax at source and interest thereon pertaining to the transaction. The Company challenged the said demand before the appropriate authorities and the matter is pending. Further, the Company has obtained a stay against the said demand from the Hon'ble High Court of Calcutta. The Company deposited Rs. 700.00 lakhs during the year 2011-12 with Income Tax Authority under protest (Refer Note 8). In any event, as per the related Share Purchase Agreement, Capital Gain tax or other tax, if any, relating to sale of shares etc. is to be borne by the seller and not the Company.

(b) The Hon'ble Supreme Court vide its judgement dated 20.09.2017 held that the provisions of Rule 8 of Income Tax Act, 1961 is not applicable while making payment of dividend distribution tax as per section 115-O of the Income Tax Act, 1961. No fresh proceedings/demands has been initiated/raised by the tax authorities in response to the aforesaid judgement passed by the Hon'ble Court. The Company has made full provision in the financial statements in earlier years [Refer Note 26].

NOTE 51.

Revenue Expenditure on Research and Development Rs. 193.21 lakhs (31st March 2018 - Rs. 204.74 lakhs) represent subscription to Tea Research Association.

NOTE 52.

There are no outstanding dues of Micro and Small Enterprises (MSEs) based on information available with the Company.

53. AUDITORS' REMUNERATION

(included in Miscellaneous Expenses under Note 35)

	Rs. Lakhs	
	31st March 2019	31st March 2018
As Auditors - Audit Fees	63.00	63.00
For Other Services		
Tax Audit Fees	18.00	18.00
Certification etc.	38.75	45.00
For Reimbursement of expenses		
Out of Pocket Expenses	3.66	3.07
Taxes	-	0.91

54. DETAILS OF LOANS AND GUARANTEES GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

The Company has given Interest bearing Loans (ranging from 12% to 15% per annum) to following parties for their business purposes, which is repayable on demand:

	Rs. Lakhs	
Name of Parties	31st March 2019	31st March 2018
Williamson Magor & Co. Limited	20,785.00	8,150.00
Babcock Borsig Limited	14,710.00	22,000.00
Williamson Financial Services Limited	22,450.00	12,750.00
McNally Bharat Engineering Company Limited	-	8,592.00
Seajulie Developers & Finance Limited	88,006.00	12,815.00
Woodside Parks Limited	28,504.00	-
United Machine Limited	-	240.00
Vinod Enterprises	13.00	13.00
	174,468.00	64,560.00

The Company has issued various "Letter of Comfort" to lenders against loans taken by promoter Group Companies. The aggregate amount of Comfort Letter issued and outstanding as on 31st March 2019 is Rs. 1,46,099.78 Lakhs (31st March, 2018 - Nil).

Notes to Financial Statements

As per the terms of such comfort letter issued, the Company does not have any obligation to pay in case of any default made by the respective borrowers and hence these Letter of Comforts has not been considered as financial guarantee contract in accordance with Ind AS 109, Financial Instruments.

55. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

- (a) Gross amount required to be spent by the Company during the year : Rs. Nil (31.03.2018 - Rs. Nil)
- (b) Amount spent during the year on :

Rs. Lakhs

Sr. No	CSR project or activity identified	31st March 2019			31st March 2018		
		In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of any asset	-	-	-	-	-	-
(ii)	On purposes other than (i) above	12.00	-	12.00	17.94	-	17.94

56. INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items.

Rs. Lakhs

		31st March 2019	31st March 2018
(a)	Income Tax Expense		
	Current Tax		
	Current tax for the year	682.12	4,391.44
	Interest u/s 234B and 234C	28.03	-
	Total Current Tax (A)	710.15	4,391.44
	Provisions relating to earlier years written back (net)		
	Provisions for tax relating to earlier years written back	(3,973.29)	-
	Total provision written back relating to earlier years (net) (B)	(3,973.29)	-
	Deferred tax for the year	3,704.97	(2,794.17)
	Total Deferred Tax ©	3,704.97	(2,794.17)
	Grand Total (A+B+C)	441.83	1,597.27

Rs. Lakhs

		31st March 2019	31st March 2018
(b)	Amount recognised in other comprehensive income		
	Deferred Tax		
	Income tax relating to items that will not be classified to profit or loss	211.23	972.97
	Total	211.23	972.97

Notes to Financial Statements

Rs. Lakhs

		31st March 2019	31st March 2018
(c)	Reconciliation of effective tax rate:		
	Profit before tax	0.21	8,323.35
	Income tax expense calculated @ 34.944% (2018- 34.608%)	0.07	2,880.54
	Effect of expenses that are not deductible in determining taxable profit	2,931.61	380.41
	Effect of additional deduction under Income tax Act'1961	(15.34)	(53.14)
	Effect of income that is exempt from taxation	(6,484.61)	(311.00)
	Effect of adjustment in respect of different tax rates*	570.66	635.24
	Effect of different tax rate on certain incomes	(1,530.16)	(2,766.34)
	Reversal of previously recognised tax loss to increase deferred tax expense	8,624.15	831.56
	Others	(3,654.56)	-
		441.83	1,597.27

The tax rate used in the corporate tax rate payable on taxable profits under the Income Tax Act' 1961.

*The Company's agriculture income is subject to lower tax rates @ 30% under the respective state tax laws.

57. Sale of Specified Assets of certain Tea Estates

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

- During the year ended 31 March 2019, the Company has sold specified assets of 16 Tea Estates for an aggregate consideration of Rs. 61,491.00 Lakhs. Profit on sale of such assets amounting to Rs. 18,041 Lakhs is shown as Exceptional item in the Statement of Profit and Loss.
- During the year, the Committee formed by the Board of the Directors of the Company for the purposes of disposal of assets of tea estates, further identified the assets of 4 tea estates which were approved to be sold. The Company has entered into Memorandum of Understanding/ Term sheet with the proposed buyers to sell certain assets of those 4 Tea Estates for an aggregate consideration of Rs. 17,815 Lakhs, subject to due diligence by the proposed buyers and necessary approvals. Pending such approvals etc. the final binding agreements with proposed buyers are under negotiation. The carrying value of those specified assets of the Tea estates as on 31st March, 2019 has been reclassified from Property, Plant and Equipment to "Assets held for sale" and the agreed sale consideration is higher than their carrying value.

58. Buy Back of Shares by McLeod

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

59. Buyback of Shares by Subsidiary

During the year ended 31 March 2019, the Company's subsidiary Borelli Tea Holdings Limited (UK) has agreed to buy back 60,000 shares (out of total 362,000 shares held by the Company) for an aggregate consideration of GBP 9,300,000. The company has received full consideration. Pending completion of legal formalities, the amount received amounting to Rs 8,390.92 Lakhs has been shown as advance from Subsidiary under 'Note 25'.

60. Inter-corporate loans given

The Company has given inter-corporate deposits to certain companies (including promoter group companies). From time to time, these deposits were repaid by the borrowing entities to the Company on demand. The closing balance of such deposits aggregates to Rs. 1,74,468 Lakhs as at 31st March 2019. Interest accrued and unpaid on such deposits aggregates to Rs. 7,703 Lakhs (net of provision of Rs. 8,509 lakhs) as at 31st March 2019. The Company has made provision on account of doubtful interest receivable amounting to Rs. 7,455 Lakhs during the year. Promoter group level restructuring is under way to monetize assets to

Notes to Financial Statements

meet up the various liabilities of those companies (part of the promoter group) including the outstanding inter-corporate deposits. The management therefore believes that the outstanding dues, net of provision for doubtful interest receivable, as mentioned above, shall be recovered/ adjusted and no further provision is required at this stage.

61. Going Concern

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

For and on behalf of Board of Directors

A. Khaitan - Managing Director

K. K. Baheti - Wholetime Director & CFO

Debanjan Sarkar - Company Secretary

Kolkata, 29th June 2019

Independent Auditor's Report

To The Members of
McLeod Russel India Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Adverse Opinion

We have audited the accompanying consolidated financial statements of McLeod Russel India Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, due to the significance of the matters described in the Basis for Adverse Opinion section below, the aforesaid consolidated financial statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and also does not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2019, and their consolidated profit, their consolidated other comprehensive loss, their consolidated cash flow and their consolidated changes in equity for the year ended on that date.

Basis for Adverse Opinion

(a) During the year, the Parent had extended advances aggregating to Rs. 84,175.00 lacs to certain promoter group companies, as capital advances. The promoter group companies to whom such advances were given have substantially lent these onward to another promoter group company. Of the total capital advances, Rs. 77,575.00 lacs was converted to Inter-Corporate Deposits (ICD) as of 31 March, 2019. In this connection, we draw attention to paragraphs 1(a) and 1(b) under section 'Report on Other Legal and Regulatory Requirements' regarding the aforesaid ICDs that, in our opinion, is prejudicial to the interests of the Parent and the initial recording of these amounts as capital advance was reflected only by book entries.

(b) As at 31 March, 2019, ICDs of Rs. 174,468.00 lacs given to promoter group companies and other companies [including Rs. 77,575.00 lacs referred to in paragraph (a) above] and Rs. 7,702.52 lacs interest accrued on such ICDs (net of provision

of Rs. 8,509.40 lacs), respectively, are doubtful of recovery considering the financial condition of the promoter group companies and the other companies to whom these ICDs have been given. However, the Parent has not made any provision for the outstanding amounts recorded as ICDs and interest accrued thereon. Consequently, the non-current portion of loans and interest accrued thereon are overstated and loss for the year is understated by Rs.182,170.52 lacs.

(c) The aggregate amount of Rs. 174,468.00 lacs disclosed as ICDs outstanding as at 31 March, 2019 are in excess of limits on lending prescribed under section 186 to the Act by Rs. 61,156.16 lacs for which approval has not been obtained from the members of the Parent. Further, in view of the matter described in paragraph (e) below, we are unable to state if any of the promoter group companies are companies whose Board of Directors or Managing Director or Manager, whereof is accustomed to act in accordance with the directions of any director of the Parent, and therefore covered under section 185 of the Act and any non-compliance thereto.

(d) The Parent has recognised Rs. 6,781.86 lacs as sundry income from one of the promoter group companies. In our opinion and according to the information obtained by us, the sundry income may have been funded to the said promoter group company through monies indirectly lent by the Parent as more fully described in paragraph (a) above or through ICDs granted and therefore may not have been actually realised. We also draw attention to paragraph 1(b) under section 'Report on Other Legal and Regulatory Requirements' where we have opined that the aforesaid interest income may have been reflected only by book entries and prejudicial to the interests of the Parent. However, considering the amount already quantified as a modification of the audit opinion in respect of outstanding balance of ICDs from these promoter group companies described in paragraph (b) above, this recognition of sundry income will not have any further impact on the loss for the year.

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

(f) During the year, the Parent had given advance to a body

corporate aggregating to Rs. 1,400.00 lacs which was outstanding as at 31 March, 2019 (included as Other Current Assets in Note 16 to the Consolidated Balance Sheet). In the absence of appropriate audit evidences, we are unable to comment on the validity and recover ability of such advance.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below is sufficient and appropriate to provide a basis for our adverse audit opinion on the consolidated financial statements.

Material Uncertainty Related to Going Concern

We draw attention to note 58 of the consolidated financial statements. The Parent has incurred net loss of Rs. 441.62 lacs during the year ended 31 March, 2019, and current liabilities exceed current assets by Rs. 143,566.07 lacs as on 31 March, 2019. During the year ended 31 March, 2019, the Parent was unable to discharge its obligations for repayment of loans and settlement

of other financial and non-financial liabilities including statutory liabilities. The Parent's management is currently in discussion with the lenders for carrying out a refinancing proposal. These events and conditions, including for those matters stated in the Basis for Adverse Opinion section above, indicate a material uncertainty which cast a significant doubt on the Parent's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Parent to continue as a going concern is solely dependent on the acceptance of the refinancing proposal, which is not wholly within the control of the Parent.

The Management of the Parent has prepared the statement on going concern basis based on their assessment of the successful outcome of the refinancing proposal and accordingly no adjustments have been made to the carrying value of the assets and liabilities and their presentation/classification in the Balance Sheet.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<u>Valuation of biological assets and agricultural produce</u> Biological assets of the Group include unharvested green tea leaves which are measured at fair value less costs to sell. The Group's agricultural produce comprises of harvested green leaves and is valued at fair value less cost to sell at the point of harvest. Finished goods produced from agricultural produce are valued at lower of cost arrived at by adding the cost of conversion to the fair value of agricultural produce and the net realisable value. For harvested or unharvested green leaves, since there is no active market for own leaves, significant estimates are used by management in determining the valuation of biological assets and agricultural produce consumed in manufacture of black tea.	<u>Principal audit procedures performed:</u> Our audit approach was a combination of test of internal controls and substantive procedures and included: - Obtaining an understanding of the fair value measurement methodologies used and assessing the reasonableness and consistency of the significant assumptions used in the valuation. - Evaluating the design and implementation of Company's controls around the valuation of biological assets and agricultural produce. - Assessing the plucking yields to analyse the stage of transformation considered for the fair valuation of biological assets. - Assessing the basis, reasonableness and accuracy of adjustments made to prices of green leaves purchased from outside suppliers considering the quality differential of the Company's production.

Sr. No.	Key Audit Matter	Auditor's Response
	The principal assumptions and estimates in the determination of the fair value include assumptions about the yields, prices of green leaf purchased from outside suppliers and the stage of transformation. The determination of these assumptions and estimates require careful evaluation by management and could lead to material impact on the financial position and the results of the Company. The carrying values of biological assets and inventories of black tea amounted to Rs. 568.39 lacs (note 12) and Rs. 15,552.63 lacs (note 11) respectively. Refer note no 1.8 and 1.9 to the consolidated financial statement for accounting policy of the Group with respect to the above.	Testing the consistency of application of the fair value approaches and models over the years.
2	<u>Capital advances:</u> The Parent's management gives advances which are towards capital project and order of the Company. During the year ended 31 March, 2019, advances aggregating to Rs. 84,175 lacs were given and recorded as capital advances. The aggregate of such advances are considered material to the size of the Parent.	<u>Principal audit procedures performed:</u> We have, inter alia, performed the following procedures in order to address the risk: – We gained an understanding of key controls around the procedures for granting and recovering/ adjustment of the advances and assessed the design and implementation of the controls thereof; – We verified the approved budget and board approvals for giving advances; – We verified the bank transactions for grant and refunds of advances to/ from such parties; – We obtained balance confirmations from all such parties for the balances outstanding as on 31 March, 2019; – We examined the minutes of the meeting of board of directors to understand the purpose of giving such advances and economic substance and business rational of the transactions; – We further discussed the plan of the Management for recovering these advances; – We evaluated the relationship of the parties to whom such advances were given with the Parent; and – We obtained the financial statements of the parties to whom the advances have been given and assessed the financial position of the company, checked for any material uncertainty in the going concern assumption of those parties.

Sr. No.	Key Audit Matter	Auditor's Response
3	<u>Going Concern:</u> The Parent has incurred net loss of Rs. 441.62 lacs during the year ended 31 March, 2019, and current liabilities exceed current assets by Rs. 143,566.07 lacs as on 31 March, 2019. During the year ended 31 March, 2019, the Parent was unable to discharge its obligations for repayment of loans and settlement of other financial and non-financial liabilities including statutory liabilities. The availability of sufficient funding and the testing of whether the Parent will be able to continue meeting its obligations under the financing covenants are important for the going concern assumption and, as such, are significant aspects of our audit. Refer note no 58 to the consolidated financial statements of the Group.	<u>Principal audit procedures performed:</u> We obtained an understanding of controls instituted by the management to assess going concern assumptions and tested the effectiveness of the management controls. Our audit procedures included testing management assumptions on the appropriateness of the going concern assumptions and reasonableness of the assumptions used, focusing in particular the business projections of Parent and other sources of funding, among others, through the following procedures: • We have analyzed management's report to gain an understanding of the inputs and process supporting the cash flow projections prepared for the purpose of going concern assessment; • We have reviewed the minutes of the meetings of the Parent with the consortium of banks for negotiating the refinancing plan; • We have tested the compliance with debt covenants associated with loans obtained; and • We assessed the appropriateness of the related disclosures in note to financial statements.
4	<u>Inter corporate deposits (ICDs)</u> As at 31 March, 2019, the total of ICDs given to various bodies corporate was Rs. 174,468.00 lacs. The management has given loans to body corporates and the total amounts outstanding is considered material considering the total assets of the Parent. Since, the ICDs are in the nature of loans, compliance with provisions of the Companies Act, 2013 is also relevant. The ICDs are unsecured and therefore the recoverability of the ICDs is solely dependent on the financial performance and status of the companies to whom the ICDs were given. Accrual of interest income on the ICDs and assessing the recoverability of the ICDs and making necessary provisions in case the ICDs are doubtful of recovery are significant matters in the audit.	<u>Principal audit procedures performed:</u> We have, inter alia, performed the following procedures in order to address the risk: – We gained an understanding of key controls around the assessment of procedures for granting and recovering of the ICDs and monitoring the compliance with the provision of the Companies Act, 2013 and assessed the design and implementation of the controls; – We verified the board approvals for giving ICDs to each body corporate. We checked the maximum approved limit for each such body corporate and verified that during the year, the amount outstanding from each such body corporate did not exceed the maximum limit approved by the board of directors of the Parent; – We verified all the bank transactions for receipts and repayments of ICDs to / from such body corporates; – We obtained balance confirmations from all such body corporates for the ICD and interest balances outstanding as on 31 March, 2019; – We evaluated the relationship of the Body Corporates to whom such ICDs were given with the Parent with regard to the provisions of the Act and under Ind AS 24 "Related Party Disclosures"; – We obtained the financial statements of the body corporates to whom the ICDs have been given and assessed the financial position of those parties; – We compared the interest rate charged with that of the Parent's borrowing rates and whether the amounts accrued as interest income were reasonably certain of ultimate realisation; and – We checked the compliance with provisions of the Companies Act, 2013.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent Company's Board of Directors is responsible for the other information. The other information comprises the Report of the Directors and the following annexures thereto (namely Management Discussion and Analysis, Corporate Governance Report, annual Report on CSR Activities, Business Responsibility Report, Form MGT – 9, Conservation of energy, technology absorption, foreign exchange earnings and outgo and remuneration and other specified particulars of employees) but does not include the consolidated financial statements and our auditor's report thereon. The Report of the Directors is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial information of the subsidiaries audited by the other auditors, to the extent it relates to those entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial information audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities or business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements

of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial information of 7 subsidiaries (including step down subsidiaries) whose financial information reflect total assets of Rs. 64,668.72 lacs as at 31 March, 2019, total revenues of Rs. 41,292.62 lacs and net cash outflows amounting to Rs. 2,740.81 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As regards to the matters to be inquired by the auditors in terms of section 143(1) of the Act, we report, to the extent applicable, as follows:
 - (a) With respect to the grant of capital advances which were converted to ICDs at the year end, referred to in paragraph (a) in the Basis for Adverse Opinion section above, considering the financial condition of the parties to whom these amounts were given, consequent to which interest income has not been fully recognised and since the balances are unsecured, these are prejudicial to the interests of the Parent Company.
 - (b) We refer to the initial recording of amounts given to certain promoter group companies as capital advance and the sundry income of Rs. 6,781.86 lacs recognised by the Parent Company in these financial statements, as more fully described in paragraphs (a) and (d), respectively, in the Basis for Adverse Opinion section. In our opinion, these advances did not have any underlying economic substance and business rationale justifying such accounting at the time of disbursement and the interest income may not have been actually realised and therefore were represented merely by book entries which are prejudicial to the interests of the Parent Company.

