McLEOD RUSSEL

Believe in tea

RWANDA UGANDA VIETNAM

BEYOND INDIA

2016-17 Annual Report

McLeod Russel India Limited

CONTENTS

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

EQUITY SHARE INFORMATION

- Share price (31st March, 2017): Rs.166 per share (BSE)
- Market capitalisation (31st March, 2017): Rs.1817 crore
- Bombay Stock Exchange (BSE): 532654
- National Stock Exchange (NSE): MCLEODRUSS
- Calcutta Stock Exchange (CSE) : 10023930
- Uninterrupted dividend record during last 10 years
- Promoters' holding: 49.89%

"Tea is not a mere commodity for us. It is a heritage based on values and culture full of sentiments and commitments."

B M Khaitan, Chairman

As a time-honoured brand with a vibrant legacy, we have our roots in the past and the eyes on the future.

We have consistently improved, innovated and optimised our operations to create a leaner, more efficient and sustainable business. Our manufacturing footprint spans continents, and our teas are consumed in almost every part of the world.

Our multi-climatic profile, multi-geographic nature of Tea Estates, international buyers and strong regulatory compliance have strengthened our business model. On the one hand, this enables us to build stronger resilience against industry volatility and on the other capitalise on emerging opportunities faster.

Today, we enjoy a judicious mix of 79% of our revenues from Indian operations and 21% of our revenues from Africa (Uganda, Rwanda) and Vietnam.

Our vision and strategies are borderless and we are building on the legacy that we have created for more than a century across geographies.

We are inspired by the extraordinary potential of our beverage and the promise of refreshing a growing world population.

Imagine Our World

Every day. Everywhere. We touch millions of people across every imaginable cultural diversity and preference.

McLeod Russel India Limited (McLeod Russel) is a member of the Williamson Magor Group, engaged in the business of tea plantation for over 140 years. We are the world's largest producer of tea in private sector.

We produce high quality tea from estates in India, Vietnam, Uganda and Rwanda, making us the largest privately held tea plantation company in the world. We are also one of the world's largest tea exporters with a growing customer base across continents.

Our quality benchmarks and industry practices are among the best in the world; and we will continue to strengthen our operations to live up to our legacy and brand reputation.

ORGANISATIONAL STRUCTURE

McLEOD RUSSEL
Believe in tea

Subsidiary

- Borelli Tea Holding Limited, UK (100%)
  - Phu Ben Tea Co. Ltd. (100%)
  - McLeod Russel Uganda Ltd. (100%)
  - Gisovu Tea Co. Ltd. (60%)
  - McLeod Russel Middle East DMCC (100%)
  - McLeod Russel Africa Limited (100%)
  - Pfunda Tea Company Ltd. (90%)

Domestic Acquisitions (since Amalgamated)

- Williamson Tea Assam Limited
- Doom Dooma Tea Co. Ltd.
- Moran Tea Co. (India) Ltd.

OUR MISSION

McLeod Russel India Limited follows the tenets of a good corporate citizen, providing equal opportunity to all employees, in a safe and healthy working environment, ensuring social and economic development to sustain and improve quality of life. It is committed to safeguarding the environment by adopting an eco-friendly, transparent and participatory approach in all activities, whilst ensuring that the best quality of tea is produced.

THE LEGEND BEHIND THE WORLD'S PREFERRED BEVERAGE

Legend has it that tea was discovered by the great Chinese Emperor Shen Nung, more than four and a half thousand years ago. The story says that a leaf from a wild tea bush accidentally fell into a pot of boiling water, while the Emperor rested under a tree, the leaf then infused its goodness; and the rest, as we know, is history!

BUSINESS AREAS

We are engaged in the cultivation, processing and sale of bulk teas. We produce mainly CTC and Orthodox Black Teas. CTC teas account for nearly 90% of our production from Assam, Uganda, Rwanda and Vietnam; the balance being Orthodox variety from Assam and Vietnam and Green teas from Vietnam.

PRODUCTION BANDWIDTH

Region	Tea Estates	Factories	Saleable production (Lakh kgs)	Tea Area (in Hectares approx.)
North Bank Estates and Factories	22	23	412	13,876
South Bank Estates and Factories	26	25	372	16,603
McLeod Russel India Assam Estates and Factories	48	48	784	30,479
McLeod Russel India Dooars Estates and Factories	5	5	62	3,244
McLeod Russel India Total Estates and Factories	53	53	846	33,723
Vietnam Estates and Factories	3	7	84	1,694
Uganda Estates and Factories	6	5	173	3,502
Rwanda Estates and Factories	2	2	50	684
McLeod Russel Group Total	64	67	1,153	39,603

CREDIBLE CERTIFICATIONS

- Food Safety Management System (ISO 22000)
- Fairtrade Certified
- Rainforest Alliance Certified
- Hazard Analysis Critical Control Point (HACCP)
- Ethical Tea Partnership (ETP)

Taking Our Beverage to Global Connoisseurs

Tea enjoys a centuries-old heritage in India and the world at large. At McLeod Russel, we take pride in upholding this time-honoured heritage.

Our widespread plantations, meticulous processes, honed art and science of blending, sustainable environmental practices and community initiatives have enabled us to reinforce our industry leadership across geographies.

