



Harrisons Malayalam Limited

CIN: L01119KL1978PLC002947

Registered Office: 24/1624, Bristow Road, Willingdon Island, Kochi, Kerala - 682 003
Email: hmlcorp@harrisonsmalayalam.com Website: www.harrisonsmalayalam.com

(₹ in lakhs, except per share data)

Sl. No.	Particulars (Refer notes below)	Quarter ended	
		30-Jun-17	30-Jun-16
		Unaudited	Unaudited
I	Revenue from operations	7,689.07	6,706.58
II	Other income	167.20	149.23
III	Total revenue (I+II)	7,856.27	6,855.81
IV	Expenses:		
	a. Cost of materials consumed	2,431.94	2,040.97
	b. Purchases of stock-in-trade	26.24	142.02
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,372.51)	(862.89)
	d. Employee benefits expense	3,758.12	3,545.08
	e. Finance costs	309.37	358.90
	f. Depreciation and amortisation expense	104.03	113.90
	g. Other expenses	2,622.70	2,180.02
	Total expenses	7,879.89	7,518.00
V	Loss before exceptional and extraordinary items and taxes (III-IV)	(23.62)	(662.19)
VI	Exceptional items (Refer note 5)	-	324.08
VII	Loss before extraordinary items and tax (V-VI)	(23.62)	(338.11)
VIII	Extraordinary items	-	-
IX	Loss before tax (VII-VIII)	(23.62)	(338.11)
X	Tax expense:		
	- Current tax	-	-
	- Deferred tax	-	-
XI	Loss for the period from continuing operations (IX-X)	(23.62)	(338.11)
XII	Loss from discontinuing operations	-	(8.92)
XIII	Tax expense of discontinuing operations	-	-
XIV	Loss from discontinuing operations (after tax) (XII-XIII)	-	(8.92)
XV	Loss for the period (XI+XIV)	(23.62)	(347.03)
XVI	Other comprehensive loss (net of tax)	-	-
XVII	Total comprehensive loss for the period (XV+XVI)	(23.62)	(347.03)
XVIII	Paid-up equity share capital (face value of ₹ 10 each)	1,845	1,845
XIX	Loss per equity share:		
	(1) Basic: (₹)	(0.13)	(1.88)
	(2) Diluted: (₹)	(0.13)	(1.88)

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(₹ in lakhs)

Particulars		Quarter ended	
		30 June 2017 Unaudited	30 June 2016 Unaudited
1	Segment revenue		
	Tea	4,447.31	3,909.99
	Rubber	3,204.78	2,775.18
	Others ^	36.98	21.41
	Total	7,689.07	6,706.58
	Less: Inter segment revenue	-	-
	Net revenue from operations	7,689.07	6,706.58
2	Segment results		
	Tea	464.51	(135.50)
	Rubber	(194.35)	150.02 *
	Others ^	4.39	(16.53)
	Total	274.55	(2.01)
	Less: Interest expense	296.67	348.00
	Add: Unallocable income	1.41	3.81
Less: Unallocable expense	2.91	0.83	
	Loss before tax	(23.62)	(347.03)
3	Segment assets (A)		
	Tea	28,393.96	28,041.12
	Rubber	8,932.11	8,370.94
	Others ^	217.16	329.10
	Unallocated assets	477.69	413.97
	Total	38,020.92	37,155.13
4	Segment liabilities (B)		
	Tea	9,612.34	7,742.44
	Rubber	8,270.37	7,744.66
	Others ^	231.62	326.31
	Unallocated liabilities	10,216.50	11,491.82
	Total	28,330.83	27,305.23
5	Capital employed (A-B)		
	Tea	18,781.62	20,298.68
	Rubber	661.74	626.28
	Others ^	(14.46)	2.79
	Total	19,428.90	20,927.75

* After considering exceptional item of ₹ 324.08 lakhs referred to in Note 5.

^ Particulars from discontinuing operations included under 'Others' in the above disclosure: Revenue ₹ Nil (30 June 2016: ₹ Nil), Results ₹ Nil (30 June 2016: ₹ 8.92 lakhs), Assets ₹ 145.84 lakhs (30 June 2017: ₹ 163.10 lakhs) and Liabilities ₹ 198.97 lakhs (30 June 2016: ₹ 197.87 lakhs).