2. As required by the Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
- a) We have sought and except for the effects/ possible effects of the matters described in the Basis for Adverse Opinion section above and matter reported in paragraph (vii) (a) of Annexure B to the standalone financial statements regarding non-availability of information from certain tea estates of the Parent, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) Except for the effects/ possible effects of the matters described in the Basis for Adverse Opinion section above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) Due to the significance of the matters described in the Basis for Adverse Opinion section above, in our opinion, the aforesaid consolidated financial statements do not comply with the Ind AS specified under Section 133 of the Act.
 - e) The matters described in the Basis for Adverse Opinion section above, in our opinion, may have an adverse effect on the functioning of the Group.
 - f) On the basis of the written representations received from the directors of the Parent Company as on 31 March, 2019 taken on record by the Board of Directors of the Parent Company none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion section above.
 - h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company. Our report expresses qualified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent's internal financial controls over financial reporting.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm Registration No. 117366W/W-100018)

A. Bhattacharya

(Partner)

(Membership No. 054110)

Place: Kolkata

Date: 29 June 2019

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 2(h) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2019, we have audited the internal financial controls over financial reporting of **McLeod Russel India Limited** (hereinafter referred to as “the Parent”), as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Parent Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Parent Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Parent Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

BASIS FOR QUALIFIED OPINION

According to the information and explanations given to us and

based on our audit, the following material weaknesses have been identified in the Parent Company's internal financial controls over financial reporting as at 31 March, 2019:

- (a) The Parent did not have an appropriate internal control system relating to the grant of capital advances/ other advances to promoter group companies/ other companies, including ascertaining economic substance and business rationale of the transactions, establishing segregation of duties and determining credentials of the counter parties.
- (b) With respect to inter Corporate Deposits (ICDs), the Parent did not have appropriate internal control system to evaluate the credit worthiness of the parties to whom the ICDs were granted, ascertaining the actual realisation of monies towards interest income and evaluation of the recoverability of the balances outstanding.
- (c) The Parent did not have an appropriate internal control system to ensure compliance with the provisions of the Companies Act, 2013, with respect to lending including limits.
- (d) We are unable to state if the Parent had appropriate internal controls system to ascertain related parties to ensure compliance with the requirements of the Companies Act, 2013 and the applicable accounting standards (Ind AS).

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

QUALIFIED OPINION

In our opinion, to the best of our information and according to the explanations given to us, because of the effect of the material weaknesses described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Parent Company has not maintained adequate and effective internal financial controls over financial reporting as of 31 March, 2019, based on the internal control over financial reporting criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India'.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group for the year ended 31 March, 2019, and these material weaknesses have affected our opinion on the said consolidated financial statements of the Group and we have issued an adverse opinion on the consolidated financial statements of the Group.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm Registration No. 117366W/W-100018)

A.Bhattacharya

(Partner)

Place: Kolkata

Date: 29 June 2019

(Membership No. 054110)

Consolidated Balance Sheet

As at 31st march, 2019

Rs. Lakhs

	Note	31st March, 2019	31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	1,25,920.54	179,083.81
Capital Work-in-Progress		8,942.60	10,652.12
Goodwill on consolidation	4	19,746.66	30,732.48
Other Intangible Assets	5	1,849.18	2,204.91
Financial Assets			
Investments			
- Investment in Associate	6	5,909.14	
- Other Investments	7	4,238.54	9,610.06
Loans	8	1,74,469.58	2.43
Other Financial Assets	9	10,296.34	3,398.95
Other Non-Current Assets	10	10,341.08	4,571.48
Total Non-Current Assets		3,61,713.66	2,40,256.24
Current Assets			
Inventories	11	22,610.08	23,361.13
Biological Assets other than bearer plants	12	568.39	682.52
Financial Assets			
Trade Receivables	13	3,949.79	12,599.62
Cash and Cash Equivalents	14A	34,614.12	6,951.80
Other Bank Balances	14B	1,067.10	1,004.89
Loans	8	13.56	64,693.16
Other Financial Assets	9	2,154.51	17,129.56
Current Tax Assets (Net)	15	8,269.51	8,451.06
Other Current Assets	16	8,257.47	9,153.06
Total Current Assets		81,504.53	1,44,026.80
Non Current Assets held for Sale	3A	12,719.39	-
TOTAL ASSETS		4,55,937.58	3,84,283.04
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	4,369.41	4,619.41
Other Equity	18	1,97,052.42	2,12,116.79
Equity attributable to Owners' of the Parent Company		2,01,421.83	2,16,736.20
Non-controlling interests			2,336.74
Total Equity		2,01,421.83	2,19,072.94
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	19	22,269.78	40,790.34
Provisions			
Employee Benefit Obligations	20	4,601.29	5,506.06
Deferred Tax Liabilities (Net)	21	19,019.57	15,165.67
Other Non-Current Liabilities	22	532.13	534.40
Total Non-Current Liabilities		46,422.77	61,996.47
Current Liabilities			
Financial Liabilities			
Borrowings	23	1,42,579.33	52,285.76
Trade Payables	24		
(a) Total outstanding dues of Micro and Small Enterprises			
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		17,538.06	12,661.06
Other Financial Liabilities	25	35,949.83	29,166.96
Other Current Liabilities	28	8,089.29	869.59
Provisions			
Employee Benefit Obligations	20	1,311.70	3,400.13
Other Provisions	26	860.77	344.77
Current Tax Liabilities (Net)	27	1,764.00	4,485.36
Total Current Liabilities		2,08,092.98	1,03,213.63
Total Liabilities		2,54,515.75	1,65,210.10
TOTAL EQUITY AND LIABILITIES		455,937.58	3,84,283.04

The accompanying notes 1 to 61 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

A. Bhattacharya
Partner
Kolkata, 29th June 2019

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

Debanjan Sarkar
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

Rs. Lakhs

	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from Operations	29	1,71,965.90	205,529.31
Other Income	30	24,057.12	39,183.41
Total Income		1,96,023.02	244,712.72
Expenses:			
Cost of Materials Consumed	31	26,765.45	28,884.46
Purchase of Tea		4,969.82	4,626.79
Changes in Inventories of Finished Goods and Stock-in-Trade	32	(1,730.19)	527.00
Employee Benefits Expense	33	81,995.22	90,675.21
Finance Costs	34	33,757.02	18,037.48
Depreciation and Amortisation Expenses	35	8,412.20	10,222.38
Other Expenses	36	64,725.23	66,584.62
Total Expenses		2,18,894.75	2,19,557.94
Profit/(Loss) before Exceptional Items and Tax		(22,871.73)	25,154.78
Exceptional Items	58(a), 37(b)	28,940.42	-
Profit before Tax		6,068.69	25,154.78
Tax expense:			-
Current Tax	57	2,136.89	6,070.31
Provisions for tax relating to earlier years written back	57	(3,973.29)	-
Deferred Tax	57	4,023.59	(2,831.01)
Profit/ (Loss) for the Year		3,881.50	21,915.48
Other Comprehensive Income / (Loss)			
A) i) Items that will not be reclassified to profit or loss			
Remeasurements of post employment defined/benefit plans		(747.40)	(3,134.55)
Change in fair value of Equity instruments through other comprehensive income		(5,371.52)	2,385.06
ii) Income Tax relating to items that will not be reclassified to profit or loss	57	237.30	972.97
b) Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(5,264.23)	(1,142.85)
Other Comprehensive Income/ (Loss)		(11,145.85)	(919.37)
Total Comprehensive Income/ (Loss) for the year		(7,264.35)	20,996.11
Profit attributable to:			
Owners' of the Parent Company		3,184.54	20,791.82
Non-controlling interests		696.96	1,123.66
Other Comprehensive Income / (Loss) is attributable to:			
Owners' of the Parent Company		(11,145.85)	(455.48)
Non-controlling interests		-	(463.89)
Total Comprehensive Income / (Loss) is attributable to:			
Owners' of the Parent Company		(7,961.31)	20,336.34
Non-controlling interests		696.96	659.77
Earnings per Equity Share: [Nominal Value per share : Rs. 5/-]			
- Basic		3.56	24.25
- Diluted		3.56	24.25

The accompanying notes 1 to 61 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. Bhattacharya
Partner
Kolkata, 29th June 2019

For and on behalf of the Board of Directors

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

Debanjan Sarkar
Company Secretary

Consolidated Statement of Changes In Equity

For the year ended 31st march, 2019

A. EQUITY SHARE CAPITAL

	Notes	Amount
As at 1st April, 2017		4,119.41
Changes in Equity Share Capital during the year	17	500.00
As at 1st April, 2018		4,619.41
Changes in Equity Share Capital during the year (Equity Shares bought back and cancelled)	59	(250.00)
As at 31st March, 2019	17	4,369.41

B. OTHER EQUITY

	Attributable to Owners' of Parent Company								Non-Controlling	Total	
	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Reserve	Other Reserve	Revaluation Surplus	Equity Investments through FVTOCI	Foreign Currency Translation Reserve	Total Equity		
Balance at 1st April, 2017	11,053.58	82,979.66	39,768.49	201.68	19,209.20	34,534.18	6,519.08	(2,502.21)	1,91,763.66	2,222.89	1,93,986.55
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	-
Transfer from retained earnings to general reserve	-	15,000.00	(15,000.00)	-	-	-	-	-	-	-	-
Transfer on account of depreciation on amount added on Revaluation of Property,Plant and Equipment	-	660.44	-	-	-	(660.44)	-	-	-	-	-
Amount adjusted during the year	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	20,791.82	-	-	-	-	-	20,791.82	1,123.66	21,915.48
Other Comprehensive Income	-	-	(2,161.58)	-	-	-	2,385.06	(678.96)	(455.48)	(463.89)	(919.37)
Transactions with owners in their capacity as owners :											
Adjustment on account of dividend [Refer Note 51]	-	-	67.67	-	-	-	-	-	67.67	-	67.67
Forex movement	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	(273.64)	-	-	-	-	222.76	222.76	-	222.76
Balance at 1st April 2018	11,053.58	98,640.10	43,192.76	201.68	19,209.20	33,873.74	8,904.14	(2,958.41)	2,12,116.79	2,336.74	2,14,453.53
Adjustment for Buy Back of Equity Share Capital	(6,651.28)	-	-	-	-	-	-	-	(6,651.28)	-	(6,651.28)
Transfer on account of depreciation on amount added on Revaluation of	-	1,435.85	-	-	-	(1,435.85)	-	-	-	-	-
Property,Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	3,184.54	-	-	-	-	-	3,184.54	696.96	3,881.50
Other Comprehensive Income	-	-	(510.10)	-	-	-	(5,371.52)	(5,264.23)	(11,145.85)	-	(11,145.85)
Adjustment on account of dividend [Refer Note 51]	-	-	85.34	-	-	-	-	-	85.34	-	85.34
Dividend Paid	-	-	(537.12)	-	-	-	-	-	(537.12)	-	(537.12)
Adjustment on account of disinvestment	-	-	-	-	-	-	-	-	-	(3,033.70)	(3,033.70)
Balance at 31 March 2019	4,402.30	1,00,075.95	45,415.42	201.68	19,209.20	32,437.89	3,532.62	(8,222.64)	197,052.42	-	197,052.42

The accompanying notes 1 to 61 are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & S
Chartered Accountants

For and on behalf of the Board of Directors

A. Bhattacharya

Partner

Kolkata, 29th June 2019

A. Khaitan

Managing Director

K. K. Baheti

Wholetime Director & CFO

Debanjan Sarkar

Company Secretary

Consolidated Statement of Cash Flow

For the year ended 31st march, 2019

	Year Ended	
	31st March, 2019	31st March, 2018
A. Cash Flow from operating activities		
Profit before income tax	6,068.69	25,154.78
Adjustments to reconcile profit for the year to net cash generated from operating activities:-		
Depreciation and Amortisation Expense	8,412.20	10,222.38
Loss/(Profit) on sale of Property, Plant and Equipment	(17,658.99)	971.01
Profit on sales on Investments	(10,899.52)	(19,881.74)
Amortisation of Subsidy - Capital Items	(28.92)	(27.65)
Changes in Fair Value of Biological Assets	96.25	(193.01)
Dividend Income	(33.43)	(16.96)
Interest Income	(14,783.92)	(14,149.69)
Finance Costs	33,757.02	18,037.48
Fair Value Loss/(Gain) on Derivatives (Net)	131.70	1,469.61
Liabilities/ Provisions no longer required written back	(272.20)	(53.08)
Provision for bad and doubtful accrued interest no longer required written back	-	(349.74)
Allowance for Doubtful Receivables/ advances/ claims	882.31	-
Provision for doubtful Interest Receivables	7,454.80	-
Allowance for Doubtful Receivables	452.10	-
Exchange difference on translation of assets and Liabilities	(5264.23)	(2,594.33)
Operating Profit Before Working Capital Changes	8,313.86	18,589.06
Adjustment for:		
Trade Receivables, Other financial assets and other assets	8,112.52	4,535.69
Inventories	751.05	355.01
Trade Payables, Employee Benefit Obligations, Other Financial Liabilities, Other Current Liabilities	12,063.40	1,030.34
Cash Generated from operations	29,240.83	24,510.10
Income taxes (paid)/ Refund	(1,225.86)	(4,876.82)
Net cash from operating activities	28,014.97	19,633.28
B. Cash flows from investing activities:		
Purchase of Property, Plant and Equipment and Intangible Assets	(11,956.21)	(10,199.80)
Proceeds from sale of property, plant & Equipment	58,421.07	1,218.47
Withdrawal of NABARD deposits	5,902.95	2,015.25
Loans Given	(847,745.00)	(80,887.43)
Repayment of Loans Given	737,957.45	44,897.45
Investment in bank deposits (original maturity more than 3 months)	(96.89)	(653.11)
Dividends Received	33.43	16.96
Interest Received	12,203.87	8,977.49
Proceeds from Sale of Long-term Investments	12,942.50	19,881.74
Net cash used in investing activities	(32,336.83)	(14,732.98)
C. Cash flows from financing activities		
Payment for Buyback of shares including Transaction cost	(6,901.28)	-
Proceeds from Long Term Borrowings	7,143.25	37,514.50
Repayment of Long Term Borrowings	(25,289.76)	(12,821.72)
Proceeds from Short Term Borrowings	489,304.57	-
Repayment of Short Term Borrowings	(399,011.00)	(9,192.16)
Net (Decrease)/Increase in statutory restricted bank accounts balances	(34.68)	(45.66)
Interest paid	(32,775.15)	(18,003.45)
Dividends paid	(451.78)	(205.97)
Net cash used in financing activities	31,984.17	(2,754.46)
Net increase in Cash and Cash Equivalents	27,662.31	2,284.65
Opening Cash and Cash Equivalents	6,951.80	4,667.92
Closing Cash and Cash Equivalents	34,614.11	6,952.57
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.		
2. Cash and Cash Equivalents		
Cash and Cash Equivalents as above	34,614.11	6,952.57
Unrealised loss on foreign currency cash and cash equivalents	0.01	(0.77)
Cash and Cash Equivalents (Note-14A)	34,614.12	6,951.80

The accompanying notes 1 to 61 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

A. Bhattacharya
Partner
Kolkata, 29th June 2019

A. Khaitan
Managing Director

K. K. Baheti
Wholtime Director & CFO

Debanjan Sarkar
Company Secretary

Notes to Consolidated Financial Statements

BACKGROUND

McLeod Russel India Limited is a public Company limited by shares, incorporated and domiciled in India. The shares of the Company are listed in National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Group is engaged in cultivation, manufacturing and sale of tea. The tea produced is sold in domestic as well as international markets.

1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of McLeod Russel India Limited (the "Parent Company") and its subsidiaries.

1.1 Basis of Preparation

1.1.1 Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016.

1.1.2 Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Ind AS 1 – Presentation of Financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.1.3 Historical Cost Convention

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- i) certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- ii) defined benefit plans – plan assets measured at fair value;
- iii) certain biological assets (including unplucked green leaves) – measured at fair value less cost to sell.

1.2 Basis of Consolidation

The Consolidated Financial Statements are for the Group consisting of McLeod Russel India Limited (the "Parent Company") and its subsidiaries together with the share of the total comprehensive income of associates.

1.2.1 Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group consolidates the financial statements of the parents and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

1.2.2 Associate

Associate is an entity over which the group has significant influence but no control or joint control. Investment in associate are accounted for using the equity method of accounting, after initially being recognised at cost.

1.2.3 Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profit or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

1.3 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

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1.4 Foreign Currency Translation

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency (i.e. the currency of the primary economic environment in which the Parent Company operates) using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign Currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

The presentation currency of the Group is Indian Rupee.

Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

1.5 Revenue Recognition

1.5.1 Revenue from Contracts with Customer

Revenue is measured at the fair value of the consideration received or receivable, net of returns, claims and discounts to customers. Revenue excludes amounts collected on behalf of third parties, such as Goods and Services Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

1.5.2 Interest and dividend Income

Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

1.6 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the acquisition/construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

1.7 Accounting for Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets/liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary and associate where in case of assets it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised and in case of liabilities the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss,

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except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.8 Inventories

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realisable value. Cost being the fair value less cost to sell at the point of harvest of tea leaves.

Raw materials of purchased tea leaves, Stores and Spare parts and Finished Goods are stated at lower of cost and net realisable value. Cost of Finished Goods comprise of direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.9 Biological Assets

Tea leaves growing on tea bushes are measured at fair value less cost to sell with changes in fair value recognised in Statement of Profit and Loss.

1.10 Financial Assets

1.10.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

1.10.2 Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into the following categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from

these financial assets is included in other income using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The Group measures all equity investments (except associate) at fair value through profit or loss. However where the Group's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Investment in associate are carried at cost less accumulated impairment, if any.

Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any.

Derivatives

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income/expenses.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and

Notes to Consolidated Financial Statements

there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

1.10.3 Impairment of financial assets

The Group assesses, at each reporting date, a financial asset (or a group of financial assets) held at amortised cost and financial assets that are measured at fair value through other comprehensive income for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

1.10.4 Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

1.11 Financial liabilities

1.11.1 Initial recognition and measurement

The Group recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

1.11.2 Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those mentioned below.

1.11.3 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or

loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as Fair Value through profit or loss, fair value gains/losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/losses are not subsequently transferred to Profit or Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

1.11.4 Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

1.12 Property, Plant and Equipment

Freehold land is carried at cost and not depreciated. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2015 measured as per the previous generally accepted accounting principles and also includes expenditure that is directly attributable to the acquisition of the items. Properties in the course of construction are carried at cost, less any impairment loss.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs

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and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, which are also supported by technical evaluation. Item of Property, Plant and Equipment for which related actual cost do not exceed Rs. 5,000 are fully depreciated in the year of purchase. In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-

Parent Company

- Plant and Equipment : Ranging from 7 years to 30 years
- Non-factory Buildings: Ranging from 15 years to 70 years
- Bearer Plants : 77 years

Subsidiary Companies

- Buildings : 5-50 years
- Plant and Equipment : 4-20 years
- Bearer Plants : 20-100 years
- Furniture and Fixtures : 2-10 years
- Vehicles : 2-4 years
- Computer : 2-4 years
- Office Equipment : 2-8 years

Bearer plants, comprising of mature tea bushes, are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

Costs incurred for infilling are generally recognized in the Statement of Profit and Loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ expenses.

1.13 Non-current assets held for sale

Non-current assets held for sale are presented separately in the balance sheet when the following criteria are met:

- the Company is committed to selling the asset;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and

- Sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell.

Assets held for sale are no longer amortised or depreciated.