We have tea estates, blending units and marketing offices across strategic global locations. We export some of the finest teas around the world. Our discerning customers are spread across Asia, Europe, Africa, the Middle East and North America. We continue to leverage our robust marketing and delivery mechanisms to grow our global prominence and brand reputation.

- Our estates spreads across 39,603 hectares producing some of the world's finest teas.
- We produce more than 115 million kilos of tea every year.
- Our 90,000+ employees drive our heritage each day.
- We reach out to over 24 countries across the world.
- We are one of the largest global black tea exporters.

64
World-class tea estates

67
State-of-the-art tea manufacturing facilities

Sl No.	Export
1	Canada
2	USA
3	Ireland
4	U.K.
5	Netherlands
6	Germany
7	Poland
8	Kazakhstan
9	Russia
10	Turkey
11	Iran
12	Egypt

Sl No.	Export
13	Saudi Arabia
14	UAE
15	Pakistan
16	China
17	Japan
18	Bangladesh
19	Sri Lanka
20	Malaysia
21	Indonesia
22	Australia
23	Kenya
24	Tanzania

Sl No.	Offices
1	Four Mangoe Lane, Kolkata
2	Guwahati, Assam
3	Vietnam
4	Rwanda
5	Uganda
6	Kenya
7	UAE
8	U.K.

Sl No.	Tea Estates
1	India
2	Vietnam
3	Uganda
4	Rwanda

Think Beyond!

Yes, that's our corporate philosophy to win more markets and reach more customers nationally and internationally. Here we discuss some of our innate strengths and efficiencies that make it possible.

BRAND

We market our teas under the name of our various tea estates, known as 'selling marks'. Hence, these selling marks have evolved into individual bulk tea brands, with a strong customer following in each of their preferred markets.

TECHNOLOGY

We have invested in cutting-edge technologies to manufacture quality products and achieve high manufacturing efficiency through energy conservation and environmentally safe processes.

VALUE-ADDITION

We have in-house blending capacities, which control leaf mixture, liquor and aroma in a consistent manner in the final product to address wide-ranging customer needs.

QUALITY

We meticulously ensure that our teas comply with globally benchmarked quality standards, so that only the best products leave our factories. If any corrective action is required, our tasters proactively take necessary steps.

PROCESSES

We have instituted operational discipline across gardens through the creation of a documented manual (standard operating procedures) to reduce arbitrary interventions, ensure process consistency and enhance knowledge sharing.

SALES

Our forward sales comprise over 90% of our export volumes and 27% of our domestic sales, enabling steady realisations and minimising the risk of our product offtake.

PLANTATION

We uproot around 2% of our aggregate bush population each year, and replenish with fresh planting comprising a blend of clonal teas. Today, over 46% of the our gardens are less than 30 years old, with significantly higher yields vis-à-vis the industry average; nearly 72% of our bushes are less than 50 years old, a period when they are most productive and resistant to natural vagaries.

MARKETING

We have increased the proportion of tea marketed directly through strategic and private contracts in national and international markets. The result is higher realisations and better safeguards against cyclical market trends.

All Around THE WORLD

We are Working
Every Minute of Every Day

To Refresh, Renew and Reshape OUR BUSINESS.

UGANDA

6
Tea estates

3,502 hectares
Area under Tea

5
Manufacturing facilities

17.31 mn kgs of saleable
Tea produced in 2016-17

Tea produced
CTC tea

McLeod Russel forayed into East Africa in 2010 and purchased 100% shareholding of a tea plantation and manufacturing company in Uganda from James Finlay Limited. Currently, our plantations and factories are spread across western Uganda comprising across Bugambe, Muzizi, Mwenge, Kiko, Kisaru and Ankole. Tea leaves for our factories are plucked by machines, including the pruning operations, enabling lower cost of production.

SALIENT FEATURES

- Absence of pesticides in these farms ensures that the output can be sold across key international markets like Europe and USA as it complies with the stringent norms of those markets.
- We have consistently recorded high volumes of tea leaf produce per hectare, owing to favourable soil and climate condition.
- We have adopted machine plucking, which provides scale advantage, enhanced productivity and minimal manual intervention.
- We have expanded our manufacturing capacities by introducing new lines across all factories, ensuring adequate capacity for the leaf harvested.

TYPES OF PLUCKING MACHINES

We use various types of machines for harvesting tea. Various levels of elevation and differential quality of soil are the deciding factors to use different machines and ensure a better harvest.

BEST FIT

Uganda is endowed with a climate, which provides plentiful sunshine, abundant rainfall and a relatively high altitude, ideal for growing quality tea and high yields. The country lies within the Nile basin, which is extremely fertile. It is blessed with sizeable mineral deposits of copper and cobalt. It has also reserves of both crude oil and natural gas. Agriculture continues to contribute to more than half of the country's GDP. Coffee and tea are major commodities for its exports.

RWANDA

2
Tea estates

684 hectares
Area under Tea

2
Manufacturing facilities

4.95 mn kgs of saleable
Tea produced in 2016-17

Tea produced
CTC & Orthodox tea

In Rwanda, we have plantations and factories in Karongi and Rubavu districts. Our first acquisition in Rwanda was Gisovu Tea Company in 2011. Gisovu Tea estate is situated in the Karongi district of the western province in Rwanda, at an altitude of 7,500 feet above sea level; and is close to the Nyungwe Forest. Gisovu had to undergo a complete makeover since it was an old establishment. We invested in the installation of new machinery, enhanced its infrastructure and retrained its employees. Gisovu tea estate was adjudged the 'Best Tea Estate' at the African Tea Convention in 2011 at Mombasa and won multiple awards for quality at the 2017 African Tea Convention in Nairobi. Pfunda Tea Estate and factory in Rubavu district lies below the Virunga mountain range and the rich volcanic soil contributes to its high-quality tea.

