



# 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			Six months ended	
		30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I	Revenue from operations	9,248.29	7,689.07	9,257.77	16,937.36	15,964.35
II	Other income	155.95	167.20	115.57	323.15	264.80
III	<b>Total revenue (I+II)</b>	<b>9,404.24</b>	<b>7,856.27</b>	<b>9,373.34</b>	<b>17,260.51</b>	<b>16,229.15</b>
IV	<b>Expenses:</b>					
	a. Cost of materials consumed	2,137.51	2,431.94	2,588.00	4,569.45	4,638.86
	b. Purchases of stock-in-trade	312.16	26.24	104.33	338.40	246.35
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(242.11)	(1,372.51)	(160.88)	(1,614.62)	(1,023.77)
	d. Employee benefits expense	3,969.33	3,758.12	3,875.29	7,727.45	7,420.37
	e. Finance costs	309.88	309.37	348.09	619.25	697.10
	f. Depreciation and amortisation expense	104.83	104.03	115.08	208.86	228.98
	g. Other expenses	2,725.79	2,622.70	2,413.77	5,348.49	4,593.79
	<b>Total expenses</b>	<b>9,317.39</b>	<b>7,879.89</b>	<b>9,283.68</b>	<b>17,197.28</b>	<b>16,801.68</b>
V	<b>Profit / (loss) before exceptional items and taxes (III-IV)</b>	<b>86.85</b>	<b>(23.62)</b>	<b>89.66</b>	<b>63.23</b>	<b>(572.53)</b>
VI	Exceptional items (Refer note 6)	-	-	-	-	324.08
VII	<b>Profit / (loss) before tax (V+VI)</b>	<b>86.85</b>	<b>(23.62)</b>	<b>89.66</b>	<b>63.23</b>	<b>(248.45)</b>
VIII	<b>Tax expense:</b>					
	a. Current tax	-	-	-	-	-
	b. Deferred tax	-	-	-	-	-
IX	<b>Profit / (loss) for the period from continuing operations (VII-VIII)</b>	<b>86.85</b>	<b>(23.62)</b>	<b>89.66</b>	<b>63.23</b>	<b>(248.45)</b>
X	Loss from discontinuing operations	-	-	(13.00)	-	(21.92)
XI	Tax expense of discontinuing operations	-	-	-	-	-
XII	<b>Loss from discontinuing operations (after tax) (X-XI)</b>	<b>-</b>	<b>-</b>	<b>(13.00)</b>	<b>-</b>	<b>(21.92)</b>
XIII	<b>Profit / (loss) for the period (IX+XII)</b>	<b>86.85</b>	<b>(23.62)</b>	<b>76.66</b>	<b>63.23</b>	<b>(270.37)</b>
XIV	<b>Other comprehensive loss (net of tax)</b>					
	a. Remeasurement of net defined benefit liability	(244.85)	-	(183.44)	(244.85)	(183.44)
XV	<b>Total comprehensive loss for the period (XIII+XIV)</b>	<b>(158.00)</b>	<b>(23.62)</b>	<b>(106.78)</b>	<b>(181.62)</b>	<b>(453.81)</b>
XVI	Paid-up equity share capital (face value of ₹ 10 each)	1,845.43	1,845.43	1,845.43	1,845.43	1,845.43
XVII	<b>Earning / (loss) per equity share:</b>					
	a. Basic: (₹)	0.47	(0.13)	0.42	0.34	(1.46)
	b. Diluted: (₹)	0.47	(0.13)	0.42	0.34	(1.46)

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(₹ in lakhs)