1.14 Intangible Assets

1.14.1 Trademark

Separately acquired Trademark is shown at cost. It is amortised over expected useful life and is subsequently carried at cost less accumulated amortisation and impairment losses, if any. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous generally accepted accounting principles

1.14.2 Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Costs of purchased software are recorded as intangible assets and amortised from the point at which the asset is available for use.

1.14.3 Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Trademark 20 years
- Computer software 5 years

1.14.4 Goodwill on Consolidation

Goodwill arising on consolidation is stated at cost less impairment losses, where applicable. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Profit and Loss. On acquisition of an associate or joint venture, the goodwill / capital reserve arising from such acquisition is included in the carrying amount of the investment and also disclosed separately.

Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

1.15 Provision, Contingent Liabilities and Contingent Assets, legal or constructive

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at

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the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

1.16 Employee Benefits

1.16.1 Short-term Employee Benefits

These are recognised at the undiscounted amount as expense for the year in which the related service is rendered.

1.16.2 Other Long-term Employee Benefits (Unfunded)

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Re-measurement gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

1.16.3 Post-employment Benefit Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Re-measurement gains and losses are recognised in full in the Other Comprehensive Income for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation and as reduced by the fair value of plan assets, where funded. Any asset resulting from this

calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

1.16.4 Bonus plans

The Group recognizes a liability and an expense for bonuses. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.17 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.18 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.19 Research and Development

Revenue expenditure on Research and Development is recognised as a charge in the Statement of Profit and Loss. Capital expenditure on assets acquired for Research and Development is added to Property, Plant and Equipment, if any.

1.20 Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss

1.21 Changes in Accounting Standards and Other recent accounting Pronouncements

On 30th March, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company

Notes to Consolidated Financial Statements

is currently evaluating the implications of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

-Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments

-Ind AS 23, Borrowing costs

-Ind AS 28 – Investment in associates and joint ventures

-Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements

-Ind AS 109 – Financial instruments

-Ind AS 19 – Employee benefits

The Group is in the process of evaluating the impact of such amendments and does not expect significant impact on its financial statements.

2. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements require the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a high degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements The areas involving critical estimates and judgements are:

i. Taxation

The Group is engaged in agricultural activities and accordingly, significant judgement is involved in determining the tax liability for the Group. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date.

ii. Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

iii. Employee Benefits

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of

defined benefit obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Group considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based in part on current market conditions.

iv. Provisions and Contingencies

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the balance sheet date.

v. Fair Value of Biological Assets

The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

vi. Fair valuation

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc. or on the basis of networth of the companies as applicable.

vii. Control

The Group assessed whether or not it has control on its investees based on whether, as an investor, it has the power/rights and consequently the practical ability to direct the relevant activities of its investees unilaterally. In making this judgement, the Group considered the absolute size of its holding, the relative size of and dispersion of other shareholders, and whether any contractual arrangements exist between the Company (and its subsidiaries) and other shareholders of the investees. Based on this, and in accordance with its Accounting Policy, the Group has determined that the entities listed in the notes to the financial statements are the only entities over which Group has control.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the parent Company and that are believed to be reasonable under the circumstances.

Notes to Consolidated Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS AMOUNT					ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT
	As at 1st April, 2017	Additions during the year	Disposals/ adjustments during the year	Assets Held For Sale	As at 31st March, 2018	As at 1st April, 2017	Depreciation For the year	Disposals/ adjustments during the year	Assets Held For Sale	As at 31st March, 2018	As at 31st March, 2018
Land [Refer (a) below]	4,312.32	0.00	-	-	4,312.32	-	-	-	-	-	4,312.32
Leasehold Improvements	502.07	5.09	(23.96)	-	531.12	192.36	17.69	1.79	-	208.26	322.86
Buildings	53,290.93	4,499.37	804.10	-	56,986.20	5,695.04	3,222.06	295.31	-	8,621.79	48,364.41
Plant and Equipment	40,376.25	3,612.60	3,396.01	-	40,592.84	5,506.54	3,520.79	3,071.34	-	5,955.99	34,636.85
Furniture and Fixtures	791.63	82.63	2.05	-	872.21	139.53	132.97	(1.78)	-	274.28	597.93
Vehicles	3,433.74	636.15	46.71	-	4,023.18	1,018.46	631.83	49.08	-	1,601.21	2,421.97
Office Equipment	281.25	18.87	161.35	-	138.77	199.35	40.08	159.46	-	79.97	58.80
Computer	275.23	63.80	46.82	-	292.21	124.68	56.02	44.56	-	136.14	156.07
Bearer Plants	95,720.76	336.80	1,770.75	-	94,286.81	4,082.35	2,154.04	162.18	-	6,074.21	88,212.60
Total	198,984.18	9,255.31	6,203.83	-	2,02,035.66	16,958.31	9,775.48	3,781.94	-	22,951.85	179,083.81

a) Represents cost of proportionate share of undivided land pertaining to certain portion of a office building.

b) Includes foreign exchange adjustment of Rs. 747.92 lakhs.

c) Includes foreign exchange adjustment of Rs. 620.33 lakhs.

Particulars	GROSS AMOUNT					ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT
	As at 1st April, 2018	Additions during the year	Disposals/ adjustments during the year	Assets Held For Sale	As at 31st March, 2019	As at 1st April, 2018	Depreciation For the year	Disposals/ adjustments during the year	Assets Held For Sale	As at 31st March, 2019	As at 31st March, 2019
Land [Refer (a) below]	4,312.32	-	-	-	4,312.32	-	-	-	-	-	4,312.32
Leasehold Improvements	531.12	11.05	6.11	-	536.06	208.26	17.48	(1.26)	-	227.00	309.06
Buildings	56,986.20	3,920.03	16,483.28	3,714.44	40,708.51	8,621.79	2,694.73	4,188.23	942.53	6,185.76	34,522.75
Plant and Equipment	40,592.84	2,385.30	12,275.31	2,736.76	27,966.07	5,955.99	2,933.33	4,224.36	698.46	3,966.50	23,999.57
Furniture and Fixtures	872.21	64.29	405.24	53.78	477.48	274.28	99.20	253.17	26.32	93.99	383.49
Vehicles	4,023.18	115.91	1,568.27	224.98	2,345.84	1,601.21	515.66	1,019.81	132.40	964.66	1,381.18
Office Equipment	138.77	7.26	38.33	6.61	101.09	79.97	26.97	23.77	6.34	76.83	24.26
Computer	292.21	31.60	103.42	19.30	201.09	136.14	47.52	75.32	13.62	94.72	106.37
Bearer Plants	94,286.81	1,371.39	21,436.34	7,925.78	66,296.08	6,074.21	1,724.22	1,776.05	607.84	5,414.54	60,881.54
Total	2,02,035.66	7,906.83	52,316.30	14,681.65	1,42,944.54	22,951.85	8,059.11	11,559.45	2,427.51	17,024.00	1,25,920.54

a) Represents cost of proportionate share of undivided land pertaining to certain portion of a office building.

b) Includes foreign exchange adjustment of Rs. 1,627.22 lakhs.

c) Includes foreign exchange adjustment of Rs. 770.35 lakhs.

Notes to Consolidated Financial Statements

3A. NON CURRENT ASSETS HELD FOR SALE

Rs. Lakhs

Particulars	Capital Work In Progress	Property, Plant & Equipment*	Total
As at April 1, 2018	-	-	-
Additions	465.25	12,254.14	12,719.39
Disposals	-	-	-
As at March 31, 2019	465.25	12,254.14	12,719.39

* represents net carrying amount [Refer Note 3]

4. GOODWILL

Rs. Lakhs

Goodwill on Consolidation :-

Amount

Balance as at 1st April, 17	29,105.03
Add/(less) : Foreign Exchange Adjustment	1,627.45
Balance as at 31st March, 2018	30,732.48
Add/(less) : Disposal of Investment in GTCL and PTCL	(10,941.53)
Add/(less) : Foreign Exchange Adjustment	(44.29)
Balance as at 31st March, 2019	19,746.66

5. OTHER INTANGIBLE ASSETS

Rs. Lakhs

Particulars	GROSS AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	As at 1st April, 2017	Additions during the year	Disposals/adjustments during the year	As at 31st March, 2018	As at 1st April, 2017	Amortisation For the year	Disposals/adjustments during the year	As at 31st March, 2018	As at 31st March, 2018
			Refer (c) below				Refer (d) below		
Trade Mark [Brand] [Refer (a) below]	2,883.76	-	(125.02)	3,008.78	522.02	299.75	(72.39)	894.16	2,114.62
Computer Software [Refer (b) below]	569.57	5.59	4.94	570.22	337.49	147.15	4.71	479.93	90.29
Total	3,453.33	5.59	(120.08)	3,579.00	859.51	446.90	(67.68)	1,374.09	2,204.91

Rs. Lakhs

Particulars	GROSS AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	As at 1st April, 2018	Additions during the year	Disposals/adjustments during the year	As at 31st March, 2019	As at 1st April, 2018	Amortisation For the year	Disposals/adjustments during the year	As at 31st March, 2019	As at 31st March, 2019
			Refer (c) below				Refer (d) below		
Trade Mark [Brand] [Refer (a) below]	3,008.78	-	17.70	2,991.08	894.16	303.42	11.53	1,186.05	1,805.03
Computer Software [Refer (b) below]	570.22	2.59	(2.43)	575.24	479.93	49.67	(1.49)	531.09	44.15
Total	3,579.00	2.59	15.27	3,566.32	1,374.09	353.09	10.04	1,717.14	1,849.18

a) The above comprise :

- Trade mark (Brand - WM logo) of Rs.2437.50 lakhs (31.03.18 Rs. 2437.50 lakhs) acquired by the Parent Company which is being amortised under straight line method over 20 years on prudent basis based on valuation by independent valuer, considering the factors like effective life/utility, and
 - Other Trade Marks of Rs.571.28 lakhs (31.03.18 Rs. 446.26 lakhs) acquired by a subsidiary, which are being amortised over the expected economic lives of 5 to 20 years.
- b) Computer Software is being amortised under straight line method over 5 years.
- c) Includes foreign exchange adjustment of Rs. 15.27 lakhs (31.03.18 - Rs. 123.92 lakhs).
- d) Includes foreign exchange adjustment of Rs. 10.04 lakhs (31.03.18 - Rs. 71.50 lakhs).

Notes to Consolidated Financial Statements

6. INVESTMENT IN ASSOCIATE

(In Equity Shares of Rs 10 each fully paid, except otherwise stated)

Rs. Lakhs

	31st March, 2019	31st March, 2018
Investment in Equity Instrument - Associate (at cost unless states otherwise)		
Unquoted		
PFunda Tea Company Limited 45 (31.03.2018 - 90 Shares) Shares of RWF 10,000/- each	5,909.14	-
D1 Williamson Magor Bio Fuel Limited 7281201(31.03.2018 - 7281201 Shares) , fully impaired	-	-
	5,909.14	-

a. Aggregate amount of unquoted investments	5,909.14	-
b. Aggregate amount of impairment in the value of investments	2,184.35	2,184.35

7. OTHER INVESTMENTS (AT COST UNLESS STATES OTHERWISE)

Rs. Lakhs

	31st March, 2019	31st March, 2018
In Others (at fair value through comprehensive income)		
Quoted		
Murabblack India Limited		
500000 (31.03.2018 - 500000) Shares, fully impaired	-	-
McNally Bharat Engineering Co. Limited **		
3052295 (31.03.2018 - 3052295) Shares	209.08	1,799.33
Williamson Financial Services Limited		
1666953 (31.03.2018 - 1666953) Shares	308.39	481.72
Eveready Industries India Limited ##		
1663289 (31.03.2018 - 1663289) Shares of Rs. 5/- each	3,194.31	6,233.17
Kilburn Engineering Limited		
848168 (31.03.2018 - 848168) Shares	373.19	628.92
The Standard Batteries Limited		
1003820 (31.03.2018 - 1003820) Shares of Re. 1/- each	60.33	92.85
Kilburn Chemicals Limited		
350200 (31.03.2018 - 350200) Shares	90.70	371.21
Kilburn Office Automation Limited		
31340 (31.03.2018 - 31340) Shares	1.83	2.15
Suryachakra Seafood Limited		
400000 (31.03.2018 - 400000) Shares, fully impaired	-	-
Unquoted		
ABC Tea Workers Welfare Services Limited		
11067 (31.03.2018 - 11067) Shares		
In Others (at fair value through Profit and Loss)	0.71	0.71
Unquoted		
Babcock Borsig Limited		
1299600 (31.03.2018 - 1299600) Shares, fully impaired	-	-
	4,238.54	9,610.06
a. Aggregate amount of unquoted investments	0.71	0.71
b. Aggregate amount of quoted investments	4,237.83	9,609.35
c. Aggregate market value of quoted investments	4,237.83	9,609.35
d. Aggregate amount of impairment in the value of investments	683.34	683.34

** In connection with a Term Loan of Rs. 5,000.00 lakhs (31st March, 2018 – Rs. 5,000.00 lakhs) taken by McNally Bharat Engineering Company Limited (MBECL) from banks, the Group has furnished a Non-Disposal Undertaking of its present and future holding of shares in MBECL, to remain valid so long as any monies remain due by MBECL in respect of the said loan to such banks.

Offered as pledge to Housing Development Finance Corporation Limited against short-term loan amounting to Rs. 7,500 lakhs from it, however creation of the Pledge has not been completed till 31.03.2019.

Notes to Consolidated Financial Statements

8. LOANS

(Unsecured - considered good unless otherwise stated)

Rs. Lakhs

	31st March, 2019		31st March, 2018	
	Current	Non-Current	Current	Non-Current
Loans to Employees				
Considered Good	13.56	1.58	133.16	2.43
Considered Doubtful	-	9.56	-	9.56
Less: Allowance for Doubtful Loans	-	(9.56)	-	(9.56)
Loans to Body Corporates				
Considered Good (Refer Note 60)	-	1,74,468.00	64,560.00	-
Considered Doubtful	-	1,098.00	-	1,098.00
Less: Allowance for Doubtful Loans	-	(1,098.00)	-	(1,098.00)
	13.56	1,74,469.58	64,693.16	2.43

9. OTHER FINANCIAL ASSETS

Rs. Lakhs

	31st March, 2019		31st March, 2018	
	Current	Non-Current	Current	Non-Current
Margin Money Deposit with banks (a)	-	19.69	-	17.72
Other Long Term Receivable				
-From Sale of specified assets of Tea Estates	-	2,317.08	-	91.13
Accrued Income				
Interest Accrued on Loans and Deposits				
-Considered good (Refer Note 60)	58.58	7,959.57	12,797.90	-
-Considered Doubtful	-	8,509.40	-	1,149.60
Less: Allowance for Doubtful Interest Receivable	-	(8,509.40)	-	(1,149.60)
Others	246.55			
Deposits with National Bank for Agriculture and Rural Development	387.15	-	3,000.00	3,290.10
Receivable on account of claim/disposal of assets	1,462.23	-	1,331.66	-
	2,154.51	10,296.34	17,129.56	3,398.95

(a) For issuing Bank Guarantees.

10. OTHER NON-CURRENT ASSETS

Rs. Lakhs

	31st March, 2019	31st March, 2018
Capital Advances *	6,704.03	529.38
Advances Other than Capital Advances:		
Advances to Suppliers, Service Providers etc.	1,217.20	1,223.60
Less : Allowance for Doubtful Advances	(1,217.20)	(1,217.20)
Subsidies receivable from Government	579.35	579.35
Advance for Employee Benefit [Refer Note 40]	494.36	465.06
Prepaid Expenses	319.44	381.28
Tax Paid under Protest [Refer Note 52 (a)]	700.00	700.00
Security Deposits	1,543.90	1,910.01
	10,341.08	4,571.48

* Includes Rs. 6,600 lakhs (31.03.2018- Rs. Nil) paid to Williamson Magor & Company Limited towards purchase of certain floors of an office building

Notes to Consolidated Financial Statements**11. INVENTORIES**

Rs. Lakhs

	31st March, 2019	31st March, 2018
At lower of cost and net realisable value		
Raw Materials (Green Leaf)	2.17	317.26
Finished Goods (Stock of Tea)	15,552.63	13,822.44
[including in transit Rs. Nil (31.03.2018 - Rs. 946.23 lakhs)]		
Stores and Spares*	7,055.28	9,221.43
[including in transit Rs. 120.02 (31.03.2018 - Rs Nil)]		
	22,610.08	23,361.13

* Net-off allowance for slow moving/obsolete inventory of Rs. 81.93. lakhs (31.03.2018 - Rs. 94.84 lakhs)

12. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

Rs. Lakhs

	31st March, 2019	31st March, 2018
Fair Value of Biological Assets other than Bearer Plants (Un-harvested Tea Leaves)*	568.39	682.52
	568.39	682.52

Rs. Lakhs

	31st March, 2019	31st March, 2018
Biological Assets Other Than Bearer Plants		
As at Opening date	682.52	494.23
Increase due to harvest/physical changes	568.39	682.52
Decrease due to harvest/physical changes	(682.52)	(494.23)
As at closing date	568.39	682.52

* Unharvested tea leaves on bushes as on 31st March 2019 was 27.02 lakh kgs (31.03.2018- 34.46 lakh kgs).