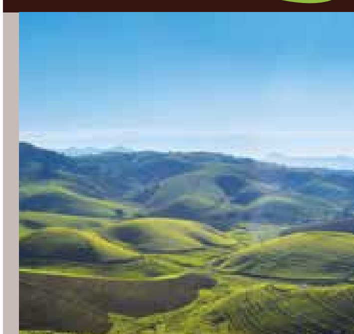
SALIENT FEATURES

- Gisovu tea estate is renowned for its finest CTC tea, which is internationally sought after for its superior flavour and exceptional quality.
- Tea from Gisovu and Pfunda are handpicked and priced at a premium.
- We will also commence production of a small quantum of Orthodox tea in Gisovu in 2017.
- No pesticides and herbicides are used in our plantations, producing the most desired output for international markets.
- Gisovu and Pfunda teas are retailed in Rwanda under the 'SILVERBACK', 'NILE' and 'KIVU' brands.

KEY INITIATIVES BY THE GOVERNMENT

The Government of Rwanda plays a key role in the country's socio-economic development. The Government treats the country's farmers as partners from a growth perspective and has empowered the farmers' cooperatives with proactive initiatives. Moreover, the government controls tea pricing, and it has mandated that 40% of the value of the selling price of tea is to be paid to farmers.

LAND OF THOUSAND HILLS



Rwanda literally translates into 'the land of thousand hills'. The entire country is located on a high altitude; and because of its high elevation, the country has a lower temperature, compared to other equatorial countries. Rwanda's primary exports are tea, coffee, hides and tin ore. The mountainous terrain, weather and the soil make Rwanda an ideal location for producing high-quality teas; and the quality improves progressively with higher elevation.

VIETNAM

3
Tea estates

1,694 hectares
Area under Tea

7
Manufacturing facilities

8.43 mn kgs of saleable
Tea produced in 2016-17

Tea produced
CTC, Orthodox &
Green Tea

Vietnam was the first overseas acquisition for McLeod Russel in 2009, in its pursuit to build the Company's global presence. The common thread binding Vietnam and India is similar weather conditions for producing tea and the shared love for its consumption.

At McLeod Russel, we began by acquiring Phu Ben Tea Company Limited from SA SIPEF N.V. comprising estates and CTC factories namely, Phu Tho, Doan Hung and Ha Hoa. Post-acquisition we added one more CTC factory, Vanh Linh in close vicinity to the other three factories. A detailed plan was drawn for the upgradation of each factory. We installed new machinery, introduced new production lines and set up uniform systems across all our factories. Every factory of our Company has been standardised in terms of its structure and operations. Thereafter, we went on to acquire two Orthodox Black Tea factories, Khanh Hoa and Ngoc Hai in the same province and streamlined their systems on the basis of other factories of our Company. We have further expanded our range of teas by acquiring a Green tea factory, Tai Trung in 2014 and added jasmine flavouring to the standard Green tea production.

SALIENT FEATURES

- Vietnam enjoys having one of the highest yields per hectare in the world.
- The cost of producing tea is lower than that of India, giving Vietnam a strategic advantage over India.
- The Company exports major part of the tea produced from its Vietnam facilities.
- Vietnamese are industrious by nature and their hard-work translates into very high productivity.
- All our factories are certified Under ISO 22000, Rainforest Alliance, Ethical Tea Partnership and GMP.
- We use our own planting material to maintain our quality standards, which provides a higher yield, better quality and greater compliance compared to the local planting material.
  A regulated pesticide regime has been implemented in our estates to control the use of pesticides for compliance in key markets such as the EU, USA and Japan which are amongst the most stringent in the world.

CREATING A HOLISTIC ECOSYSTEM

- We conducted several trainings and large-scale seminars for farmers to educate them about the adverse impact of using excessive pesticides. Relevant chemicals were provided to farmers, so that they could adopt better farming practices.
- We implemented a fully integrated system in all manufacturing units and automated all factories.
- We organised training programmes, wherein personnel were brought to India and to share best practices with them.
- We shared our knowledge and insight with independent farmers as well.

POPULARITY OF TEA

Vietnam is the easternmost country on the Indochina Peninsula in Southeast Asia. It has been greatly influenced by the tea drinking tradition of China, primarily because its northern part was under the rule of Imperial China for more than a millennium. Tea is said to have permeated in almost every social activity, beginning from weddings to birthdays and ritual ceremonies. In ancient times, Vietnamese believed that tea assumed many philosophical values, and that it was a source of spiritual purity.

Over the years, tea has gradually found its place in the lives of all people living in the city and the countryside alike. Tea is consumed not just at home, but is also sold by street vendors known as 'Quan coc'. A number of teahouses have also become popular, which offer a wide variety of tea styles, like the traditional green tea, herbal tea and many other exotic variations.