Statement of Assets and Liabilities	
Particulars (Refer notes below)	As at
	30 September 2017
	Unaudited
<b>I ASSETS</b>	
<b>1. Non-current assets</b>	
Property, plant and equipment	27,478.04
Capital work-in-progress	1,123.70
Other intangible assets	32.18
Financial assets	
Investments	1.01
Other financial assets	8.93
Other non-current assets	729.30
<b>Total non-current assets</b>	<b>29,373.16</b>
<b>2. Current assets</b>	
Inventories	4,106.19
Financial assets	
Investments	15.00
Trade receivables	1,572.06
Cash and cash equivalents	172.08
Other bank balances	168.99
Other financial assets	1,173.15
Other current assets	2,598.61
<b>Total current assets</b>	<b>9,806.08</b>
<b>3. Assets held for sale</b>	119.07
<b>TOTAL ASSETS</b>	<b>39,298.31</b>
<b>II EQUITY AND LIABILITIES</b>	
<b>1. Equity</b>	
Equity share capital	1,845.43
Other equity	8,218.56
<b>Total equity</b>	<b>10,063.99</b>
<b>2. Non-current liabilities</b>	
Financial liabilities	
Borrowings	3,515.41
Long-term provisions	4,991.56
<b>Total non-current liabilities</b>	<b>8,506.97</b>
<b>3. Current liabilities</b>	
Financial liabilities	
Borrowings	6,059.31
Trade payables	4,411.47
Other financial liabilities	3,958.49
Short-term provisions	1,418.17
Other current liabilities	4,879.91
<b>Total current liabilities</b>	<b>20,727.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>39,298.31</b>

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(₹ in lakhs)

Particulars (Refer notes below)	Quarter ended			Six months ended	
	30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1 Segment revenue</b>					
Tea	5,176.00	4,447.31	4,794.37	9,623.00	8,704.10
Rubber	4,035.91	3,204.78	4,392.40	7,241.00	7,167.15
Others ^	36.38	36.98	71.00	73.36	93.10
<b>Total</b>	<b>9,248.29</b>	<b>7,689.07</b>	<b>9,257.77</b>	<b>16,937.36</b>	<b>15,964.35</b>
Less: Inter segment revenue	-	-	-	-	-
<b>Net revenue from operations</b>	<b>9,248.29</b>	<b>7,689.07</b>	<b>9,257.77</b>	<b>16,937.36</b>	<b>15,964.35</b>
<b>2 Segment results</b>					
Tea	211.06	464.51	12.02	676.06	(121.98)
Rubber	168.79	(194.35)	368.42	(25.21)	* 526.42
Others ^	26.00	4.39	37.22	30.38	11.19
<b>Total</b>	<b>405.85</b>	<b>274.55</b>	<b>417.66</b>	<b>681.23</b>	<b>415.63</b>
Less: Interest expense	314.00	296.67	348.00	611.00	696.00
Add: Unallocable income	5.00	1.41	7.00	6.00	11.00
Less: Unallocable expense	10.00	2.91	-	13.00	1.00
<b>Profit / (loss) for the period</b>	<b>86.85</b>	<b>(23.62)</b>	<b>76.66</b>	<b>63.23</b>	<b>(270.37)</b>
<b>3 Segment assets (A)</b>					
Tea	29,191.70	28,393.96	28,657.16	29,191.70	28,657.16
Rubber	9,532.79	9,464.18	8,525.35	9,532.79	8,525.35
Others ^	193.73	217.16	323.00	193.73	323.00
Unallocated assets	380.09	477.69	956.00	380.09	956.00
<b>Total</b>	<b>39,298.31</b>	<b>38,552.99</b>	<b>38,461.51</b>	<b>39,298.31</b>	<b>38,461.51</b>
<b>4 Segment liabilities (B)</b>					
Tea	9,594.38	9,612.34	8,114.00	9,594.38	8,114.00
Rubber	8,537.57	8,270.37	7,876.00	8,537.57	7,876.00
Others ^	232.52	231.62	336.00	232.52	336.00
Unallocated liabilities	10,869.87	10,216.50	12,393.00	10,869.87	12,393.00
<b>Total</b>	<b>29,234.34</b>	<b>28,330.83</b>	<b>28,719.00</b>	<b>29,234.34</b>	<b>28,719.00</b>
<b>5 Capital employed (A-B)</b>					
Tea	19,597.32	18,781.62	20,543.16	19,597.32	20,543.16
Rubber	995.22	1,193.81	649.35	995.22	649.35
Others ^	(38.79)	(14.46)	(13.00)	(38.79)	(13.00)
Unallocable	(10,489.78)	(9,738.81)	(11,437.00)	(10,489.78)	(11,437.00)
<b>Total</b>	<b>10,063.97</b>	<b>10,222.16</b>	<b>9,742.51</b>	<b>10,063.97</b>	<b>9,742.51</b>