13. TRADE RECEIVABLES

Rs. Lakhs

	31st March, 2019	31st March, 2018
Secured		
- Considered Good	350.00	350.00
Unsecured		
- Considered Good	3,599.79	12,249.62
- Considered Doubtful	638.74	479.71
Less: Allowance for Doubtful Debts	(638.74)	(479.71)
	3,949.79	12,599.62
Transferred Receivables		
The carrying amounts of the trade receivables include receivables which have been discounted with banks in terms of arrangement with banks. The Group has retained the credit risk and continued to recognise the transferred assets in their entirety in the Balance Sheet.		
The relevant carrying amounts are as follows:		
Total transferred receivables	813.35	1,458.25
Associated payable [Refer Note 25]	813.35	1,458.25

Notes to Consolidated Financial Statements

14A. CASH AND CASH EQUIVALENTS

Rs. Lakhs

	31st March, 2019	31st March, 2018
Balance with banks in Current Accounts *	34,535.02	6,793.40
Cash on hand	79.10	158.40
	34,614.12	6,951.80
* Includes Rs. 120.30 lakhs as on 31st March, 2019 (31st March, 2018- Rs. Nil) pertaining to bank accounts held in the name of Company but operated by buyers against sale of specified assets of certain Tea estates [Refer note 57(a)]		

14B. OTHER BANK BALANCES

Rs. Lakhs

	31st March, 2019	31st March, 2018
Dividend Accounts **	316.94	351.62
Escrow Accounts/Fractional Share Sale Proceeds Account	0.16	0.16
Deposits with maturity more than 3 months	750.00	653.11
	1,067.10	1,004.89
* **Earmarked for payment of unclaimed dividend		

15. CURRENT TAX ASSETS (NET)

Rs. Lakhs

	31st March, 2019	31st March, 2018
Advance Tax - Income Tax (Net of Provision)	7,961.75	8,143.30
Advance Tax - Fringe Benefit Tax (Net of Provision)	307.76	307.76
	8,269.51	8,451.06

16. OTHER CURRENT ASSETS

Rs. Lakhs

	31st March, 2019	31st March, 2018
Balance with Government Authorities	1,693.35	1,680.57
Advances to Suppliers, Service Providers etc.		
Considered Good	2,848.87	2,594.17
Considered Doubtful	150.61	103.76
Less: Allowance for Doubtful Advances	(150.61)	(103.76)
Advance for Employee Benefits [Refer Note 40]	1,221.06	1,826.77
Advance to Employees	375.45	728.72
Recoverable from Director [Refer Note 43 (d)]	263.01	263.01
Prepaid Expenses	837.50	891.10
Subsidies receivable from Government	609.10	591.05
Accrued Duty exemption benefits pertaining to exports	331.80	528.65
Security Deposits	-	4.91
Compensation receivable from Government	44.11	44.11
Other short term assets	33.22	-
	8,257.47	9,153.06

Notes to Consolidated Financial Statements**17. EQUITY SHARE CAPITAL**

Rs. Lakhs

	31st March, 2019	31st March, 2018
Authorised		
12,00,00,000 (31.03.2018 - 12,00,00,000) Equity Shares of Rs. 5/- each	6,000.00	6,000.00
Issued, subscribed and paid-up		
10,94,55,735 (31.03.2018 - 10,94,55,735) Equity Shares of Rs. 5/- each fully paid up	5,472.79	5,472.79
Less: Shares held through trust 1,70,67,500 (31.03.2018 -1,70,67,500 shares)	(853.38)	(853.38)
Less: Buy Back of 50,00,000 shares	(250.00)	-
	4,369.41	4,619.41

(a) Rights, preferences and restrictions attached to Shares

The Parent Company has only one class of shares referred to as Equity Shares having a par value of Rs. 5/- per share. Each share holder is eligible for one vote per share held and entitle to participate in Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Shareholders holding more than 5% of the Equity Shares in the Parent Company

	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2018
	(No. of Shares)	%	(No. of Shares)	%
Williamson Magor & Co. Limited	11660946	11.16	11660946	12.62
The Nomura Trust & Banking Co. Ltd as the Trustee of Nomura India Stock Mother Fund	6475220	6.20	6508116	7.04
Williamson Financial Services Limited	5898725	5.65	5898725	6.38
Edgbaston Asian Equity Trust	6273796	6.01	5519122	5.97
HDFC Small Cap Fund	6437496	6.16	-	0.00

18. OTHER EQUITY

Rs. Lakhs

	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Reserve	Other Reserve	Revaluation Surplus	Equity Investments through FVTOCI	Foreign Currency Translation Reserve	Total
As at 1st April 2017	11,053.58	82,979.66	39,768.49	201.68	19,209.20	34,534.18	6,519.08	(2,502.21)	191,763.66
Profit for the year	-	-	20,791.82	-	-	-	-	-	20,791.82
Transfer from retained earnings to general reserve	-	15,000.00	(15,000.00)	-	-	-	-	-	-
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	660.44	-	-	-	(660.44)	-	-	-
Adjustment on account of dividend [Refer Note 50]	-	-	67.67	-	-	-	-	-	67.67
Dividend Paid	-	-	(273.64)	-	-	-	-	-	(273.64)

Notes to Consolidated Financial Statements

Rs. Lakhs

	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Reserve	Other Reserve	Revaluation Surplus	Equity Investments through FVTOCI	Foreign Currency Translation Reserve	Total
Proposed Dividend relating to Minority Interest	-	-	-	-	-	-	-	-	-
Remeasurements of post-employment defined benefit obligations (net of tax)	-	-	(2,161.58)	-	-	-	-	-	(2,161.58)
Changes in Fair Value of equity instruments designated at FVTOCI	-	-	-	-	-	-	2,385.06	-	2,385.06
Amount adjusted during the year	-	-	-	-	-	-	-	(456.20)	(456.20)
As at 31st March 2018	11,053.58	98,640.10	43,192.76	201.68	19,209.20	33,873.74	8,904.14	(2,958.41)	212,116.79
Profit/(Loss) for the year	-	-	3,184.54	-	-	-	-	-	3,184.54
Adjustment for Buy Back of Equity Share Capital	(6,651.28)	-	-	-	-	-	-	-	(6,651.28)
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	1,435.85	-	-	-	(1,435.85)	-	-	-
Adjustment on account of dividend [Refer Note 50]	-	-	85.34	-	-	-	-	-	85.34
Dividend Paid	-	-	(537.12)	-	-	-	-	-	(537.12)
Remeasurements of post-employment benefit obligations	-	-	(510.10)	-	-	-	-	-	(510.10)
Changes in Fair Value of equity instruments designated at FVTOCI	-	-	-	-	-	-	(5,371.52)	-	(5,371.52)
Amount adjusted during the year	-	-	-	-	-	-	-	(5,264.23)	(5,264.23)
As at 31st March 2019	4,402.30	100,075.95	45,415.42	201.68	19,209.20	32,437.89	3,532.62	(8,222.64)	197,052.42

Nature and Purpose of Other Reserves
a) Capital Reserve

Represents the amount transferred from the transferor Parent Company pursuant to Scheme of Arrangement effected in earlier years.

b) Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act.,2013.

c) General Reserve

General Reserve is created and utilised in compliance with the provisions of the Act.

d) Other Reserves

Represents the balance amount of reserve which had arisen on transfer of Bulk Tea Division of Eveready Industries India Limited pursuant to scheme of arrangement.

e) Retained Earnings

Retained earnings represent accumulated profits earned by the Group and remaining undistributed as on date and remeasurement of defined benefit plans.

f) Revaluation Surplus

Revaluation Surplus, being the excess of market value over the carrying value of certain assets is transferred from the transferor companies pursuant to the Schemes of Arrangement. The said reserve is utilised for adjustment of depreciation attributable to such excess amount and is credited to general reserve.

Notes to Consolidated Financial Statements

g) Equity Investments through FVTOCI

The Group has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income. These changes are accumulated within the equity investments through FVTOCI. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

h) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

19. NON CURRENT BORROWINGS

Rs. Lakhs

	31st March, 2019	31st March, 2018
SECURED		
Term Loans from Banks		
ICICI Bank Limited	2,995.81	4,988.93
Less : Current maturities of long term debts	(1,996.39)	(1,993.13)
	999.42	2,995.80
a) Nature of Security		
Secured by first pari passu charge of certain tea estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets of the Parent Company.		
b) Rate of Interest		
Interest is payable on monthly basis at base rate plus 0.40% p.a.		
c) Terms of Repayment		
Six (31.03.2018- Ten) equal quarterly instalments of Rs. 500 Lakhs each.		
ICICI Bank Limited	6,030.90	8,838.64
Less : Current maturities of long term debts	(1,082.64)	(1,937.75)
	4,948.26	6,900.89
a) Nature of Security		
Secured by first pari passu charge of certain tea estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets.		
b) Rate of Interest		
Interest is payable on monthly basis at 1 year MCLR plus 1.70% p.a		
c) Terms of Repayment		
Repayable Rs. 130 lakhs in September, 2019 and 12 equal instalments of Rs. 500 lakhs each from December, 2019		
HDFC Bank Limited	2,297.05	5,988.68
Less : Current maturities of long term debts	(2,297.05)	(2,991.63)
	-	2,997.05

Notes to Consolidated Financial Statements

	31st March, 2019	31st March, 2018
a) Nature of Security		
Secured by extension of exclusive charge over certain tea estates		
b) Rate of Interest		
Interest is payable on monthly basis at HDFC bank at 1 year MCLR plus 1.40% p.a.		
c) Terms of Repayment		
Repayable Rs 50 lakhs in June 2019 and balance in 3 quarterly equal instalments of Rs 750 lakh each (31.03.2018 - Eight)		
ICICI Bank UK Plc	5,641.87	8,009.55
Less : Current maturities of long term debts	(2,844.45)	(2,685.79)
	2,797.42	5,323.76
a) Nature of Security		
Secured by a first ranking charge over the shares of a Subsidiary Company and a floating debenture charge over all the assets of a Subsidiary Company excluding investments in Parent undertaking.		
b) Rate of Interest		
Interest is payable at 3 Months Dow Jones libor plus 3%		
c) Terms of Repayment		
Repayable in four half yearly equal instalments (31.03.2018 - six).		
HDFC Bank Limited	4,400.00	-
Less : Current maturities of long term debts	(1,446.24)	-
	2,953.76	-
a) Nature of Security		
(i) Secured by first pari-passu charge on the entire present and future moveable fixed assets of the company		
(ii) To be secured by equitable mortgage of specific tea estates of the company		
b) Rate of Interest		
Interest is payable on monthly basis at 3-month MCLR plus 3.00% p.a.		
c) Terms of Repayment		
12 (31.03.2018 - Nil) equal quarterly instalments of Rs. 375 Lakhs each starting from June, 2019		

Notes to Consolidated Financial Statements

	31st March, 2019	31st March, 2018
RBL Bank Limited	5,934.28	9,960.44
Less : Current maturities of Long term debt	(3,940.06)	(3,960.44)
	1,994.22	6,000.00
a) Nature of Security		
Subservient charge by way of hypothecation/ mortgage over the fixed assets of the Company both present and future.		
b) Rate of Interest		
Interest is payable on monthly basis at RBL Bank's 1 year MCLR plus 1.10%		
c) Terms of Repayment		
Repayable in six (31.03.2018 -ten) equal quarterly instalments of Rs. 1000 Lakhs each		
Yes Bank Limited	4,312.57	4,898.96
Less : Current maturities of Long term debt	(1,219.62)	(898.89)
	3,092.95	4,000.07
a) Nature of Security		
(i) Exclusive charge on all the Moveable Fixed assets of certain tea estates- both present and future		
(ii) To be secured by Exclusive charge on all the Immoveable Fixed assets of certain tea estates- both present and future		
(iii) To be Secured by way of Pledge of entire equity shares of Mcleod Russel Uganda Limited (MRUL)		
(iv) To be secured by Mortgage of a property of Seajuli Developers & Finance Limited located at 4, Sunny Park, Kolkata -700019		
(v) To be secured by Pledge of entire equity shares of Phuben Tea Company Limited(PBTC), Vietnam in favour of bank		
b) Rate of Interest		
Interest is payable on monthly basis at 1 year MCLR plus 1.15% per annum		
c) Terms of Repayment		
Repayable in sixteen equal quarterly instalments commencing from August, 2018 of Rs. 312.50 lakhs each		
Yes Bank Limited	-	2,391.18
Less : Current maturities of Long term debt	-	-
	-	2,391.18
a) Nature of Security		

Notes to Consolidated Financial Statements

	31st March, 2019	31st March, 2018
Exclusive charge by way of equitable mortgage on certain tea estates and subservient charge on entire current assets and movable fixed assets.		
b) Rate of Interest		
Interest is payable on monthly basis at 1 year MCLR.		
c) Terms of Repayment		
Repayable in fourteen equal quarterly instalments commencing from February, 2022 of Rs. 178.50 lakhs each		
Yes Bank Limited	-	7,324.24
Less : Current maturities of Long term debt	-	(493.65)
	-	6,830.59
a) Nature of Security		
Exclusive charge by way of equitable mortgage on certain tea estates and subservient charge on entire current assets and movable fixed assets.		
b) Rate of Interest		
Interest is payable on monthly basis at 1 year MCLR plus 1.15%		
c) Terms of Repayment		
Repayable in twenty eight equal quarterly instalments commencing from December, 2018 of Rs. 267.80 lakhs each		
Term Loan from Others		
Housing Development Finance Corporation Limited	2,850.03	3,744.27
Less : Current maturities of Long term debt	(1,026.32)	(918.77)
	1,823.71	2,825.50
a) Nature of Security		
Secured by mortgage of property at Registered Office, Kolkata and certain tea estates.		
b) Rate of Interest		
Interest is payable on monthly basis at HDFC CORP-PLR plus 2.10% p.a.		
c) Terms of Repayment		
Thirty one (31.03.2018 - Forty three) equated monthly instalments (including interest) of Rs. 108.46 Lakhs each.		
Barclays Loan	2,090.46	646.77
Less : Current maturities of long term debts	(522.61)	(121.27)
	1,567.85	525.50
a) Nature of Security		

Notes to Consolidated Financial Statements

	31st March, 2019	31st March, 2018
Secured by mortgage of land pertaining to certain tea estates in Uganda		
b) Rate of Interest		
3 month's LIBOR plus base rate		
c) Terms of Repayment		
Repayment of loan will commencing from 4th October, 2018 by way of five quarterly instalments of USD 187,500.00 and six (i.e. last) instalment of USD 62500.00 which is payable on 4th January, 2020		
Loan from Group Companies	2,092.19	-
	22,269.78	40,790.34

20. EMPLOYEE BENEFIT OBLIGATIONS

Rs. Lakhs

	31st March 2019		31st March 2018	
	Current	Non- Current	Current	Non-Current
Provision for Employee Benefits [Refer Note 40]	1,311.70	4,601.29	3,400.13	5,506.06
	1,311.70	4,601.29	3,400.13	5,506.06

21. DEFERRED TAX LIABILITIES (NET)

Rs. Lakhs

	31st March 2019	31st March 2018
Deferred Tax Liability		
The balance comprises temporary differences attributable to:		
i) Property, Plant and Equipment and Other Intangible Assets	26,194.66	31,154.22
ii) Financial Assets at Fair Value through Profit or Loss	137.55	-
iii) Other items	130.83	322.10
Deferred Tax Liabilities (A)	26,463.04	31,476.32
Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
i) Losses under Agricultural Income Tax	-	8,624.15
ii) Items allowed for tax purpose on payment	2,141.62	2,512.36
iii) Allowance for Doubtful debts, Advances etc.	1,688.66	1,448.08
iv) Minimum Alternate Tax Credit Entitlement	3,063.37	3,078.54
v) Other items	549.82	647.52
Deferred Tax Assets (B)	7,443.47	16,310.65
Net Deferred Tax Liabilities (A-B)	19,019.57	15,165.67

Notes to Consolidated Financial Statements

Movement in Deferred tax liabilities

Particulars	Property, Plant and Equipment	Losses under Agricultural Income Tax	Items Allowed for tax purpose on payment	Provision for Doubtful debts, Advances etc.	Other items	Financial Assets at FVTPL	Total
At 1st April 2017	31,258.02	(5,748.63)	(1,825.31)	(1,356.19)	(313.32)	102.88	22,117.45
Charged /(credited)							
- to profit or loss*	(103.80)	(2,875.52)	285.92	(91.89)	(12.10)	(102.88)	(2,900.27)
- to other comprehensive income			(972.97)				(972.97)
At 31st March 2018	31,154.22	(8,624.15)	(2,512.36)	(1,448.08)	(325.42)	-	18,244.21
Less: Minimum Alternate Tax Credit Entitlement							(3,078.54)
Net Deferred Tax Liabilities							15,165.67
At 1st April 2018	31,154.22	(8,624.15)	(2,512.36)	(1,448.08)	(325.42)	-	18,244.21
Charged /(credited)							
- to profit or loss	(4,959.56)	8,624.15	608.04	(240.58)	(93.57)	137.55	4,076.03
- to other comprehensive income			(237.30)				(237.30)
At 31st March 2019	26,194.66	-	(2,141.62)	(1,688.66)	(418.99)	137.55	22,082.94
Less: Minimum Alternate Tax Credit Entitlement							(3,063.37)
Net Deferred Tax Liabilities							19,019.57

* Includes Rs 52.44 lakhs (31.03.2018 - Rs. 69.26 lakhs) on account of foreign exchange adjustments.

22 OTHER NON-CURRENT LIABILITIES

Rs. Lakhs

	31st March 2019	31st March 2018
Deferred Revenue arising from Government Grants	532.13	534.40
	532.13	534.40

23 CURRENT BORROWINGS

	31st March 2019	31st March 2018
Secured Loans repayable on demand from Banks		
Cash Credit, Packing Credit and Demand Loans	35,589.33	26,285.76
Nature of Security		
Secured by equitable first mortgage by way of deposit of title deeds of immovable properties of certain tea estates ranking pari passu and hypothecation of tea crop, movable properties and book-debts, present and future of the Company.		
Secured Loans - Short Term		
Axis Bank Limited	7,500.00	-
(a) Nature of security:		
Secured by second charge on certain tea-estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets		
Personal guarantee of Mr. Aditya Khaitan, Director		

Notes to Consolidated Financial Statements

	31st March 2019	31st March 2018
Axis Bank Limited	7,500.00	10,000.00
(a) Nature of security:		
Secured by second charge on certain tea-estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets		
RBL Bank Limited	11,000.00	-
(a) Nature of security:		
Subservient charge by way of hypothecation / mortgage over fixed assets of the company - both present and future		
Standard Chartered Bank	6,000.00	-
Exclusive charge by way of pledge of shareholding in Borelli Tea Holdings Limited		
Personal guarantee of Mr. Aditya Khaitan, Director		
IndusInd Bank Limited	3,500.00	
(a) Nature of security:		
(i) Exclusive charge on certain tea estates		
(ii) Pledge of shares held by Mr. K K Baheti (Trustee of Borelli Tea Holdings Limited)		
(iii) Personal guarantee of Mr. Aditya Khaitan, Director		
Yes Bank Limited	37,990.00	-
(a) Nature of security:		
(i) Exclusive charge on all the Moveable Fixed assets of certain tea estates- both present and future		
(ii) To be secured by Exclusive charge on all the Immoveable Fixed assets of certain tea estates- both present and future		
(iii) To be secured by way of Pledge of entire equity shares of Mcleod Russel Uganda Limited (MRUL)		
(iv) To be secured by Mortgage of a property of Seajuli Developers & Finance Limited located at 4, Sunny Park, Kolkata -700019		
(iv) To be secured by Mortgage of a property of Seajuli Developers & Finance Limited located at 4, Sunny Park, Kolkata -700019		
(v) To be secured by Pledge of Listed Equity shares of Eveready Industries Limited and the Company, held by Williamson Magor Co. Limited, Williamson Financial Services Limited and Bishanuth Investments Limited equivalent to 0.5x times of Short term loan facility.		
(vi) To be secured by Pledge of entire equity shares of Phuben Tea Company Limited(PBTC), Vietnam in favour of bank		
Secured Loans from Others		
Housing Development Finance Corporation Ltd	6,500.00	-
(a) Nature of security:		

Notes to Consolidated Financial Statements

	31st March 2019	31st March 2018
(i) Secured by mortgage of property at 4 Mangoe Lane-entire ground to sixth floor and 10th floor owned by Williamson Magor & Co Limited		
(ii) Secured by mortgage of property at 4 Mangoe Lane-entire seventh to ninth floor		
(iii) Secured by company's share-holding in Eveready Industries India Limited, and additionally secured by certain shareholding of group-companies in Eveready Industries India Limited		
(iv) Secured by pledge of 1.35 lakh shares of the company held by group-companies		
(v) Personal guarantee of Mr. Aditya Khaitan, Director		
SREI Equipment Finance Limited	5,000.00	-
(a) Nature of Security		
To be Secured by Exclusive charge on the equipment procured from the loan, pari-passu charge on moveable assets of certain tea-estates of the Company		
Personal guarantee of Mr. Aditya Khaitan, Director		
Techno Electric and Engineering Company Limited	10,000.00	-
(a) Nature of Security		
Mortgage of a property of Seajuli Developers & Finance Limited located at 4, Sunny Park, Kolkata -700019		
To be Secured by Exclusive charge by way of equitable mortgage on certain tea estates		
Unsecured Loans - Short Term		
Unsecured Loans from Banks		
RBL Bank Limited	2,000.00	16,000.00
Unsecured Loans from Others		
Intercompany Loans from Body Corporates	10,000.00	-
	1,42,579.33	52,285.76

24. TRADE PAYABLES

Rs. Lakhs

	31st March 2019	31st March 2018
Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises [Refer Note 54]	-	-
b) Total outstanding dues other than micro enterprises and small enterprises	17,538.06	12,661.06
	17,538.06	12,661.06

*Notes to Consolidated Financial Statements***25. OTHER FINANCIAL LIABILITIES**

Rs. Lakhs

	31st March 2019		31st March 2018	
	Current	Non- Current	Current	Non-Current
Current maturities of long-term debts	16,375.38	-	16,001.33	-
Interest accrued but not due on borrowings	351.06	-	163.55	-
Interest accrued and due on borrowings	794.36	-	-	-
Unpaid Dividends [Refer (a) below]	316.94	-	351.62	-
Unclaimed Fractional Share Sale Proceeds	0.16	-	0.16	-
Deposits Received from Agents/ Customers	108.09	-	108.09	-
Employee Benefits Payable	13,063.06	-	10,659.20	-
Capital Liabilities	972.83	-	89.24	-
Payable for Bill Discounting [Refer Note 13]	813.35	-	1,458.25	-
Derivative not designated as hedges	387.19	-	332.52	-
Payable on account of Disposal of Assets	2,766.81	-	-	-
Sitting fees payable to Non- Executive Directors	0.60	-	3.00	-
	35,949.83	-	29,166.96	-

(a) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

26. PROVISIONS

Rs. Lakhs

	31st March 2019	31st March 2018
Provision for Tax on Proposed Dividend [Refer Note 52 (b)]	344.77	344.77
Provision for Other Retiral Benefits [Refer Note 26.1 below]	516.00	-
	860.77	344.77

Note 26.1:

This represents the management estimate of the amount that may have to be reimbursed to an Employee Provident Fund, in respect of certain investments made by said fund, which may not be ultimately recoverable.