DUBAI

The United Arab Emirates (UAE) is one of the world's largest re-exporters of tea and Dubai enjoys the status of an important business hub, catering to the rest of the world. It's strategic location and government policies make it conducive for trade between Asia, Africa and Europe.

McLeod Russel Middle East DMCC began its operations in Dubai in 2011 at the Jebel Ali free zone, under the aegis of Dubai Tea Trading Centre (DTTC). The free zone offers tax free and customs duty benefits to expatriate investors, making it a preferred destination to set up our trading operations. Since DTTC is situated close to the world's largest man-made harbour and the biggest port in the Middle East, it serves as a convenient location where teas from our factories in India, Africa and Vietnam are brought in, blended and sold to consumer markets of Europe, the Middle East, CIS countries and the United Kingdom.

The Dubai office is also responsible for our regional marketing and sources other origin tea varieties from outside our group's portfolio. Our tea is blended and packaged either in bulk or packaged form.

OTHER FACILITIES OFFERED BY THE MCLEOD RUSSEL MIDDLE EAST DMCC ARE:

- **Teabag packing:** Teabags are packaged in a temperature-controlled facility allowing higher volume and wide variety.
- **Loose tea packing:** Packing from 50 grams to 1 kg of loose tea on vertical form fill seal machines, for both CTC and Orthodox varieties of tea.
- **Blending:** A two-tonne blending system that can perform blending of both CTC and Orthodox teas.
- **Storage:** The facility has the storage capacity to stock up to 5,000 metric tonnes of bulk tea, with all stocks being palletised and stockpiled within racks.

FINESSE OF BLENDING

Tea blending is the perfect marriage of science and creativity. It's the process of bringing together teas from different regions of the world to create one perfectly blended cup of tea. The process requires both experience and expertise of the blender to ensure that every blend delights the connoisseur. To ensure consistency of taste, colour and quality, proven techniques are adopted and there are dedicated tea blending personnel assigned to achieve these perfect blends.

KENYA

Mombasa is situated on the coast of Kenya and is the second-largest city after the capital, Nairobi. It offers a large port and an international airport, which have enhanced the city's status as a major culture and economic hub. Mombasa is one of the biggest tea auction centres in the world. Its port opens its doors to international trade for tea as it is the major port for East African exports and imports. Kenya isn't just one of the largest producers of Tea, it is also the world's biggest tea exporter. Over the years, it has also gained a reputation for some of the world's best CTC teas and an international blending destination, with teas coming from all African origins for blending and export.

McLeod Russel Africa Limited set up its operations in Mombasa in 2013 to capitalise on its location for trading African teas with the rest of the world. Of the 22 million kilos of tea we manufacture in Africa, approximately 18 million kilos are sent to Mombasa for auction. Therefore, we decided to set up an establishment in Mombasa, which would trade in tea and also monitor our origin sales and shipping logistics. Our Mombasa Office serves as a quality-check for all the teas produced by our Rwanda and Uganda plantations and act as a service provider on logistics for our direct exports from these origins. Some of our high-quality teas are blended with other teas and packaged to be exported to various parts of the world.

CONVERSATION OVER A CUP OF TEA

During British colonisation, Kenya adopted the tradition of afternoon tea from the British. The people of Kenya pause from their day to enjoy a cup of tea served with milk and sugar or sometimes taken 'strungi' (black). Tea is accompanied by a slice of cake, pastries or a simple bread. The tea recess provides an opportunity for genteel conversation and conviviality.

Our Global Team

At McLeod Russel, we have a dynamic, diverse and dependable team. We make strategies to create an exciting work culture, where every individual gets opportunities to grow and contribute to the organisational objectives.

We encourage cross-pollination of ideas to achieve a shared vision. The result is a passionate and energetic international team that shares our vision of becoming the best tea producing company in the world. We have been consistently investing in sharpening the capabilities of our people to grow our brand reputation and recall.

We have a bi-annual magazine – The WM Times, which chronicles various initiatives undertaken across our tea estates. Employees share their stories and snippets about life at the estate.

AFRICA

We have an ongoing process of replacing erstwhile 'elephant houses' (Dormetories for workers) with modern housing earmarked to be completed within the next three years on our estates. In Gisovu, we undertook the renovation of worker homes and staff homes; while constructing new ones where required. We also built a new kitchen for cooking daily meals for the plucker staff.

We provide free medical facilities and upgraded the clinic at Kiko Tea estate in Uganda. To promote recreation after work we renovated the social hall/club services at our Ankole and Kiko Tea estates in Uganda. We provide subsidised commodities at our Fairtrade canteen at Mwenge and Bugambe Tea Estates in Uganda for all our employees and farmers. At the same time, we organise social events for our employees to enjoy themselves. Moreover, we have a recognition programme that recognises and rewards hard-work and talent.

To inspire teamwork and fitness at McLeod, we encourage sports at all levels of management. We have organised several events such as the Fine Tea and Fair Play football tournament between various estates. In Gisovu, we organised a football tournament at the estate; and for the first time there were eight teams who participated from Gisovu and Kibuye.

We organised a managers' football tournament at Muhumuza Staff club at Mwenge. Likewise, we conducted football and basketball matches with local community people at our Pfunda Tea Estate. An in-house table tennis tournament was arranged between managers and the staff.