\* After considering exceptional item of ₹ 324.08 lakhs referred to in Note 6.

^ Particulars from discontinuing operations included under 'Others' in the above disclosure is provided under Note 8.




**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 periods 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 amended). 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 Company has opted to avail the relaxation provided by Securities and Exchange Board of India, vide circular no. CIR/CFD/FAC62/2016 dated 5 July 2016 ('circular'). Accordingly, along with the financial results for the quarter and six months ended 30 September 2017, the Company has provided Ind AS compliant financial results only for the comparative quarter and six months ended 30 September 2016. Further, in accordance with the relaxations provided in the aforesaid circular, the results for the comparative quarter and six months ended 30 September 2016 have not been subject to limited review or audit by the statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- 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 and six months ended 30 September 2016 is as per table below:

Particulars	(₹ in lakhs)	
	Quarter ended 30 September 2016 (Unaudited)	Six months ended 30 September 2016 (Unaudited)
Net loss as per previous GAAP	(286.68)	(802.86)
<b>Ind AS adjustments:</b>		
(i) Capitalisation of replanting expenses	158.21	293.14
(ii) Change in fair valuation of biological assets, representing standing crops recorded:		
(a) Tea	22.41	35.15
(b) Rubber	(0.72)	20.76
(iii) Remeasurement of net defined benefit liability from 'Employee benefits expense' to 'Other Comprehensive loss'	183.44	183.44
<b>Profit / (loss) after tax as reported under Ind AS</b>	<b>76.66</b>	<b>(270.37)</b>
<b>Other comprehensive loss (net of tax):</b>		
(a) Remeasurement of net defined benefit liability	(183.44)	(183.44)
<b>Total comprehensive loss as reported under Ind AS</b>	<b>(106.78)</b>	<b>(453.81)</b>

- The Company's business being seasonal in nature, the results for the quarter and six months ended 30 September 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 six months ended 30 September 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". Particulars from discontinuing operations included under 'Others' in the segment disclosure: a) Revenue ₹ Nil; b) Results: ₹ Nil (quarter ended 30 September 2016: ₹ 13.00 lakhs loss, year to date ended 30 September 2016: ₹ 21.92 lakhs loss); c) Assets ₹ 145.80 lakhs (30 June 2017: ₹ 145.80 lakhs, 30 September 2016: ₹ 157.00 lakhs) and d) Liabilities: ₹ 198.92 lakhs (30 June 2017: ₹ 198.92 lakhs and 30 September 2016: ₹ 198.00 lakhs).
- 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.
- 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.
- 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.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 5 December 2017 and have been reviewed by the Statutory Auditors of the Company.

For Harrison's Malayalam Limited

  
N. Dharmaraj  
Whole time director  
DIN: 00912004

Kochi  
5 December 2017



# Walker Chandiook & Co LLP

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## Independent Auditor's Review Report on Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Harrisons Malayalam Limited

1. We have reviewed the accompanying statement of unaudited financial results ("Statement") of Harrisons Malayalam Limited ("the Company") for the quarter ended 30 September 2017 and the year to date results for the period 1 April 2017 to 30 September 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 September 2016 and the year to date figures for the period 1 April 2016 to 30 September 2016, including the reconciliation of net loss under Ind AS of the corresponding quarter and the year to date with net loss reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Independent Auditor's Review Report on Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



per Aashesh Arjun Singh

Partner

Membership No.: 210122

Bengaluru

5 December 2017