Notes to Consolidated Financial Statements

27. CURRENT TAX LIABILITIES (NET)

Rs. Lakhs

	31st March 2019	31st March 2018
Provision for Income Tax (Net of Advance Tax)	1,764.00	4,485.36
Tax deducted at Source (TDS)	537.62	-
Less: Provision for Doubtful Tax deducted at Source	(537.62)	-
	1,764.00	4,485.36

28. OTHER CURRENT LIABILITIES

Rs. Lakhs

	31st March 2019	31st March 2018
Advances from Customers / Selling Agents	6,854.03	29.03
Statutory Liabilities	1,235.26	840.56
	8,089.29	869.59

29. REVENUE FROM OPERATIONS

Rs. Lakhs

	31st March 2019	31st March 2018
Sale of Products - Tea	1,69,525.14	2,02,200.40
Other Operating Revenues		
Consultancy Fees	171.73	300.17
Government Grants		
Subsidy on Orthodox Tea	139.94	146.02
Replantation Subsidy	260.79	386.78
Transport Subsidy	251.25	326.47
Subsidy- Capital Items	28.92	27.65
Profit on Compulsory acquisition of Leasehold Land by Government	94.16	494.79
Accrued duty exemption entitlement and other benefits relating to exports/Premium on sale thereof	1,493.97	1,647.03
	1,71,965.90	2,05,529.31

Government grants are related to certain incentives being made available by the Government of India for Tea Industry. There are certain grants which relate to the period prior to 1st April 2016. There are no unfulfilled conditions or other contingencies attached to these grants. The Group did not benefit directly from any other forms of government assistance.

30. OTHER INCOME

Rs. Lakhs

	31st March 2019	31st March 2018
Interest Income from Financial assets carried at amortised cost		
On Deposits	1,896.98	614.75
On Loans	12,886.94	13,534.94
Interest Income on Tax Refunds	275.49	58.82

Notes to Consolidated Financial Statements

	31st March 2019	31st March 2018
Dividend income from equity investments measured at fair value through other comprehensive income	33.43	16.96
Insurance Claims	161.97	248.79
Sundry Income [Refer Note (a) and (b) below]	8,530.11	1,442.30
Profit on Disposal of Property, Plant and Equipment (Net)	-	0.47
Profit on Sale of Investments	-	19,881.74
Allowance for bad and doubtful accrued interest no longer required written back	-	349.74
Provisions/ Liabilities no longer required written back	272.20	53.08
Net Gain on Foreign Currency Transaction and Translation	-	2,981.82
	24,057.12	39,183.41

- (a) Sundry Income includes Rs. 640 lakhs (31.03.2018 Rs. 1,108.00 lakhs) being receivables written off by predecessor companies now recovered.
- (b) Financial compensation of Rs 6,781.86 lakhs (31.3.2018 Nil) for delayed start of projects received from contractors.

31. COST OF MATERIALS CONSUMED

Rs. Lakhs

	31st March 2019	31st March 2018
Green Leaf (Consumed)	26,765.45	28,884.46
	26,765.45	28,884.46

32. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

Rs. Lakhs

	31st March 2019	31st March 2018
Stock of Tea at the beginning of the year	13,822.43	14,349.43
Less: Stock of Tea at the end of the year	(15,552.62)	(13,822.43)
Decrease/(Increase)	(1,730.19)	527.00

33. EMPLOYEE BENEFITS EXPENSE

Rs. Lakhs

	31st March 2019	31st March 2018
Salaries and Wages	65,921.05	71,882.34
Contribution to Provident and Other Funds	8,016.95	8,822.64
Staff Welfare Expenses	8,057.22	9,970.23
	81,995.22	90,675.21

34. FINANCE COSTS

Rs. Lakhs

	31st March 2019	31st March 2018
Interest Expense		
On financial liabilities measured at amortised cost	29,377.00	17,111.34
Other borrowing cost	4,380.02	926.14
	33,757.02	18,037.48

Notes to Consolidated Financial Statements
35. DEPRECIATION AND AMORTISATION EXPENSE

Rs. Lakhs

	31st March 2019	31st March 2018
Depreciation on Property, Plant and Equipment	8,059.11	9,775.48
Amortisation of Other Intangible Assets	353.09	446.90
	8,412.20	10,222.38

36. OTHER EXPENSES

Rs. Lakhs

	31st March 2019	31st March 2018
Consumption of Stores and Spare Parts	7,552.11	8,540.97
Consumption of Packing Materials	1,836.03	1,931.55
Power and Fuel	20,363.04	22,582.32
Rent	92.77	130.94
Lease Rent	127.95	78.66
Repairs - Buildings	1,365.71	2,410.15
- Machinery	3,460.01	4,672.36
- Others	1,451.93	1,913.33
Insurance	948.15	1,034.60
Rates and Taxes	820.96	923.34
Cess on Tea	0.01	104.12
Green Leaf Cess	925.00	1,163.09
Travelling	1,018.76	1,484.35
Legal and Professional Fees	1,387.04	1,840.30
Freight, Shipping and Selling Expenses	8,257.21	9,753.06
Brokerage on Sales	898.99	875.30
Selling Agents' Commission	54.89	254.88
Expenditure towards Corporate Social Responsibility (CSR) activities [Refer Note 56]	12.00	17.94
Loss on disposal of Property Plant and Equipment (Net)	381.91	971.48
Bad Debts written off	452.10	-
Provision for doubtful Interest Receivables	7,454.80	-
Allowance for Doubtful Receivables/ advances/ claims	882.31	138.81
Net Loss on Foreign Currency Transaction and Translation	1,064.30	-
Fair Value Loss on Derivatives (Net)	131.70	1,469.61
Changes in Fair Value of Biological Assets	96.25	(193.01)
Miscellaneous Expenses	3,689.30	4,486.47
	64,725.23	66,584.62

Notes to Consolidated Financial Statements

37. INTEREST IN OTHER ENTITIES

(a) Interest in Subsidiaries

The Group's subsidiaries at 31st March, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non - controlling interests		Principal Activities
		31st March 2019	31st March 2018	31st March 2019	31st March 2018	
		%	%	%	%	
i) Borelli Tea Holdings Limited (BTHL)	United Kingdom	100	100	-	-	Investment
ii) Phu Ben Tea Company Limited (Phu Ben)	Vietnam	100	100	-	-	Cultivation and Manufacturing of Tea
iii) McLeod Russel Uganda Limited (MRUL)	Uganda	100	100	-	-	Cultivation and Manufacturing of Tea
iv) Gisovu Tea Company Limited (GTCL)- Divested fully on 26th March, 2019 by BTHL	Rwanda	-	60	100	40	Cultivation and Manufacturing of Tea
v) McLeod Russel Middle East DMCC (MRME)	United Arab Emirates	100	100	-	-	Trading in Black Tea
vi) McLeod Russel Africa Limited (MRAL)	Kenya	100	100	-	-	Trading in Black Tea
vii) Pfunda Tea Company Limited (PTCL) (90% holding till 26th March, 2019 and thereafter Associate)	Rwanda	45	90	55	10	Cultivation and Manufacturing of Tea

(b) Interest in Associate

Set out below is the associate of the Group as at 31st March, 2019, which has share capital consisting solely of equity shares and are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The associate has incurred losses in the current year and previous reporting periods. The amount of investment held by the Group has been fully impaired in the past. Hence, no further accounting under equity method has been done in the Consolidated Financial Statements.

Name of entity	Place of business/country of incorporation	Proportion of Ownership		Carrying Amount	
		31st March 2019	31st March 2018	31st March 2019	31st March 2018
		%	%	Rs. Lakhs	Rs. Lakhs
i) D1 Williamson Magor Bio Fuel Limited	India	34.30%	34.30%	-	-

Notes to Consolidated Financial Statements

(c) Changes in Group Structure

- i) During the year ended 31 March 2019, the Parents Company's subsidiary Borelli Tea Holdings Limited (UK), which held 60% of the Share Capital of Gisovu Tea Company Limited (Rwanda), has sold its entire holding for a consideration of USD 13,200,000. Profit on such sale amounting to Rs. 9,925 Lakhs is shown as Exceptional item in the above consolidated results
- ii) During the year ended 31 March 2019, the Parent Company's subsidiary Borelli Tea Holdings Limited which held 90% of the Share Capital of Pfunda Tea Company Limited (Rwanda) has sold half of its holding for a consideration of USD 7,800,000. Profit on such sale amounting to Rs. 975 Lakhs is shown as Exceptional item in the above consolidated results.

38. SCHEMES OF AMALGAMATION/SCHEME OF ARRANGEMENT GIVEN EFFECT TO IN EARLIER YEARS

Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Schemes, such assets and liabilities remain included in the books of the Parent Company under the name of the transferor companies (including other companies which were amalgamated with the transferor companies from time to time).

39. EMPLOYEE BENEFITS

I. Provident Fund and Other Plans

During the year an amount of Rs. 5,948.61 lakhs (31st March 2018 - Rs. 7,096.68 lakhs) has been recognised as expenditure towards Defined Contribution plans of the Group.

Provident Fund:

Contributions towards provident funds are recognised as expense for the year. The Parent Company has set up Provident Fund Trusts in respect of certain categories of employees which is administered by Trustees. Both the employees and the parent Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Parent Company.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date as per the principle laid down in Ind AS 19 issued by Ministry of corporate affairs and guidelines GN26 issued by the Institute of

Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Parent Company as at the balance sheet date. Further during the year, the Parent Company's contribution of Rs. 344.40 lakhs (31st March 2018 - Rs. 393.33 lakhs) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds'.

II. Post Employment Defined Benefit Plans:

a) Gratuity (Funded)

The Parent Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs. 20.00 lakhs. Vesting occurs upon completion of five years of service. The amount of gratuity payable is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

b) Superannuation (Funded)

The Parent Company's Superannuation scheme, a Defined Benefit plan, is administered through trust funds and covers certain categories of employees. Investments of the funds are managed by insurance companies /trustees themselves. Benefits under these plans had been frozen in earlier years with regard to salary levels then prevailing. Upon retirement, death or cessation of employment, Superannuation Funds purchase annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

c) Staff Pension – Type A (Funded)

The Parent Company's Staff Pension Scheme – Type A, a Defined Benefit plan, is administered through a trust fund and covers certain categories of employees. Investments of the fund are managed by Life Insurance Corporation of India. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

Notes to Consolidated Financial Statements

d) Staff Pension – Type B (Unfunded)

The Parent Company's Staff Pension Scheme – Type B, a Defined Benefit plan, covers certain categories of employees. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

e) Medical Insurance Premium Re-imbursement (Unfunded) The Parent Company has a scheme of re-imbursement of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit. The scheme is in the nature of Defined Benefit plan.

f) Expatriate Pension (Unfunded)

The Parent Company has an informal practice of paying pension to certain categories of retired expatriate employees and in certain cases to their

surviving spouses. The scheme is in the nature of Defined Benefit plan.

g) Gratuity Plan (Unfunded) in respect of MRUL, a subsidiary company:

MRUL's terms and conditions of employment provide for a gratuity to Ugandan nationals employed by the company. The gratuity is payable after completion of five years' service upon resignation, retirement or termination and on condition that the employee leaves honourably. The gratuity is calculated at twenty working days per year of service for employees with five to ten years service and thirty working days per year of service for those with more than ten years service. The provision takes account of service rendered by employees up to the balance sheet date and is based on actuarial valuation.

h) Gratuity Plan (Unfunded) in respect of MRME, a subsidiary company:

Provision is made for end-of-service gratuity payable to the staff at the balance sheet date in accordance with United Arab Emirates labour law.

Notes to Consolidated Financial Statements

The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended 31st March 2019 and corresponding figures for the previous year:

Rs. Lakhs

		For the year ended 31st March, 2019						
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
1	Components of Employer Expense							
	- Recognised in Profit or Loss							
	1. Current Service Cost	851.06	-	-	813.46	-	-	34.51
	2. Past Service Cost	-	-	-	-	-	-	-
	3. Net Interest Cost	(176.01)	(108.71)	-	401.21	33.77	0.66	65.42
	4. Total expense recognised in the Statement of Profit and Loss	675.05	(108.71)	-	1,214.67	33.77	0.66	99.93
	- Re-measurements recognised in Other Comprehensive Income							
	5. Return on plan assets (excluding amounts included in Net interest cost)	(316.29)	5.73	-	-	-	-	-
	6. Effect of changes in demographic assumptions	-	-	-	-	-	-	-
	7. Effect of changes in financial assumptions	189.41	4.80	-	18.18	3.59	1.35	(35.65)
	8. Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-	-
	9. Effect of experience adjustments	2,975.64	(88.07)	-	(1,996.63)	(151.70)	14.48	145.68
	10. Total re-measurements included in Other Comprehensive Income	2,848.76	(77.54)	-	(1,978.45)	(148.11)	15.83	110.03
	11. Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (4+10)	3,523.81	(186.25)	-	(763.78)	(114.34)	16.49	209.96

Notes to Consolidated Financial Statements

Rs. Lakhs

		For the year ended 31st March, 2018						
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
1	Components of Employer Expense							
	- Recognised in Profit or Loss							
	1. Current Service Cost	1,283.45	-	96.38	958.16	-	-	29.41
	2. Past Service Cost	247.31	-	-	-	-	-	-
	3. Net Interest Cost	(254.39)	(98.39)	48.56	328.12	34.80	0.92	42.49
	4. Total expense recognised in the Statement of Profit and Loss	1,276.37	(98.39)	144.94	1,286.28	34.80	0.92	71.90
	- Re-measurements recognised in Other Comprehensive Income							
	5. Return on plan assets (excluding amounts included in Net interest cost)	290.45	14.45	(2.29)	-	-	-	-
	6. Effect of changes in demographic assumptions	-	-	-	-	-	-	-
	7. Effect of changes in financial assumptions	(290.39)	(15.32)	(23.82)	(44.66)	(6.92)	(2.50)	42.01
	8. Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-	-
	9. Effect of experience adjustments	2,465.87	(53.82)	(73.15)	773.66	(0.62)	14.72	75.26
	10. Total re-measurements included in Other Comprehensive Income	2,465.93	(54.69)	(99.26)	729.00	(7.54)	12.22	117.27
	11. Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (4+10)	3,742.30	(153.08)	45.68	2,015.28	27.26	13.14	189.17

Notes to Consolidated Financial Statements

Rs. Lakhs

		As on 31st March, 2019						
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
II	Net Asset/(Liability) recognised in Balance Sheet							
	1. Present Value of Defined Benefit Obligation	13,420.76	1,182.44	-	4,473.00	322.07	16.18	502.92
	2. Fair Value of Plan Assets	13,630.63	2,687.99	-	-	-	-	-
	3. Status [Surplus/ (Deficit)]	209.87	1,505.55	-	(4,473.00)	(322.07)	(16.18)	(502.92)
	4. Restrictions on Asset Recognised	-	-	-	-	-	-	-

Rs. Lakhs

		As on 31st March, 2018						
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
II	Net Asset/(Liability) recognised in Balance Sheet							
	1. Present Value of Defined Benefit Obligation	16,810.00	1,441.00	688.92	6,151.92	464.23	17.94	397.79
	2. Fair Value of Plan Assets	17,689.99	2,850.39	11.00	-	-	-	-
	3. Status [Surplus/ (Deficit)]	879.99	1,409.39	(677.92)	(6,151.92)	(464.23)	(17.94)	(397.79)
	4. Restrictions on Asset Recognised	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

Rs. Lakhs

		For the year ended 31st March, 2019						
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
III	Change in Defined Benefit Obligation (DBO)							
	1. Present Value of DBO at the beginning of the year	16,810.00	1,441.00	688.92	6,151.92	464.23	17.94	397.79
	2. Current Service Cost	851.06	-	-	813.46	-	-	34.51
	3. Past Service Cost	-	-	-	-	-	-	-
	4. Interest Cost	769.20	97.39		401.21	33.77	0.66	65.42
	5. Remeasurement gains / (losses):							
	a. Effect of changes in demographic assumptions	-	-	-	-	-	-	-
	b. Effect of changes in financial assumptions	189.41	4.80	-	18.18	3.59	1.35	(35.65)
	c. Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-	-
	d. Effect of experience adjustments	2,975.64	(88.07)	-	(1,996.63)	(151.70)	14.48	145.68
	6. Curtailment Cost / (Credits)	-	-	-	-	-	-	-
	7. Settlement Cost / (Credits)	(2,500.66)	-	-	-	-	-	-
	8. Liabilities assumed in business combination	-	-	-	-	-	-	-
	9. Exchange difference on foreign plans	-	-	-	-	-	-	-
	10. Benefits Paid	(3,241.25)	(260.30)		(225.32)	(27.82)	(18.25)	(104.83)
	11. Transfer to Buyers of specified assets of certain Tea Estates.	(2,432.64)	(12.38)	(688.92)	(689.82)	-	-	-
	12. Present Value of DBO at the end of the year	13,420.76	1,182.44	-	4,473.00	322.07	16.18	502.92

Notes to Consolidated Financial Statements

Rs. Lakhs

		For the year ended 31st March, 2018						
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
III	Change in Defined Benefit Obligation (DBO)							
	1. Present Value of DBO at the beginning of the year	14,345.74	1,451.26	643.47	4,385.91	466.89	19.29	331.62
	2. Current Service Cost	1,283.45	-	96.38	958.16	-	-	29.41
	3. Past Service Cost	247.31	-	-	-	-	-	-
	4. Interest Cost	1,017.63	109.78	49.42	328.12	34.79	0.92	42.49
	5. Remeasurement gains / (losses):							
	a. Effect of changes in demographic assumptions	-	-	-	-	-	-	-
	b. Effect of changes in financial assumptions	(290.39)	(15.32)	(23.82)	(44.66)	(6.92)	(2.50)	42.01
	c. Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-	-
	d. Effect of experience adjustments	2,465.87	(53.82)	(73.15)	773.66	(0.62)	14.72	75.26
	6. Curtailment Cost / (Credits)	-	-	-	-	-	-	-
	7. Settlement Cost / (Credits)	-	-	-	-	-	-	-
	8. Liabilities assumed in business combination	-	-	-	-	-	-	-
	9. Exchange difference on foreign plans	-	-	-	-	-	-	-
	10. Benefits Paid	(2,259.61)	(50.90)	(3.38)	(249.27)	(29.91)	(14.49)	(123.00)
	11. Present Value of DBO at the end of the year	16,810.00	1,441.00	688.92	6,151.92	464.23	17.94	397.79