INDIA

We ensure that a primary school and a hospital facility is available in every tea estate we own in India. In addition, currently, we provide six well-equipped central hospitals with advanced medical facilities across our estates. Since the majority of our workers are mothers, special attention is paid to ensure a safe environment for mother and child including creches at all our tea estates.

We have also established a mother's club for working women in various tea estates. We celebrate various festivals to promote cultural activities from time to time in our tea estates. This inspires engagement and teamwork between workers and employees to usher in a sense of positivity. We organise regular sports events for our workers and employees to foster unity and holistic development.

Citizenship at McLeod Russel

At McLeod Russel, we are committed to support communities in their journey for a better quality of life. We provide need-based interventions to empower communities across the areas of our operations. We are creating opportunities for sustainable livelihoods through our community initiatives.

In FY 2016-17, we continued our interventions in the realms of education, healthcare, women empowerment and community development.

ENVIRONMENT AND COMMUNITY

- Constructed 7 km road for community use around the Kiko Tea estate
- Renovated Kiko primary school; and built a kitchen and dining hall for its use
- Contributed towards the construction of a bridge connecting Kitembe Division to Katambale for community use around the Mwenge Tea estate
- Repaired and undertook the responsibility for maintenance of 5 km road from Bwikara to the Muzizi Tea estate for community use; additionally, repaired a shallow well at Kamusegu trading centre for use of nearby community
- Cleaned the Katanga trading centre under the 'KEEP KATANGA CLEAN' initiative by the Bugambe Tea Estate; moreover, constructed a road (1km) for community use from Katanga towards Buseruka
- Constructed a 5-stance pit latrine at Kyarusozi primary school

- Developed a housing project along with a cattle shelter under the Rutubway Housing project in November 2016; in addition, the housing project has been supplied with 24x7 running water and electricity
- Erected toilets for female employees in fields, mainly near the Leaf Collection Centre
- Commenced the Honey project to help small farmers diversify their incomes – each farmer, interested in the project, was provided with a hive to kickstart the project and the Company buys back the produce to refine, bottle and sell it in Kigali
- Contributed towards building an elderly widow hostel in Rwanda
- Assisted towards rebuilding lives of genocide victims in the Nyundo sector
- Built a hostel called 'Unity Club' in Rwanda
- Contributed towards the Gisenyi District Hospital
- Organised HIV-AIDS awareness camp for communities in Uganda
- Built sports infrastructure facilities in Assam Valley School
- Constructed vermicompost projects for villagers in Assam
- Promoted traditional weaving skills and woven products of local ethnic communities in Assam
- Supported elderly ladies at old age home and villagers with distribution of food, clothes, blankets and so on in and around Kolkata
- Involved in preservation of ecosystem and natural habitats in Assam
- Supported heritage conservation for tea estates in Assam

EDUCATION

- Installed lightening arrestor at Ankole Estate's primary school in Uganda
- Continued support for the Moran Blind School in Assam
- Initiated the Assam Valley Literary Award in association with Williamson Magor Education Trust

HEALTHCARE

- Subsidised medical services in all estates to enhance community life; and provides selected free services like anti-retroviral treatment (ART)
- Facilitated cataract operation camps in association with Shankardev Netralaya, which benefitted patients with successful eye surgeries in Assam
- Supported a recognised institution in Kolkata for children afflicted with cerebral palsy

Global Value Creation Model

OVERARCHING OBJECTIVE

Reinforce our leadership in the global tea industry by consistently producing high-quality tea

- Selective clonal policy developed through years of cutting-edge research and development (R&D) initiatives
- Strict maintenance of plucking rounds
- Quality raw material used for production
- Competent green leaf handling and transport capabilities
- Regular uprooting and replanting
- Productive age profile of plantations
- Rain forest Alliance Certified

- Robust manufacturing initiatives
- Capacity geared for peak crop processing
- Globally benchmarked certifications for factories
- Standardised operations in line with global standards
- Complete compliance with product safety and traceability
- Well documented operations for the adoption of best practices and standardisation
- ISO 22000 certified
- Manufacturing policy formulated by the legendary John Trinick (renowned tea technologist)

- Soil conservation and management
- Water conservation with an emphasis on rainwater harvesting
- Integrated pest and weed management
- Afforestation and preservation of natural habitat
- Prudent energy conservation
- Waste management and disposal

- Extension of healthcare facilities / services to surrounding communities
- Creation of educational institutions
- Promotion and recognition of literary/scholastic pursuits
- Economic empowerment of local communities
- Vocational training for neighbouring communities
- Arrangement of safe drinking water for neighbouring communities
- Projects for enhancement of livelihood

- Healthy and safe work environment
- Investing in enhancing the capabilities of our global team
- Focusing on the welfare of our team as well as plantation workers in line with Safety, Health and Environment standards.