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Notes:

- The Company has adopted, Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (Ind AS) from 1 April 2017 and accordingly these financial results and all the period presented have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" read with relevant rules issued thereunder and the other accounting principles generally accepted in India and discloses the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 as modified by circular no. CIR/CFD/FAC62/2016 dated 5 July 2016. The Company has opted to avail the relaxation provided by Securities and Exchange Board of India in respect of disclosure requirements for preceding quarter and previous year ended 31 March 2017. The results for the quarter ended 30 June 2016 have been recast to be IND AS compliant. The opening Balance Sheet as at 1 April 2016 and the results for the subsequent periods would be finalised and will be subject to audit at the time of annual financial statements for the year ending 31 March 2018.
- The reconciliation of net loss as previously reported (referred to as 'previous GAAP') and the total comprehensive loss as per Ind AS for the quarter ended 30 June 2016 is as per table below:

(₹ in lakhs)

Particulars	Quarter ended 30 June 2016 (Unaudited)
Net loss as per previous GAAP	(516.18)
Ind AS adjustments:	
(i) Capitalisation of replanting expenses towards rubber plants	134.92
(ii) Impact of change in fair valuation of biological assets, representing standing crops recorded:	
(a) Tea	12.75
(a) Rubber	21.48
Loss after tax as reported under Ind AS	(347.03)
Other comprehensive loss (net of tax)	
Total comprehensive loss as reported under Ind AS	(347.03)

- The Company's business being seasonal in nature, the results for the quarter ended 30 June 2017 are not indicative of the expected financial results for the year.
- Cost of materials consumed represents cost of green leaf/bought latex and tea used for blending purchased from others.
- Exceptional items during the quarter ended 30 June 2016 represents compensation received from Power Grid Corporation of India Limited in connection with loss of revenue due to felling of trees for drawing electric transmission lines across certain rubber estates.
- The Government of Kerala had previously issued a Notification revising the Minimum Wages of Plantation workers, which has been stayed by the Hon'ble High Court of Kerala. An amount of ₹ 491.23 lakhs disbursed as "on account advance" has not been expensed, pending disposal of the case.
- The Board in its meeting held on 28 September 2015 had decided to discontinue the engineering business. The Engineering division was a separate business segment and the decision to discontinue was consistent with the Company's long term strategy to focus on core plantation activity. Consequently, the business segment has now ceased to exist as per Ind AS 108 "Operating Segments".
- The Company has entered into a composite scheme of arrangement and amalgamation amongst Harrison's Malayalam Limited (HML) and Enchanting Plantations Limited (100% subsidiary of HML) and Malayalam Plantations Limited (100% subsidiary of Enchanting Plantations Limited) and Harmony Plantations Limited (100% subsidiary of HML) and their respective shareholders and their creditors ("the Scheme"). The Scheme has been approved by the Board of Directors and sanctioned by the shareholders of the Company and the Company has intimated to the Stock Exchanges in which the Company's shares are listed. As per the Scheme, inter alia, certain tea and rubber estates would be transferred / demerged to its subsidiaries. The Scheme was pending before the High Court of Kerala and now before the National Company Law Tribunal, Chennai, as directed vide order dated 9 March 2017.
- During the current quarter, the Company has changed its accounting policy for rain guarding expenditure incurred towards rubber trees to be expensed over the expected period of benefit estimated until 31 December, as against the same being charged off as incurred during the corresponding period of the previous year. Pursuant to the requirements of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the impact of the above mentioned change has been considered prospectively for the quarter ended 30 June 2017. Had the Company continued to follow the earlier accounting policy, the 'Other expenses' presented in the above financial results for the current quarter would have been higher by ₹ 190.22 lakhs. Consequentially, the loss for the quarter ended 30 June 2017 would have been higher by ₹ 190.22 lakhs and the loss per equity share would have been higher by ₹ 1.03.

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- 10 The Company's core business is production of natural rubber and tea. The operations are conducted through plantation estates and factories based in Kerala and Tamil Nadu. The Company has considered business segments as the primary segment. The business segments are: Tea, Rubber and Others which have been identified taking into account the organisational structure as well as the differing risks and returns of these segments.
- 11 Prior period comparatives have been regrouped/reclassified wherever necessary to conform to the presentation in the current period and are compliant with Ind AS. The management has exercised necessary due diligence to ensure that the financial results give a true and fair view.
- 12 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 11 September 2017 and have been reviewed by the Statutory Auditors of the Company.

Kochi
11 September 2017



For Harrisons Malayalam Limited

A handwritten signature in black ink, appearing to read "N. Dharmaraj".

N. Dharmaraj
Whole time director
DIN: 00912004