Notes to Consolidated Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
IV Best Estimate of Employers' Expected Contribution for the next year		
- Gratuity	2,775.74	2,437.21
- Superannuation	-	4.22
- Staff Pension Fund	-	-

Rs. Lakhs

		For the year ended 31st March, 2019						
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
V	Change in Fair Value of Assets							
	1. Plan Assets at the beginning of the year	17,689.99	2,850.39	11.00	-	-	-	-
	2. Asset acquired in Business Combination	-	-	-	-	-	-	-
	3. Interest Income	945.21	206.09	-	-	-	-	-
	4. Remeasurement Gains / (Losses) on plan assets	316.29	(5.73)	-	-	-	-	-
	5. Actual Company Contributions	3,007.62	-	-	-	-	-	-
	6. Benefits Paid	(3,241.25)	(260.30)	-	-	-	-	-
	7. Settlement Cost	(2,500.66)	-	-	-	-	-	-
	8. Transfer to Buyers of specified assets of certain Tea Estates.	(2,586.57)	(102.46)	(11.00)	-	-	-	-
	9. Plan Assets at the end of the year	13,630.63	2,687.99	-	-	-	-	-

Notes to Consolidated Financial Statements

Rs. Lakhs

		For the year ended 31st March, 2018						
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
V	Change in Fair Value of Assets							
	1. Plan Assets at the beginning of the year	16,708.42	2,703.70	11.23	-	-	-	-
	2. Asset acquired in Business Combination	-	-	-	-	-	-	-
	3. Interest Income	1,272.02	208.17	0.86	-	-	-	-
	4. Remeasurement Gains / (Losses) on plan assets	(290.45)	(14.45)	2.29	-	-	-	-
	5. Actual Company Contributions	2,259.61	3.87	-	-	-	-	-
	6. Benefits Paid	(2,259.61)	(50.90)	(3.38)	-	-	-	-
	7. Plan Assets at the end of the year	17,689.99	2,850.39	11.00	-	-	-	-

		As at 31st March, 2019		As at 31st March, 2018	
		Discount Rate (%)	Return on Plan Assets (%)	Discount Rate (%)	Return on Plan Assets (%)
VI	Actuarial Assumptions				
	1. Gratuity	7.50	7.50	7.70	7.70
	2. Superannuation	7.50	7.50	7.70	7.70
	3. Staff Pension Type A	-	-	7.70	7.70
	4. Staff Pension Type B	7.50	-	7.70	-
	5. Medical Benefit Liability	7.50	-	7.70	-
	6. Expatriate Pension	7.50	-	7.70	-
	7. Gratuity Fund (MRUL)	16.90	-	15.41	-

Notes to Consolidated Financial Statements

Rs. Lakhs

		As at 31st March, 2019		As at 31st March, 2018	
		Amount (Rs. Lakhs)	%	Amount (Rs. Lakhs)	%
VII	Major Category of Plan Assets as a % of the Total Plan Assets				
	1. Government Bonds	45.17	0.28	45.11	0.22
	2. Investment with Life Insurance Corporation of India	199.69	1.22	3,086.28	15.02
	3. Investment with Other Insurance Companies	16,034.77	98.26	17,339.22	84.37
	4. Cash and Cash Equivalents	38.99	0.24	80.77	0.39
	Total	16,318.62	100.00	20,551.38	100.00

Plan assets represent investment in various categories. The return on amounts invested with LIC is declared annually by them. Return on amounts invested with Insurance companies, other than LIC, is mostly by way of Net Asset Value declared on units purchased, with some schemes declaring returns annually. Investment in Bonds and Special Deposit carry a fixed rate of interest. The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risk of asset management and other relevant factors.

VIII. Sensitivity Analysis

The sensitivity analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

	Impact on Defined Benefit Obligation					
	As on 31st March, 2019					
	Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
	%	%	%	%	%	%
Increase in Assumption by 0.50%						
1. Discount Rate	(3.49)	(1.69)	-	(2.14)	(0.74)	(1.58)
2. Salary Growth Rate	3.88	-	-	2.35	0.07	-
3. Attrition Rate	0.17	-	-	0.05	0.05	-
Decrease in Assumption by 0.50%	-	-	-	-	-	-
1. Discount Rate	3.74	1.79	-	2.21	0.78	1.55
2. Salary Growth Rate	(3.64)	-	-	(2.29)	(0.07)	-
3. Attrition Rate	(0.17)	-	-	(0.05)	(0.05)	-

Notes to Consolidated Financial Statements

	Impact on Defined Benefit Obligation					
	As on 31st March, 2018					
	Gratuity (Funded)	Superannuation (Funded)	Staff Pension Type A (Funded)	Staff Pension Type B (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
	%	%	%	%	%	%
Increase in Assumption by 0.50%						
1. Discount Rate	(3.09)	(1.38)	(1.45)	(2.32)	(1.56)	(1.69)
2. Salary Growth Rate	3.43	-	1.11	2.45	0.08	-
3. Attrition Rate	0.15	-	0.15	0.07	0.05	-
Decrease in Assumption by 0.50%						
1. Discount Rate	3.30	1.45	1.56	2.46	1.63	1.62
2. Salary Growth Rate	(3.23)	-	(0.89)	(2.33)	(0.08)	-
3. Attrition Rate	(0.15)	-	(0.15)	(0.07)	(0.05)	-

Gratuity Fund of MRUL

	Change in Assumption		Impact on defined benefit obligation			
			Increase in Assumption		Decrease in Assumption	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	%	%	%	%	%	%
Discount Rate	1.00	1.00	5.90	6.64	(6.56)	(8.54)

Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields: if plan assets under perform this yield, this will create a deficit. The plan asset investments is in bonds, special deposit, LIC and other insurance companies. The Group has a risk management strategy where the aggregate amount of risk exposure on a portfolio is maintained at a fixed range. Any deviation from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the continuing years.

Changes in yields

A decrease in yields will increase plan liabilities.

Life Expectancy

The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in the increase in the plans liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefits plans. Within this framework, the group's ALM objective is to match assets to the pension obligations by investing in long-term securities with maturities that match the benefit payments as they fall due.

The group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Notes to Consolidated Financial Statements

The average duration of liabilities for all the funds is as follows :

Particulars	31st March 2019	31st march 2018
	No. of Years	No. of Years
Defined benefit obligation		
Gratuity Fund (Funded)- Parent Company		
McLeod Russel India Limited Employees Gratuity Fund	15	15
The Moran Tea Company India Limited Employees Gratuity Fund	-	19
George Williamson (Assam) Limited Employees Group Gratuity Fund	16	17
Doom Dooma Tea Employees Gratuity Fund	-	15
The Bisnauth Tea Company Limited Employees Group Gratuity fund	17	16
Gratuity Fund (Unfunded)- Subsidiary	6	6
McLeod Russel Uganda Limited	-	-
Superannuation Fund (Funded)	-	6
Doom Dooma Tea Management Employees Pension Fund	3	3
George Williamson (Assam) Limited Superannuation Fund	5	5
Williamson Magor & Company Limited Superannuation Fund	5	5
McLeod Russel India Limited Superannuation Fund	-	-
Staff Pension Fund Type A (Funded)		
Doom Dooma India Limited Staff Pension Fund	-	7
Staff Pension Fund Type B (Unfunded)		
McNeil & Magor and McLeod Russel Group	7	10
Moran Tea Company Limited.	-	10
Medical Benefit Liability (Unfunded)		
McLeod Russel India Limited	5	5
Expatriate Pension (Unfunded)		
McLeod Russel India Limited	5	6

The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:

Rs. Lakhs

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March 2019					
Defined benefit obligation					
Funded					
Gratuity Fund - Parent Company	1,801.78	1,362.72	3,560.40	21,027.38	27,752.28
Superannuation Fund	1,011.18	55.42	213.55	279.35	1,559.50
Staff Pension Fund Type A	-	-	-	-	-
Unfunded					
Gratuity Fund - Subsidiary	34.11	28.07	317.01	22,980.49	23,359.68
Staff Pension Fund Type B	968.27	625.50	1,422.23	2,957.53	5,973.53
Medical Benefit Liability	187.04	175.01	423.61	585.32	1,370.98
Expatriate Pension	3.97	2.97	6.10	5.29	18.33
	4,006.35	2,249.69	5,942.90	47,835.36	60,034.30

Notes to Consolidated Financial Statements

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March 2018					
Defined benefit obligation					
Funded					
Gratuity Fund - Parent Company	4,006.78	1,838.86	5,142.92	25,666.82	36,655.38
Superannuation Fund	944.33	165.69	262.97	423.27	1,796.26
Staff Pension Fund Type A	241.48	69.19	154.99	600.24	1,065.90
Unfunded					
Gratuity Fund - Subsidiary	33.29	32.34	177.93	17,381.77	17,625.33
Staff Pension Fund Type B	1,871.52	679.68	1,974.01	4,844.46	9,369.67
Medical Benefit Liability	247.78	216.23	583.29	1,049.82	2,097.12
Expatriate Pension	3.60	1.11	3.16	11.98	19.85
	7,348.78	3,003.10	8,299.27	49,978.36	68,629.51

40. CLASSIFICATION OF PROVISION/ADVANCE FOR EMPLOYEE BENEFITS

Rs. Lakhs

	Classified as Non-Current		Classified as Current	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Provision for Employee Benefits				
- Staff Pension	3,539.10	4,348.55	933.90	2,481.29
- Medical Benefit	141.67	225.47	180.40	238.76
- Expatriate Pension	12.34	14.48	3.84	3.46
- Gratuity Fund (MRUL)	502.92	397.79	-	-
- Other Employee Benefits	405.26	519.77	193.56	676.62
	4,601.29	5,506.06	1,311.70	3,400.13
Advance for Employee Benefits				
- Gratuity Fund	-	-	209.87	879.99
- Superannuation Fund	494.36	465.06	1,011.19	944.33
- Others	-	-	-	2.45
	494.36	465.06	1,221.06	1,826.77

41. CONTINGENT LIABILITIES
a) Claims against the Group not acknowledged as debts :-

Rs. Lakhs

	31st March 2019	31st March 2018
Electricity Dues	53.38	53.38
Excise Duty	42.30	10.75
Income Tax	72.44	97.88
Service Tax	564.62	1,010.58
Land Revenue	9.65	9.65
Disputed Labour Claims	54.00	51.27
Others	9.64	9.15

Notes to Consolidated Financial Statements

- b) The Parent Company has given a Corporate Guarantee for Rs. 2500 Lakhs on to secure a part of the loan of Rs. 5000 lakhs given by Luxmi Township & holdings Limited to Williamson Magor & Company Limited.

c) Bank Guarantees Rs.196.84 lakhs (31st March 2018 - Rs. 181.33 lakhs)

It is not practicable for the Group to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the same.

The Group does not expect any reimbursement in respect of the above contingent liabilities.

42. CAPITAL COMMITMENTS

- a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Rs. Lakhs

	31st March 2019	31st March 2018
Property, Plant and Equipment		
Commitment (Gross)	11,390.55	1,748.46
Advances against above commitments [Refer Note 10]	6,704.03	529.38
Commitment (Net)	4,686.52	1,219.08

43. RELATED PARTY DISCLOSURES AS PER IND AS-24

(a) Associate

D1 Williamson Magor Bio Fuel Limited

(b) Key Management Personnel

Mr. Brij Mohan Khaitan (BMK)	Chairman till 27.03.2019 [Deceased on 01.06.2019]
Mr. Aditya Khaitan (AK)	Managing Director and also Chairman w.e.f 27.03.2019
Mr. Rajeev Takru (RT)	Wholetime Director
Mr. Azam Monem (AM)	Wholetime Director
Mr. Kamal Kishore Baheti (KKB)	Wholetime Director
Mr. Amritanshu Khaitan (AAK)	Non-Executive Director
Dr. Raghavachari Srinivasan (RAS)	Non-Executive Director
Mr. Bharat Bajoria (BB)	Non-Executive Director till 12.02.2019
Mr. Ranabir Sen (RS)	Non-Executive Director
Mr. Utsav Parekh (UP)	Non-Executive Director
Mrs. Ramni Nirula (RN)	Non-Executive Director
Mr. Padam Kumar Khaitan (PKK)	Non-Executive Director till 12.02.2019
Mr. Ashok Bhandari (AB)	Non-Executive Director w.e.f 10.10.2018 [Resigned on 29.04.2019]
Mr. Jyoti Ghosh (JG)	Non-Executive Director w.e.f 12.02.2019 [Resigned on 13.05.2019]

(c) Relatives of Key Management Personnel with whom transactions took place during the year.

Mr. Brij Mohan Khaitan (BMK)	Father of Mr. Aditya Khaitan
Mrs. Kavita Khaitan (KK)	Wife of Mr. Aditya Khaitan
Mrs. Zubeena Monen (ZM)	Wife of Mr. Azam Monem
Mrs. Isha Khaitan (IK)	Wife of Mr. Amritanshu Khaitan
Miss Vanya Khaitan (VK)	Daughter of Mr. Amritanshu Khaitan

Notes to Consolidated Financial Statements

(d) Transactions with Key Management Personnel:

(i) Key Management Personnel Compensation:

Rs. Lakhs

	31st March 2019	31st March 2018	Excess Recoverable (**)	Net
Short- term employment benefits				
AK	360.43	384.98	263.01	121.97
RT	147.50	187.03	-	187.03
AM	147.14	186.97	-	186.97
KKB	146.37	186.23	-	186.23
	801.44	945.21	263.01	682.20
Post-employment benefits				
AK	27.00	27.00	-	27.00
RT	10.80	10.80	-	10.80
AM	10.80	10.80	-	10.80
KKB	10.80	10.80	-	10.80
	59.40	59.40	-	59.40
Total compensation	860.84	1,004.61	263.01	741.60

(**) In view of inadequacy of profit during the year 2016-17, the Department of Company Affairs (Government Of India) in response to Company's application, vide its letter dated 15th May 2018 has sanctioned remuneration of Rs. 133.88 lakhs for the Managing Director. The Company vide its letter dated 23rd May 2018 has made a representation to the Government to reconsider the sanctioned remuneration stating that a special resolution was passed by the shareholders on 9th August 2017 approving the remuneration paid to him as well as waiving recovery for the excess remuneration. Pending disposal of the Company's appeal by the Central Government, the amount paid in excess over the sanctioned amount is being 'held in trust' [as per section 197(9) of the Companies Act 2013] by him and will be adjusted / recovered accordingly.

(ii) Dividends paid to Key Management Personnel

Rs. Lakhs

	31st March 2019	31st March 2018
BMK	0.18	0.09
AK	0.09	0.04
RT	*	*
AM	*	*
KKB	*	0.01
Total	0.27	0.14

* Amount is below the rounding off norm adopted by the Company.

(e) Transactions / Balances with associate:

Rs. Lakhs

	31st March 2019	31st March 2018
Balance of investment at year end*	-	-

* (Cost- Rs.. 2184.35 lakhs, fully impaired)

Notes to Consolidated Financial Statements**(f) Transactions with relatives of Key Management Personnel:**

Rs. Lakhs

	31st March 2019	31st March 2018
Dividend Paid		
YK	0.36	*
KK	0.01	*
IK	0.04	*
VK	0.03	*

(g) Transactions with Non-Executive Directors:

Rs. Lakhs

	31st March 2019	31st March 2018
Sitting Fees		
BMK	0.40	1.60
AAK	2.20	1.60
RAS	2.40	2.80
BB	2.20	3.20
RS	4.40	3.40
UP	1.80	2.00
RN	2.00	2.00
PKK	0.40	1.20
AB	1.80	-
JG	0.40	-
	18.00	17.80
Sitting Fees payable		
RAS	-	0.40
BB	-	0.60
RS	-	0.60
AAK	0.40	-
UP	0.20	0.60
RN	-	0.40
PKK	-	0.40
	0.60	3.00
Dividend Paid		
AAK	0.08	0.04
BB	0.01	*
RS	*	*
PKK	0.01	*
	0.10	0.04

* Amount is below the rounding off norm adopted by the Company.

Notes to Consolidated Financial Statements

44. EVENT OCCURRING AFTER THE REPORTING PERIOD

Refer to Note 50(b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing Annual General Meeting.

45. NON-CANCELLABLE OPERATING LEASES

The Group has entered into non-cancelable operating lease agreements for certain land areas and factories for various tenures. The lease rents are change in statement of Profit and Loss; and future lease commitments are:

	31st March 2019	31st March 2018
	Rs. Lakhs	Rs. Lakhs
Within one year	132.78	92.15
Later than one year but not later than five years	366.17	316.63
Later than five years	777.12	779.62
	1,276.07	1,188.40

46. EARNINGS PER SHARE

	31st March 2019	31st March 2018
Earnings per share has been computed as under:		
(a) Profit for the year Profit attributable to owners' of Parent Company [Rs. in lakhs]	3,184.54	20,791.82
(b) Weighted average number of Equity shares outstanding for the purpose of basic earnings per share	89543274	85730701
(c) Earnings per share on profit for the year [Face Value Rs. 5.00 per share] Basic and Diluted EPS [(a)/(b)] (Rs.)	3.56	24.25

47. SEGMENT INFORMATION

The Group is primarily engaged in the business of cultivation, manufacture and sale of tea across various geographical locations with different political and economic environments, risks and returns etc. and accordingly operating segments have been identified based on their geographical locations. The chief operating decision maker uses a measure of segment results, depreciation and amortisation to assess the performance of operating segments.

The geographical segments have been identified as India, Vietnam, Uganda, Rwanda, UK and Others

Rs. Lakhs

	31st March 2019	31st March 2018
Segment Revenue		
India	1,30,673.27	1,59,386.75
Vietnam	7,622.78	6,835.78
Uganda	18,134.58	21,109.36
Rwanda	9,381.22	11,830.98
UK	171.73	234.83
Others	5,982.32	6,131.61
	1,71,965.90	2,05,529.31

Notes to Consolidated Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
Segments Results		
India	(8,058.76)	(7,906.19)
Vietnam	(1,374.12)	(1,350.28)
Uganda	2,291.15	7,229.00
Rwanda	3,664.46	5,161.28
UK	8,665.02	21,028.22
Others	880.94	992.75
Profit before Taxation and Minority Interest	6,068.69	25,154.78
Less : Taxation Charge		
Current Tax	2,136.89	(6,070.31)
Provisions relating to earlier years written back(net)	(3,973.29)	-
Deferred Tax - Charge/(Credit)	4,023.59	2,831.01
Profit for the year	3,881.50	21,915.48

Rs. Lakhs

	31st March 2019	31st March 2018
Segments Assets		
India	3,84,344.96	3,07,234.72
Vietnam	13,351.91	11,857.68
Uganda	27,938.05	19,835.98
Rwanda	41.35	10,148.00
UK	27,666.78	33,021.60
Others	2,594.53	2,185.06
Total	4,55,937.58	3,84,283.04

Rs. Lakhs

	31st March 2019	31st March 2018
Segments Liabilities		
India	2,31,004.43	1,48,756.61
Vietnam	4,479.59	3,075.21
Uganda	10,586.78	3,955.29
Rwanda	127.34	821.72
UK	7,868.52	8,297.14
Others	449.09	304.13
Total	2,54,515.75	1,65,210.10

Notes to Consolidated Financial Statements

Rs. Lakhs

	31st March 2019	31st March 2018
Capital Expenditure relating to Segments		
India	6,970.28	8,081.76
Vietnam	201.95	21.45
Uganda	4,498.55	1,796.47
Rwanda	-	296.11
UK	-	-
Others	1.65	4.01
Total	11,672.43	10,199.80

Rs. Lakhs

	31st March 2019	31st March 2018
Depreciation and Amortisation relating to Segments		
India	6,921.73	8,268.14
Vietnam	528.58	529.75
Uganda	903.67	884.48
Rwanda	-	475.46
UK	53.41	59.19
Others	4.81	5.36
Total	8,412.20	10,222.38

Note :

- The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.
- Segment assets and liabilities are measured in the same way as in the Consolidated financial statements.