- Minimal employee attrition
- Leadership and personnel development, including a well-defined succession plan
- Internal growth of human resources (minimal external recruitment in the middle and senior levels)
- Training, best practices and information sharing through exposure visits to global plantations
- Transparent reward and recognition policy
- Business plan through effective discussions
- Targets (commercial and personal development) covered by KPIs (Key Performance Indicators)
- Mid-term target review to encourage ethical and transparent behaviour
- Transparent performance evaluation

Corporate Information

BOARD OF DIRECTORS

Mr. Brij Mohan Khaitan
Chairman

Mr. Aditya Khaitan
Vice-Chairman & Managing Director

Mr. Amritanshu Khaitan
Dr. Raghavachari Srinivasan
Mr. Bharat Bajoria
Mr. Ranabir Sen
Mr. Utsav Parekh
Mrs. Ramni Nirula
Mr. Padam Kumar Khaitan

Wholetime Directors
Mr. Rajeev Takru
Mr. Azam Monem
Mr. Kamal Kishore Baheti

Company Secretary
Mr. Amitabha Guha Sarkar

BOARD COMMITTEES

Audit Committee
Dr. Raghavachari Srinivasan
Mr. Aditya Khaitan
Mr. Bharat Bajoria
Mr. Ranabir Sen

Nomination & Remuneration Committee
Mr. Bharat Bajoria
Dr. Raghavachari Srinivasan
Mr. Ranabir Sen

Stakeholders' Relationship Committee
Mr. Ranabir Sen
Mr. Bharat Bajoria
Mr. Utsav Parekh

Corporate Social Responsibility Committee
Mr. Rajeev Takru
Mr. Azam Monem
Mr. Kamal Kishore Baheti
Mr. Ranabir Sen

AUDITORS

Price Waterhouse
Plot No. Y-14, Block EP, Sector-V,
Salt Lake Electronic Complex,
Bidhan Nagar, Kolkata - 700 091

SOLICITORS

Khaitan & Co. LLP

REGISTERED OFFICE

Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Kolkata - 700 001
Corporate Identity Number
(CIN): L51109WB1998PLC087076
Phone: (033) 2210-1221 / 2243-5391 / 2248-9434 / 35
Fax: (033) 2248-8114 / 2248-3683 / 2248-6265
E-mail: 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

REGISTRAR

Maheshwari Datamatics Pvt. Ltd.
23, R.N. Mukherjee Road,
5th Floor,
Kolkata – 700 001
Phone: (033) 2248-2248 / 2243-5029
Fax: (033) 2248-4787
E-mail: info@mdpldc@yahoo.com

Disclaimer: With a view to enabling the Members of the Company to understand the Company better, certain information has been provided in page nos. 1 to 25 of this Annual Report, which is not purported to be a part of any statutory disclosure. The estimates mentioned and assumptions made therein and the particulars relating to the market and the industry contained therein have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured.

STATUTORY REPORTS

FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS

for the year ended 31st March 2017

Your Directors have pleasure in presenting the Nineteenth Annual Report with the Audited Financial Statements of your Company, for the financial year ended 31st March 2017.

REVIEW OF PERFORMANCE

The financial results of the Company for the year ended 31st March 2017 are summarised below:

Rs. in Lakhs

	2016-17	2015-16
Revenue from Operations	148540	150678
Other Income	18448	9770
Total Revenue	166988	160448
Profit before Finance Costs, Depreciation, Exceptional Items and Taxation	21508	18161
Less : Finance Costs	12757	10078
Less : Depreciation and Amortisation Expenses	8252	8064
Profit before Exceptional Items and Tax	499	19
Less : Exceptional Items	-	-
Profit before Tax	499	19
Tax Expense	(2554)	(391)
Profit for the year	3053	410

FINANCIAL PERFORMANCE

In a difficult year your Company has performed reasonably well. Although the income from operations during the year was little down at Rs. 148540 lakhs as against Rs. 150678 lakhs in the previous year, the total income during the year has increased from Rs. 160448 lakhs to Rs. 166988 lakhs on account of increase in other income. There was a sizeable reduction in cost of materials consumed primarily on account of lower quantity of green leaf purchased at a lower purchase price.

The profit after tax was up at Rs. 3053 lakhs from Rs. 410 lakhs earned in the earlier year which is attributable to increase in other income, reduction in cost of materials consumed and reversal of tax provisions. The profit could have been higher but for substantial increase in employee costs to the tune of Rs. 8633 lakhs on account of higher wages and ancillary benefits given to the workers in terms of industry wide agreement with the Workers' Union, increase in cost of cereals etc.

Sales during the year was down at Rs. 139297 lakhs from Rs. 148308 lakhs in the previous year, primarily on account of unfavourable selling price which was lower compared to the previous year by Rs. 10.79 per kg. The price of tea was down on account of higher production in certain tea producing countries, weak economic conditions in some of the tea consuming nations which had affected Company's exports and also on account of demonetisation of Indian currency notes of higher denominations, during the latter part of the year.

DIVIDEND

Your Directors have recommended a dividend of Re. 0.25 per equity share, being 5% on 109455735 fully paid up equity shares of Rs. 5/- each for the year ended 31st March 2017 for your approval.

REVIEW OF OPERATIONS

During the financial year under review, your Company had saleable production of 846.10 Lakh Kgs of tea as compared to 856.55 Lakh Kgs in the previous year. The Company could have achieved better production but for inclement weather and pest attacks which adversely affected cropping. Unprecedented heavy rainfall during June and July 2016 resulted in drop in temperatures and excessive wet conditions which are not entirely conducive to good leaf growth. Heavy rainfall continued till September 2016 causing flooding and water-logging on many estates. Weather conditions improved over October and early November 2016, after which the winter dry spell commenced and continued till late February

2017. Though the total rainfall for the year was marginally higher than the previous year, uneven distribution impeded good flushing and adversely affected harvests. With only moderate precipitation over the period February and March 2017, early cropping for the First Flush season was adversely affected. Pest activity was a matter of concern in most districts of Assam and Dooars. All estates are now strictly following the Tea Boards "Plant Protection Code" with a restricted choice of chemicals for effective pest management. Efforts to control pest infestation were largely successful.