48. FAIR VALUE MEASUREMENTS

Financial instruments by category

Rs. Lakhs

	31st March 2019					31st March 2018				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets										
Investments										
- Equity Instruments	-	4,238.54	-	4,238.54	4,238.54	-	9,610.06	-	9,610.06	9,610.06
Trade Receivables	-	-	3,949.79	3,949.79	3,949.79	-	-	12,599.62	12,599.62	12,599.62
Loans	-	-	1,74,483.14	1,74,483.14	1,74,483.14	-	-	64,695.59	64,695.59	64,695.59
Cash and Cash Equivalents	-	-	34,614.12	34,614.12	34,614.12	-	-	6,951.80	6,951.80	6,951.80
Other Bank Balances	-	-	1,067.10	1,067.10	1,067.10	-	-	1,004.89	1,004.89	1,004.89
Other Financial Assets	-	-	12,450.85	12,450.85	12,450.85	-	-	20,528.51	20,528.51	20,528.51
Total Financial assets	-	4,238.54	2,26,565.00	2,30,803.54	2,30,803.54	-	9,610.06	1,05,780.41	1,15,390.47	1,15,390.47
Financial liabilities										
Borrowings	-	-	1,82,369.91	1,82,369.91	1,82,369.91	-	-	1,09,240.98	1,09,240.98	1,09,240.98
(including interest accrued but not due)	-	-	-	-	-	-	-	-	-	-
Derivative Liability	387.19	-	-	387.19	387.19	332.52	-	-	332.52	332.52
Trade Payables	-	-	17,538.06	17,538.06	17,538.06	-	-	12,661.06	12,661.06	12,661.06

Notes to Consolidated Financial Statements

	31st March 2019					31st March 2018				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Other Financial Liabilities	-	-	18,041.84	18,041.84	18,041.84	-	-	12,669.56	12,669.56	12,669.56
Total Financial liabilities	387.19	-	2,17,949.81	2,18,337.00	2,18,337.00	332.52	-	1,34,571.60	1,34,904.12	1,34,904.12

(i) Fair value hierarchy**(a) Financial Instruments**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

The fair value of trade receivables, loans, borrowings, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There are no transfers between level 1, level 2 and level 3 during the year.

Rs. Lakhs

Financial assets and liabilities measured at fair value- recurring fair value measurements at 31st March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investment at FVTOCI					
Quoted Equity Investments	7	4,237.83	-	-	4,237.83
Unquoted Equity Investments	7	-	-	0.71	0.71
Total Financial assets		4,237.83	-	0.71	4,238.54
Financial liabilities					
Derivatives not designated as hedges	25	-	387.19	-	387.19
Total Financial liabilities		-	387.19	-	387.19

Rs. Lakhs

Financial assets which are measured at amortised cost for which fair values are disclosed at 31st March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets*					
Loans	8	-	-	1,74,469.58	1,74,469.58
Other financial assets	9	-	-	10,296.34	10,296.34
Total Financial assets		-	-	1,84,765.92	1,84,765.92
Financial liabilities *					
Borrowings	19	-	-	22,269.78	22,269.78
Total Financial liabilities		-	-	22,269.78	22,269.78

* Represents fair value of Non-current financial instruments

Notes to Consolidated Financial Statements

Rs. Lakhs

Financial assets and liabilities measured at fair value- recurring fair value measurements at 31st March 2018	Notes	Level 1	Level 2	Level 3	Total
Financial investment at FVTOCI					
Quoted Equity Investments	7	9,609.35	-	-	9,609.35
Total Financial assets		9,609.35	-	-	9,609.35
Financial liabilities					
Derivatives not designated as hedges	25	-	332.52	-	332.52
Total Financial liabilities		-	332.52	-	332.52

Financial assets which are measured at amortised cost for which fair values are disclosed at 31st March 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets *					
Loans	8	-	-	2.43	2.43
Other financial assets	9	-	-	3,398.95	3,398.95
Total Financial assets		-	-	3,401.38	3,401.38
Financial liabilities *					
Borrowings	19	-	-	40,790.34	40,790.34
Total Financial liabilities		-	-	40,790.34	40,790.34

* Represents fair value of Non-current financial instruments

(b) Biological assets other than bearer plants

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its biological assets other than bearer plants into level 2 in the fair value hierarchy, since no significant adjustments need to be made to the prices obtained from the local markets.

Rs. Lakhs

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 31st March 2019	Notes	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	12		568.39		568.39
Total		-	568.39	-	568.39

Rs. Lakhs

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 31st March 2018	Notes	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	12	-	682.52	-	682.52
Total		-	682.52	-	682.52

49. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the group, the group has risk management policies as described below :-

(A) Credit risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The group is exposed to credit risk for receivables, cash and cash equivalents, other bank balances, financial guarantees and derivative financial instruments. None of the financial instruments of the Company result in material concentration of credit risks.

Credit risk on receivables is minimum since sales through different mode (eg. auction, consignment, private - both domestic and export) are made after judging credit worthiness of the customers, advance payment or against letter of credit by banks. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties including subsidiary, the Group is not expecting any material risk on account of non-performance by any of the parties.

Notes to Consolidated Financial Statements

For derivative and financial instruments, the group manage its credit risks by dealing with reputable banks and financial institutions.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying value of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 48.

(B) Liquidity risk

Liquidity risk refers to the risk that the Group fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the group's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- i all non-derivative financial liabilities, and
- ii derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Rs. Lakhs

Contractual maturities of financial liabilities as at 31st March 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (including interest accrued but not due)	1,60,305.86	14,386.07	8,071.79	-	1,82,763.72
Trade Payables	17,538.06	-	-	-	17,538.06
Other financial liabilities	18,041.84	-	-	-	18,041.84
Total non-derivative financial liabilities	1,95,885.76	14,386.07	8,071.79	-	2,18,343.62
Derivatives not designated as hedges	387.19	-	-	-	387.19
Total derivative financial liabilities	387.19	-	-	-	387.19

Rs. Lakhs

Contractual maturities of financial liabilities as at 31st March 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (including interest accrued but not due)	68,647.80	17,520.67	19,249.49	4,466.60	1,09,884.56
Trade Payables	12,661.06	-	-	-	12,661.06
Other financial liabilities	12,669.56	-	-	-	12,669.56
Total non-derivative financial liabilities	93,978.42	17,520.67	19,249.49	4,466.60	1,35,215.18
Derivatives not designated as hedges	332.52	-	-	-	332.52
Total derivative financial liabilities	332.52	-	-	-	332.52

Notes to Consolidated Financial Statements

(C) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group, as risk management policy, hedges foreign currency transactions to mitigate the risk exposure and reviews periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed.

The following table sets forth information relating to foreign currency exposure as at 31st March 2019.

	USD	EUR	GBP	Total
Financial Assets (a)				
Cash & Cash equivalent	541.88	-	-	541.88
Trade Receivable	1,509.73	-	5.98	1,515.71
	2,051.61	-	5.98	2,057.59
Financial Liabilities (b)				
Trade Payable	242.53	-	-	242.53
Borrowing	15,957.37	-	-	15,957.37
	16,199.90	-	-	16,199.90
Net Exposure in Foreign Currency (a-b)	(14,148.29)	-	5.98	(14,142.31)

Rs. Lakhs

10 % appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Group would result in increase / decrease in the Group's profit before tax by approximately Rs. 20.58 lakhs for financial assets and decrease / increase in the Group's profit before tax by approximately Rs. 162 lakhs for financial liabilities.

The following table sets forth information relating to foreign currency exposure as at 31st March 2018.

	USD	EUR	GBP	Total
Financial Assets (a)				
Cash & Cash equivalent	4,348.60	0.39	95.92	4,444.91
Trade Receivable	2,218.57	-	-	2,218.57
	6,567.17	0.39	95.92	6,663.48
Financial Liabilities (b)				
Trade Payable	372.19	-	-	372.19
Borrowing	3,561.63	-	-	3,561.63
	3,933.82	-	-	3,933.82
Net Exposure in Foreign Currency (a-b)	2,633.35	0.39	95.92	2,729.66

Rs. Lakhs

10 % appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Group would result in increase / decrease in the Group's profit before tax by approximately Rs.666.35 lakhs for financial assets and decrease / increase in the Group's profit before tax by approximately Rs. 393.38 lakhs for financial liabilities.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets bear fixed rates of interest, wherever applicable. Therefore, there is no risk of interest rate volatility. The Group's main interest rate risk arises from short term and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31st March 2019 and 31st March 2018, the Group's borrowings at variable rate were mainly denominated in INR. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure of the Group's financial assets and financial liabilities as at 31st March 2019 and 31st March 2018 to interest rate risk is as follows:

Notes to Consolidated Financial Statements

Rs. Lakhs

	31st March 2019		31st March 2018	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	1,75,624.84	-	70,867.82
Financial liabilities	1,72,086.47	9,246.11	1,06,487.56	2,697.96
	1,72,086.47	1,84,870.95	1,06,487.56	73,565.78

Increase /decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in an impact (decrease/increase in case of net income) of Rs. 860.43 lakhs and Rs. 532.44 lakhs on profit before tax for the year ended 31st March 2019 and 31st March 2018 respectively.

(iii) Price risk

The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term strategic purpose which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2019 is Rs. 4238.54 lakhs (31st March, 2018 - Rs. 9,610.06 lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

(D) Agricultural Risk

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (tea) due to increase in supply/availability.

The Group manages the above financial risks in the following manner:

- Sufficient inventory levels of agro chemicals, fertilizers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Slightly higher level of consumable stores viz packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Forward contracts are made with overseas customers as well as domestic private customers, in order to mitigate the financial risk in fluctuation of selling price of tea.
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

50. CAPITAL MANAGEMENT

(a) Risk Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Group.

Net debt implies total borrowings of the Group as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Group.

The following table summarises the Net Debt, Equity and Ratio thereof.

Rs. Lakhs

	Notes	31st March 2019	31st March 2018
(i) Total Debt			
Borrowings - Non-Current	19	22,269.78	40,790.34
- Current	23	1,42,579.33	52,285.76
Current Maturities of Long Term Debt	25	16,375.38	16,001.33
		1,81,224.49	1,09,077.43

Notes to Consolidated Financial Statements

	Notes	31st March 2019	31st March 2018
Less : Cash and Cash Equivalents	14A	34,614.12	6,951.80
Net Debt		1,46,610.37	1,02,125.63
(ii) Equity attributable to Shareholders		2,01,421.83	2,16,736.20
(iii) Net debt to equity ratio		0.73	0.47

Under the terms of the major borrowing facilities, the Group has not complied with the some of financial covenants as imposed by the bank and financial institutions.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2019 and 31st March 2018.

(b) Dividend

	31st March 2019	31st March 2018
(i) Equity Shares Final dividend for the year ended 31st March 2018 of Rs. 0.50 /- lakhs (31st March 2017 - Rs. 0.25/- lakhs) per fully paid share *	537.12	273.64
(ii) Dividends not recognised at the end of the reporting period Due to inadequacy of profits, the Board of Directors has not recommended any dividend for the financial year ended 31st March, 2019 (31st March 2018 - Rs 0.50/-).	-	547.28

* The Record date of dividend was 01.08.2018 for the FY 2017-18. The Company had bought back 2,032,441 shares by 31st July, 2018. Hence, no dividend was paid on these shares.

51. ADJUSTMENT ON ACCOUNT OF DIVIDEND REPRESENTS

Adjustment on account of dividend represents paid during the year by the Parent Company on Equity Share held by its subsidiary Rs. 85.34 lakhs (31st March 2018 - Rs. 67.67 lakhs).

52. (a) In connection with an overseas acquisition of a subsidiary in 2005, the Income Tax Authority had raised a demand of Rs. 5,278 lakhs during the year 2009-10 on the Parent Company on account of alleged non-deduction of tax at source and interest thereon pertaining to the transaction. The Parent Company challenged the said demand before the appropriate authorities and the matter is pending. Further, the Parent Company has obtained a stay against the said demand from the Hon'ble High Court of Calcutta. The Parent Company deposited Rs. 700.00 lakhs during the year 2011-12 with Income Tax Authority under protest [Refer Note 10]. In any event, as per the related Share Purchase Agreement, Capital Gain tax or other tax, if any, relating to sale of shares etc. is to be borne by the seller and not the Parent Company.
- (b) The Hon'ble Supreme Court vide its judgement dated 20.09.2017 held that the provisions of Rule 8 of Income Tax Act, 1961 is not applicable while making payment of dividend distribution tax as per section 115-O of the Income Tax Act, 1961. No fresh proceedings/demands has been initiated /raised by the tax authorities in response to the aforesaid judgement passed by the Hon'ble Court. The Company has made full provision in the financial statements in earlier years [Refer Note 26].

53. Revenue Expenditure on Research and Development Rs. 193.21 lakhs (31st March 2018 - Rs. 204.74 lakhs) represent subscription to Tea Research Association.

54. There are no outstanding dues of Micro and Small Enterprises (MSEs) based on information available with the Parent Company.

Notes to Consolidated Financial Statements

55. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Name of the Entity in the Group	Net Assets (total assets minus liabilities)		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % Consolidated Net Assets	Amount (Rs. Lakhs)	As a % Consolidated Profit or Loss	Amount (Rs. Lakhs)	As a % Consolidated Other Comprehensive Income	Amount (Rs. Lakhs)	As a % Consolidated Total Comprehensive Income	Amount (Rs. Lakhs)
Parent								
McLeod Russel India Limited								
31 March 2019	79.80%	1,60,731.21	-223.98%	(8,693.76)	52.22%	(5,820.78)	199.81%	(14,514.54)
31 March 2018	79.68%	1,74,567.08	-43.36%	(9,502.67)	-33.98%	312.37	-43.77%	(9,190.30)
Subsidiaries (Group's Share)								
Borelli Tea Holding Limited & its Subsidiaries								
31 March 2019	20.20%	40,690.62	306.02%	11,878.30	47.78%	(5,325.07)	-90.21%	6,553.23
31 March 2018	19.25%	42,169.12	138.23%	30,294.49	83.52%	(767.85)	140.63%	29,526.64
Associates								
D1 Williamson Magor Bio Fuel Limited								
31 March 2019	-	-	-	-	-	-	-	-
31 March 2018	-	-	-	-	-	-	-	-
Non-Controlling Interest								
31 March 2019	-	-	17.96%	696.96	-	-	-9.59%	696.96
31 March 2018	1.07%	2,336.74	5.13%	1,123.66	50.46%	(463.89)	3.14%	659.77
Total								
31 March 2019	100.00%	2,01,421.83	100.00%	3,881.50	100.00%	(11,145.85)	100.00%	(7,264.35)
31 March 2018	100.00%	2,19,072.94	100.00%	21,915.48	100.00%	(919.37)	100.00%	20,996.11

56. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

- (a) Gross amount required to be spent by the Company during the year : Rs. Nil (31.03.2018 - Rs. Nil)
- (b) Amount spent during the year on :

Rs. Lakhs

CSR project or activity identified	31st March 2019			31st March 2018		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	12.00	-	12.00	17.94	-	17.94

Notes to Consolidated Financial Statements

57. INCOME TAX EXPENSE

Rs. Lakhs

		31st March 2019	31st March 2018
(a)	Income tax recognised in profit or loss		
	Current Tax		
	Current tax for the year	2,108.86	6,070.31
	Interest u/s 234B and 234C	28.03	-
	Total Current Tax [A]	2,136.89	6,070.31
	Provisions relating to earlier years written back (net)		
	Provision for tax relating to earlier years written back	(3,973.29)	-
	Total provision written back relating to earlier years (net) [B]	(3,973.29)	-
	Deferred tax for the year	4023.59	(2,831.01)
	Total deferred tax [C]	4,023.59	(2,831.01)
	Total [A+B+C]	2,187.19	3,239.30

Rs. Lakhs

		31st March 2019	31st March 2018
(b)	Amount recognised in other comprehensive income		
	Deferred Tax		
	Income Tax relating to items that will not be reclassified to profit or loss	237.30	972.97
	Total	237.30	972.97

Rs. Lakhs

		31st March 2019	31st March 2018
(c)	Reconciliation of effective tax rate:		
	Profit before tax	6,068.69	25,154.78
	Income tax expense calculated at an average rate	3,061.77	9,465.13
	Effect of expenses that are not deductible in determining taxable profit	2,884.51	1,706.69
	Effect of additional deduction under Income tax Act'1961	(15.34)	(53.14)
	Effect of income that is exempt from taxation	(8,336.70)	(1,457.30)
	Effect of adjustment in respect of different tax rates*	582.63	643.35
	Effect of different tax rate on certain incomes	(1,530.16)	(6,543.87)
	Reversal of previously recognised tax loss to increase deferred tax expense	8,624.15	831.56
	Other items	(3,083.67)	(1,353.12)
	Income tax recognised in profit or loss	2,187.19	3,239.30

The tax rate used is the corporate tax rate payable on taxable profits under the Income Tax Act, 1961.

*The Parent Company's agricultural income is subject to lower tax rates @ 30% under the respective state tax laws.

58. SALE OF SPECIFIED ASSETS OF CERTAIN TEA ESTATES

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

- During the year ended 31 March 2019, the Parent Company has sold specified assets of 16 Tea Estates for an aggregate consideration of Rs 61,491.00 Lakhs. Profit on sale of such assets amounting to Rs. 18,041 Lakhs is shown as Exceptional item in the Statement of Profit and Loss.
- During the year, the Committee formed by the Board of the Directors of the Parent Company for the purposes of disposal of assets of tea estates, further identified the assets of 4 tea estates which were approved to be sold. The Parent Company has entered into Memorandum of Understanding/ Term sheet with the proposed buyers to sell certain assets of those 4 Tea Estates for an aggregate consideration of Rs.17,815 Lakhs, subject to due diligence by the proposed buyers and necessary approvals. Pending such approvals etc. the final binding agreements

Notes to Consolidated Financial Statements

with proposed buyers are under negotiation. The carrying value of those specified assets of the Tea estates as on 31st March, 2019 has been reclassified from Property, Plant and Equipment to "Assets held for sale" and the agreed sale consideration is higher than their carrying value.

59. BUY BACK OF SHARES BY MCLEOD

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

60. INTER-CORPORATE LOANS GIVEN

The Parent Company has given inter-corporate deposits to certain companies (including promoter group companies). From time to time, these deposits were repaid by the borrowing entities to the Parent Company on demand. The closing balance of such deposits aggregates to Rs. 1,74,468 Lakhs as at 31st March, 2019. Interest accrued and unpaid on such deposits aggregates to Rs. 7,703 Lakhs (net of provision of Rs. 8,509 lakhs) as at 31st March, 2019. The Parent Company has made provision on account of doubtful interest receivable amounting to Rs. 7,455 Lakhs during the year. Promoter group level restructuring is under way to monetize assets to meet up the various liabilities of those companies (part of the promoter group) including the outstanding inter-corporate deposits. The management therefore believes that the outstanding dues, net of provision for doubtful interest receivable, as mentioned above, shall be recovered/ adjusted and no further provision is required at this stage.

61. GOING CONCERN

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

Kolkata, 29th June 2019

For and on behalf of Board of Directors

A. Khaitan - Managing Director

K. K. Baheti - Wholetime Director & CFO

Debanjan Sarkar - Company Secretary

FORM AOC - I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement Containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. Lakhs)

Sl. No.	Name of the Subsidiary	1	2	3	4	5	6	7
		Borelli Tea Holdings Limited	Phu Ben Tea Company Limited	McLeod Russel Uganda Limited	Gisovu Tea Company Limited	Pfunda Tea Company Limited	McLeod Russel Africa Limited	McLeod Russel Middle East DMCC
Reporting Currency		British Pound	Vietnamese Dong	Uganda Shillings	Rwandan Franc	Rwandan Franc	Kenya Shillings	US Dollars
		(GBP)	(VND)	(Ushs)	(RWF)	(RWF)	(KSHs)	(USD)
Reporting period for the subsidiary concerned		Year Ended 31st March 2019	Year Ended 31st December 2018	Year Ended 31st December 2018	Year Ended 31st December 2018	Year Ended 31st December 2018	Year Ended 31st December 2018	Year Ended 31st December 2018
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.		90.19000	0.00299	0.01876	0.07803	0.07803	0.69175	69.37692
Share Capital		Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Reserves and Surplus		326.49	11,844.81	7,808.07	1,656.81	0.78	0.69	37.81
Total Assets		36,594.01	(8,050.94)	15,456.92	3,941.64	4,958.80	(185.13)	7.92
Total Liabilities (including Shareholders' Fund)		53,606.98	13,137.47	34,451.54	6,035.76	5,253.12	1,660.78	1,042.96
Non Current Investments		53,606.98	13,137.47	34,451.54	6,035.76	5,253.12	1,660.78	1,042.96
Turnover		32,325.58	-	-	-	-	-	-
Profit before Taxation		1,715.61	7,658.04	19,011.61	5,569.81	4,033.24	4,186.02	2,142.53
Provision for Taxation		9,754.76	(1,585.40)	2,496.14	1,804.12	1,196.14	(32.44)	118.42
Profit after Taxation		587.61	-	774.89	367.84	9.74	9.49	-
Final Dividend paid for last year		9,167.16	(1,585.40)	1,721.25	1,436.28	1,186.40	(41.92)	118.42
Interim Dividend paid for the current year		652.98	-	-	546.21	234.09	-	-
Proposed Dividend for the current year		7,182.73	-	1,500.45	780.30	702.27	-	-
% of Shareholding as on financial year end of subsidiary		#	-	-	#	#	-	-
% of Shareholding as on 31st March 2019		100%	100%	100%	60%	90%	100%	100%
Country		United Kingdom	Vietnam	Uganda	Rwanda	Rwanda	Kenya	Dubai

The Board of Directors of Borelli Tea Holdings Ltd. has recommended a dividend of GBP 724000 .

The Board of Directors of Gisovu Tea Company Ltd. recommended a dividend of RWF 700 million .

The Board of Directors of Pfunda Tea Company Ltd. recommended a dividend of RWF 300 million .

However, as per Accounting Standards provision for the same has not been made in their books of accounts.

Financial year of Gisovu Tea Company Limited is from January to December and therefore last accounts were prepared upto 31.12.2018. It was a subsidiary of the Company till that date. Subsequently the Company divested its entire holding in Gisovu Tea Company Limited and therefore it is no longer a subsidiary as on 31.03.2019.

Financial year of Pfunda Tea Company Limited is from January to December and therefore last accounts were prepared upto 31.12.2018. It was a subsidiary of the Company till that date. Subsequently the Company divested half its entire holding in Pfunda Tea Company Limited and therefore it is no longer a subsidiary as on 31.03.2019.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates		D1 Williamson Magor Bio Fuel Ltd
1.	Latest audited Balance Sheet Date	31st March 19
2.	Shares of Associate held by the Company on the year end	
	No.	7281201
	Amount of Investment in Associates/Joint Venture (Rs. in lakhs)	2184.36
	Extent of Holding %	34.30%
3.	Description of how there is significant influence	Because of Shareholding
4.	Reason why the associate is not consolidated	Financial Statements are consolidated
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lakhs)	-
6.	Loss for the year (Rs. in lakhs)	-
	i. Considered in Consolidation (Rs. in lakhs)	Nil (Note-3 below)
	ii. Not Considered in Consolidation (Rs. in lakhs)	-

Notes:

- Names of the Associates or Joint Ventures which are yet to commence operations - Nil.
- Names of the Associates or Joint Ventures which have been liquidated or sold during the year - Nil.
- Cost of Investment has been fully written-down as on 1st April 2015 in compliance with Ind-AS

For and on behalf of the Board of Directors

Place: Kolkata
Date : 29th June 2019

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

Debanjan Sarkar
Company Secretary

McLeod Russel India Limited

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

Statement on Impact of Audit Qualifications for the Financial Year ended 31 March, 2019				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Revised Adjusted Figures (audited figures after adjusting for qualifications)
			Rs. in Lacs	Rs. in Lacs
	1.	Turnover / Total income (including exceptional income)	180,572	180,572
	2.	Total Expenditure (including tax expense)	181,013	363,184*
	3.	Net Profit/(Loss)	(441)	(182,612)*
	4.	Earnings Per Share	(0.41)	(171.29)*
	5.	Total Assets	407,472	225,301*
	6.	Total Liabilities	240,075	240,075
	7.	Net Worth	167,397	(14,774)*
	8.	Any other financial item(s) (Exceptional Income)	18,041	18,041
The above table reflects only modifications that have been quantified and does not include modifications where the auditors have been unable to quantify the impact. * Note: Impact of Rs. 182,171 lacs has been given with respect to the matter specified in paragraph (ii) of Details of Audit Qualifications below. No separate impact for matter specified in paragraph (iv) of Details of Audit Qualifications below relating to sundry income has been given, since the impact is included in Rs. 182,171 lacs stated herein.				
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualifications:			
	(i) During the year, the Company had extended advances aggregating to Rs. 84,175 lacs to certain promoter group companies, as capital advances. The promoter group companies to whom such advances were given have substantially lent these onward to another promoter group company. Of the total capital advances, Rs. 77,575 lacs was converted to Inter- Corporate Deposits (ICD) as of 31 March, 2019. With respect to the grant of capital advances which were converted to ICDs at the year end, considering the financial condition of the parties to whom these amounts were given, consequent to which interest income has not been fully recognised and since the balances are unsecured, these are prejudicial to the interests of the Company and the initial recording of these amounts as capital advance was reflected only by book entries.			

	(ii) As at 31 March, 2019, ICDs of Rs. 174,468 lacs given to promoter group companies and other companies [including Rs. 77,575 lacs referred to in paragraph (i) above] and Rs. 7,703 lacs interest accrued on such ICDs (net of provision of Rs. 8,509 lacs), respectively, are doubtful of recovery considering the financial condition of the promoter group companies and the other companies to whom these ICDs have been given. However, the Company has not made any provision for the outstanding amounts recorded as ICDs and interest accrued thereon. Consequently, the non-current portion of loans and interest accrued thereon are overstated and loss for the year is understated by Rs. 182,171 lacs.
	(iii) The aggregate amount of Rs. 174,468 lacs disclosed as ICDs outstanding as at 31 March, 2019 are in excess of limits on lending prescribed under section 186 to the Act by Rs. 61,156 lacs for which approval has not been obtained from the members of the Company. Further, in view of the matter described in paragraph (v) below, we are unable to state if any of the promoter group companies are companies whose Board of Directors or Managing Director or Manager, whereof is accustomed to act in accordance with the directions of any director of the Company, and therefore covered under section 185 of the Act and any non-compliance thereto.
	(iv) The Company has recognised Rs. 6,782 lacs as sundry income from one of the promoter group companies. In our opinion and according to the information obtained by us, the sundry income may have been funded to the said promoter group company through monies indirectly lent by the Company as more fully described in paragraph (i) above or through ICDs granted and therefore may not have been actually realised. These therefore may have been reflected only by book entries and prejudicial to the interest of the Company. However, considering the amount already quantified as a modification of the audit opinion in respect of outstanding balance of ICDs from these promoter group companies described in paragraph (ii) above, this recognition of sundry income will not have any further impact on the loss for the year.
	(v) The promoter group companies referred to in paragraphs (i) and (ii) above have not been considered as related parties by the Management under the Companies Act, 2013 and under the applicable accounting standards (Ind AS). Considering the commonality of some of the directors of the promoter group companies referred to in paragraphs (i) and (ii) above and the Company and its employees, including key managerial personnel, we are unable to ascertain if the aforesaid promoter group companies could, in substance, be deemed to be related parties to the Company, in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". We are unable to ascertain the impact of non-compliance with the disclosure requirements for related parties in this Statement and the provisions of the Act and consequential impact, if any, in this Statement.
	(vi) During the year, the Company had given advance to a body corporate aggregating to Rs. 1,400 lacs which was outstanding as at 31 March, 2019. In the absence of appropriate audit evidences, we are unable to comment on the validity and recoverability of such advance.
	b. Type of Audit Qualification : Adverse Opinion
	c. Frequency of qualification: Appeared first time

	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: With respect to paragraphs (ii) and (iv) above where the impact is quantified by the auditors, management views are as follows: (ii) Promoter group level restructuring is underway to monetise assets to meet up the liabilities of those companies including these ICDs. The management believes that the outstanding dues shall be recovered/adjusted and no further provision is required at this stage. (iv) The sundry income has been earned on the advances and loans extended to one of the promoter group company and the same has been received in the normal course of business.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: With respect to paragraphs (i), (iii) and (v) above where the impact has not been quantified by the auditors, these relate to matters of compliance and do not impact the amounts recognised in the financial results of the Company and the management views are as follows: (i) The Capital advances given to Promoter group companies were subsequently converted to ICDs as on 31.03.2019. Promoter group level restructuring is underway to monetise assets to meet up the liabilities of those companies including these ICDs. The management believes that the outstanding dues shall be recovered/adjusted and no further provision is required at this stage. (iii) ICDs given until the end of the year was within the limit of Section 186 of the Companies Act, 2013. This limit was exceeded only due to conversion of advances into ICDs. Necessary steps are being taken to regularise the same and made it compliant with Section 186 of the Companies Act, 2013. In our opinion the promoter group companies are not accustomed to act in accordance with the directions of any directors of the Company. (v) As per legal opinion taken by the company these promoter group companies are not related parties as per the provisions of the Companies Act, 2013 and the applicable Accounting Standard. With respect to paragraphs (vi) above where the impact has not been quantified by the auditors, the management views are as follows: (vi) The Company is taking necessary steps to recover the money given to a body corporate as advance.
	(i) Management's estimation on the impact of audit qualification: Based on the response provided by the Management in paragraphs 'd' and 'e' in 'Section II – Audit Qualification (each qualification separately)' above, management's estimation on impact of audit qualification is NIL.
	(ii) If management is unable to estimate the impact, reasons for the same: Not applicable

(iii) Auditor's Comments on (i) or (ii) above:

We are not in agreement with the Management's assessment stated in paragraph '(i)' in 'Management's estimation on the impact of audit qualification' and paragraphs 'd' and 'e' in 'Section II – Audit Qualification (each qualification separately)' above.

Considering the financial condition of the promoter group companies, the amounts of Rs. 182,171 lacs are doubtful of recovery. Evaluation of recoverability of the dues requires an assessment of the conditions that exist on the balance sheet date, and cannot be based on outcome of possible events that may occur in the future.

Further, we are not in agreement with the Management's response in paragraph (e)(iii) in 'Section II – Audit Qualification (each qualification separately)' above, regarding ICDs given exceeding the limits of section 186 of the Companies Act, 2013, as the initial recording of these amounts as capital advances was reflected only by book entries which consequently does not change the character of these advances, which were used for onward lending to a promoter group company.

A. Khaitan

CEO/Managing Director

K. K. Baheti

CFO

Dr. R. Srinivasan

Audit Committee Chairman

A. BhattacharyaPartner
Deloitte Haskins & Sells LLP
Statutory Auditor

Place: Kolkata

Date : 30th June 2019

McLeod Russel India Limited

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

Statement on Impact of Audit Qualifications for the Financial Year ended 31 March, 2019				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Revised Adjusted Figures (audited figures after adjusting for qualifications)
			Rs. in Lacs	Rs. in Lacs
	1.	Turnover / Total income (including exceptional income)	244,964	224,964*
	2.	Total Expenditure (including tax expense)	221,082	403,253*
	3.	Net Profit/(Loss)	3,882	(178,289)*
	4.	Earnings Per Share	3.56	(199.89)*
	5.	Total Assets	455,938	273,767*
	6.	Total Liabilities	254,516	254,516
	7.	Net Worth	201,422	19,251*
	8.	Any other financial item(s) (Exceptional Income)	28,941	28,941
The above table reflects only modifications that have been quantified and does not include modifications where the auditors have been unable to quantify the impact. * Note: Impact of Rs. 182,171 lacs has been given with respect to the matter specified in paragraph (ii) of Details of Audit Qualifications below. No separate impact for matter specified in paragraph (iv) of Details of Audit Qualifications below relating to sundry income has been given, since the impact is included in Rs. 182,171 lacs stated herein.				
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualifications:			
	(i) During the year, the Parent had extended advances aggregating to Rs. 84,175 lacs to certain promoter group companies, as capital advances. The promoter group companies to whom such advances were given have substantially lent these onward to another promoter group company. Of the total capital advances, Rs. 77,575 lacs was converted to Inter-Corporate Deposits (ICD) as of 31 March, 2019. With respect to the grant of capital advances which were converted to ICDs at the year end, considering the financial condition of the parties to whom these amounts were given, consequent to which interest income has not been fully recognised and since the balances are unsecured, these are prejudicial to the interests of the Parent and the initial recording of these amounts as capital advance was reflected only by book entries.			

	(ii) As at 31 March, 2019, ICDs of Rs. 174,468 lacs given to promoter group companies and other companies [including Rs. 77,575 lacs referred to in paragraph (i) above] and Rs. 7,703 lacs interest accrued on such ICDs (net of provision of Rs. 8,509 lacs), respectively, are doubtful of recovery considering the financial condition of the promoter group companies and the other companies to whom these ICDs have been given. However, the Parent has not made any provision for the outstanding amounts recorded as ICDs and interest accrued thereon. Consequently, the non- current portion of loans and interest accrued thereon are overstated and loss for the year is understated by Rs. 182,171 lacs.
	(iii) The aggregate amount of Rs. 174,468 lacs disclosed as ICDs outstanding as at 31 March, 2019 are in excess of limits on lending prescribed under section 186 to the Act by Rs. 61,156 lacs for which approval has not been obtained from the members of the Company. Further, in view of the matter described in paragraph (v) below, we are unable to state if any of the promoter group companies are companies whose Board of Directors or Managing Director or Manager, whereof is accustomed to act in accordance with the directions of any director of the Parent, and therefore covered under section 185 of the Act and any non-compliance thereto.
	(iv) The Parent has recognised Rs. 6,782 lacs as sundry income from one of the promoter group companies. In our opinion and according to the information obtained by us, the sundry income may have been funded to the said promoter group company through monies indirectly lent by the Parent as more fully described in paragraph (i) above or through ICDs granted and therefore may not have been actually realised. These therefore may have been reflected only by book entries and prejudicial to the interest of the Parent. However, considering the amount already quantified as a modification of the audit opinion in respect of outstanding balance of ICDs from these promoter group companies described in paragraph (ii) above, this recognition of sundry income will not have any further impact on the loss for the year.
	(v) The promoter group companies referred to in paragraphs (i) and (ii) above have not been considered as related parties by the Management under the Companies Act, 2013 and under the applicable accounting standards (Ind AS). Considering the commonality of some of the directors of the promoter group companies referred to in paragraphs (a) and (b) above and the Parent and its employees, including key managerial personnel, we are unable to ascertain if the aforesaid promoter group companies could, in substance, be deemed to be related parties to the Parent, in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". We are unable to ascertain the impact of non-compliance with the disclosure requirements for related parties in this Statement and the provisions of the Act and consequential impact, if any, in this Statement.
	(vi) During the year, the Parent had given advance to a body corporate aggregating to Rs. 1,400 lacs which was outstanding as at 31 March, 2019. In the absence of appropriate audit evidences, we are unable to comment on the validity and recoverability of such advance.
	b. Type of Audit Qualification : Adverse Opinion
	c. Frequency of qualification: Appeared first time

	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: With respect to paragraphs (ii) and (iv) above where the impact is quantified by the auditors, management views are as follows: (ii) Promoter group level restructuring is underway to monetise assets to meet up the liabilities of those companies including these ICDs. The management believes that the outstanding dues shall be recovered/adjusted and no further provision is required at this stage. (iv) The sundry income has been earned on the advances and loan extended to one of the promoter group company and the same has been received in the normal course of business.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: With respect to paragraphs (i), (iii) and (v) above where the impact has not been quantified by the auditors, these relate to matters of compliance and do not impact the amounts recognised in the financial results of the Company and the management views are as follows: (i) The Capital advances given to Promoter group companies were subsequently converted to ICDs as on 31.03.2019. Promoter group level restructuring is underway to monetise assets to meet up the liabilities of those companies including these ICDs. The management believes that the outstanding dues shall be recovered/adjusted and no further provision is required at this stage. (iii) ICDs given until the end of the year was within the limit of Section 186 of the Companies Act, 2013. This limit was exceeded only due to conversion of advances into ICDs. Necessary steps are being taken to regularise the same and made it compliant with Section 186 of the Companies Act, 2013. In our opinion the promoter group companies are not accustomed to act in accordance with the directions of any directors of the Company. (v) As per legal opinion taken by the company these promoter group companies are not related parties as per the provisions of the Companies Act, 2013 and the applicable Accounting Standard. With respect to paragraphs (vi) above where the impact has not been quantified by the auditors, the management views are as follows: (vi) The Company is taking necessary steps to recover the money given to a body corporate as advance.
	(i) Management's estimation on the impact of audit qualification: Based on the response provided by the Management in paragraphs 'd' and 'e' in 'Section II – Audit Qualification (each qualification separately)' above, management's estimation on impact of audit qualification is NIL.
	(ii) If management is unable to estimate the impact, reasons for the same: Not applicable

(iii) **Auditor's Comments on (i) or (ii) above:**

We are not in agreement with the Management's assessment stated in paragraph '(i)' in 'Management's estimation on the impact of audit qualification' and paragraphs 'd' and 'e' in 'Section II – Audit Qualification (each qualification separately)' above.

Considering the financial condition of the promoter group companies, the amounts of Rs. 182,171 lacs are doubtful of recovery. Evaluation of recoverability of the dues requires an assessment of the conditions that exist on the balance sheet date, and cannot be based on outcome of possible events that may occur in the future.

Further, we are not in agreement with the Management's response in paragraph (e)(iii) in 'Section II – Audit Qualification (each qualification separately)' above, regarding ICDs given exceeding the limits of section 186 of the Companies Act, 2013, as the initial recording of these amounts as capital advances was reflected only by book entries which consequently does not change the character of these advances, which were used for onward lending to a promoter group company.

A. Khaitan

CEO/Managing Director

K. K. Baheti

CFO

Dr. R. Srinivasan

Audit Committee Chairman

A. BhattacharyaPartner
Deloitte Haskins & Sells LLP
Statutory Auditor

Place: Kolkata

Date : 30th June 2019

[illegible]



A MEMBER OF WILLIAMSON MAGOR GROUP

If undelivered, please return to :

MCLEOD RUSSEL INDIA LIMITED

Four Mangoe Lane, Surendra Mohan Ghosh Sarani
Kolkata - 700001