The Uprooting and Replanting Policy of your Company continued to remain an area of focus and has further increased the percentage of tea under fifty years which is approximately 72% of the total area. All tea estates established good Clonal Tea nurseries with requisite, approved Clonal Blends. Afforestation programs to create improved micro-climates were also enhanced. With the growing trend of migration of workers from the estates and the resulting shortage of hands to work on the estates, your Company has taken initiatives to mechanize some field operations, namely introduction of Plucking Machines, Plucking Shears and Pruning Machines. Earth Movers and Excavators are also being extensively used. Considerable work on upgrading of existing irrigation equipment has been undertaken and additional sets provided. Most estates are now adequately equipped and more projects will continue over the next few years as irrigation has now become critical with changing weather patterns and prolonged dry winter. During the year the Company has incurred total capital expenditure to the tune of Rs. 10776 lakhs, the benefits of which will be derived in the years to come. The Nilpur Blending Unit has been shifted to the Company's new unit at Guwahati.

Your Company's focus to produce Quality Teas was given further impetus and our teas continued to command a premium both in the domestic and international market. Modernisation and upgradation programs for our manufacturing units have remained an area of priority to improve the process of tea manufacture and produce better quality teas. Continued introduction of energy efficient machinery and infrastructure is your Company's priority and useful steps were taken in this direction.

The Company has forty seven ISO 22000 certified Tea Estates and Factories, four "Fairtrade" certified and forty four "Rainforest Alliance" certified. Your Company also participates in Ethical Tea Partnership, a global initiative.

The Company saw a total export quantum of 154.79 lakh Kgs during the year with an export turnover of over Rs. 32548 lakhs. Favourable feedback was received from the buyers both in terms of quality and deliveries.

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.

The disclosure in terms of item (iv) of sub clause (iv) of second proviso of clause (B) of Section II of Part II of Schedule V to the Companies Act, 2013 has been provided in the Report on Corporate Governance attached to this Report.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has one wholly owned subsidiary namely, Borelli Tea Holdings Limited, U.K. (Borelli) and six 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. During the year under review, Rwenzori Tea Investment Company Limited, Uganda which was a subsidiary of Borelli, was amalgamated with McLeod Russel Uganda Limited. As at the end of the year on 31st March 2017 Borelli had the following Subsidiaries in different countries:-

REPORT OF THE DIRECTORS (Contd.)

(i) Phu Ben Tea Company Limited, Vietnam –controlling stake of Borelli being 100%

(ii) McLeod Russel Uganda Limited – controlling stake of Boreli being 100%

(iii) Gisovu Tea Company Limited, Rwanda – controlling stake of Borelli being 60%

(iv) McLeod Russel Middle East DMCC, UAE – controlling stake of Borelli being 100%

(v) McLeod Russel Africa Limited, Kenya – controlling Stake of Borelli being 100%

(vi) Pfunda Tea Company Limited, Rwanda – controlling stake of Borelli being 90%

The performances of the Subsidiaries are summarised below for your information. D1 Williamson Magor Bio Fuel Limited, an Associate of the Company, did not have any business during the year under review.

As required under Section 129 (3) of the Companies Act, 2013 and Regulation 33 and 34(2)(b) of the Listing Regulations, Consolidated Financial Statements of the Company, its seven Subsidiaries and an Associate Company prepared in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India are appended in the Annual Report.

A statement containing the salient features of the financial statements of the Company's seven Subsidiaries 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.

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.mcleodrussel.com/investors/policies.aspx

BORELLI TEA HOLDINGS LIMITED

Borelli Tea Holdings Limited ('Borelli') has invested in its subsidiaries in Vietnam, Uganda, Rwanda, Dubai and Kenya. During the year under review, Borelli earned a profit after tax equivalent to Indian Rs. 3189.23 lakhs and its Board of Directors has recommended payment of dividend at the rate of 200% on its equity capital entirely held by your Company.

PHU BEN TEA COMPANY LIMITED

The Company produced 84.28 lakh kgs of tea during 2016 as compared to 86.64 lakh kgs in the earlier year. The tea market in 2016 continued to be depressed and a surplus in the world market suppressed prices in spite of the good standard of teas produced. Sales in 2016 was 68.61 lakh kgs compared to 100.21 lakh kgs in 2015. The average selling price was USD 1.42 per kg as compared to USD 1.43 per kg in 2015. During the year the Company has incurred a loss equivalent to Indian Rs. 1708 lakhs.

The 'Tai Trung' Green Tea Factory and 'Ngoc Hai' & "Khanh Hoa" Orthodox Tea Factories were upgraded and produced a good standard of Teas. The production of Jasmine Tea was introduced in the Tai Trung Factory which received an encouraging response with the teas being awarded for the Best tea in this category in the North American Tea Conference Awards. The CTC teas produced in the other factories were of a much improved standard and efforts on the front of EU compliance have increased the demand for our teas. All Phu Ben estates and factories including Tai Trung and Ngoc Hai are accredited ISO 9000: 2008 and ISO 22000: 2005, GMP & Halal certified. Phu Tho, Ha Hoa and Doan Hung estates are Rainforest Alliance certified. Five factories, including Phu Tho, Ha Hoa, Doan Hung, Van Linh and Khanh Hoa are also Rainforest Alliance Chain of Custody certified.

Changing weather patterns and prolonged dry spell till June 2016 adversely affected cropping trends. Another dry spell set in from November 2016 till February 2017. A tropical storm 'Dianmu' hit North Vietnam during mid-August causing extensive damage to our plantations and infrastructure. Cropping patterns consequently changed in spite of which the year's production estimates were achieved.

Phu Ben Tea Company was also recognised with the following awards:

- Good Implementation of Tax Laws awarded by the National Tax Department of Vietnam.

- Best Jasmine Tea awarded by the North American Tea Conference.

MCLEOD RUSSEL UGANDA LIMITED

During the year 2016, the performance of McLeod Russel Uganda Limited (MRUL) was commendable. MRUL earned a post-tax profit equivalent to Indian Rs. 5646 lakhs in the year 2016 compared to a profit of Rs. 2994 lakhs in 2015. The sale price of MRUL teas improved in 2016 compared to 2015 and the cost of production was controlled resulting in higher profits during the year. Gains on foreign exchange also contributed to increased profitability.

During the year 2016, the Company's turnover decreased to equivalent of Indian Rs. 17544 lakhs compared to Rs. 18027 lakhs in the year 2015. During the year, the Company manufactured 173.09 lakh kgs (2015 – 184.10 lakh kgs), of tea, a reduction of approximately 6 %. The weather conditions during 2016, especially during the second half of the year, were unfavourable. The decrease in production was almost entirely in the own crop of the Company which went down by 1.1 million kgs and all of it was lost during the second half of the year. The selling price during the year 2016 improved to US $ 1.63 per kg from US $ 1.56 per kg fetched in 2015.

The Company declared a dividend equivalent to Rs. 3092 lakhs for the year 2016 as against Rs. 1708 lakhs declared in the previous year.

Quality improvement was very much emphasised in the year. A series of developmental activities are carried out both in field and factory. Introduction of Mist Blowers to improve on spraying efficiency and effectiveness for Litchen/Moss control and foliar fertilizer application has improved on the efficiency of application. Use of Trichoderma and Slurry for control of Armillaria root rot disease following successful experiments was spread across the Company. There was a slight improvement in leaf appearance across the board; leaf was blackish, grainy and fairly clean.

MRUL received the President's Exporter of the year Gold award in the Tea Sector organised by Uganda Exports Promotions Board (UEPB). The Company was awarded a certificate of recognition for the outstanding export performance in the Tea Sector during 2015.

The Company is currently certified with Rainforest Alliance (RA), Fairtrade and Food Safety Management System (FSMS). Internal and external audits for all standards were conducted successfully during the months of June – November 2016. Our investment in Rainforest Alliance and FSMS accreditation has been supported by majority of smallholders being accredited. Management of out growers' fields improved as observed during the audits for the farmers. This could have contributed in part to increased production for the out growers. Additionally, seventeen (17) out growers at Ankole and Muzizi were successfully added to the MRUL certified group.

Major renovations were undertaken at Bugambe, Kiko, Mwenge and Muzizi which have seen great improvements in workers' housing conditions of over 20 housing and sanitary facilities, with major replacements of Elephant houses.

GISOVU TEA COMPANY LIMITED

The performance of Gisovu Tea Company Limited (GTCL) in the year 2016 was satisfactory. GTCL achieved the highest ever production during the year 2016. However, prices, compared to the previous year, declined and the cost of production increased, mainly due to increase in price of green leaf purchased from out growers.

During the year GTCL's production was 24.10 lakh kgs., compared to 22.4 lakh kgs in 2015. This was an all-time record for GTCL. During the year the market for better quality teas declined and GTCL was also affected by this. The selling price declined during the year to US $ 3.20 per kg as against US $ 3.51 per kg in 2015. The turnover for the year 2016 was equivalent of Indian Rs. 4587 lakhs compared to Rs. 5165 lakhs in 2015. During the year the green leaf prices, supplied by out growers, were increased to 40 % of the selling price and it impacted the cost of production of GTCL. A reduction in corporation tax rate from 30 % to 15 % buoyed the post-tax profit of the Company. The post-tax profit of the Company was equivalent to Indian Rs. 1229 lakhs compared to Rs. 1412 lakhs in 2015. The Company declared a dividend equivalent to Rs. 713 lakhs for the year 2016 as compared to Rs. 720 lakhs paid for the year 2015.

The Company successfully commissioned orthodox machineries during the year and the trials were

REPORT OF THE DIRECTORS (Contd.)

commenced. The Company will commercially manufacture orthodox teas in a phased manner from the current year.

MCLEOD RUSSEL MIDDLE EAST DMCC

McLeod Russel Middle East DMCC (MRME) registered an improved performance in the year 2016. The operations for the year resulted in a post-tax profit equivalent to Indian Rs. 127 lakhs compared to a profit of Rs. 93 lakhs in 2015. The Company's turnover in 2016 was equivalent to Rs. 2123 lakhs compared to Rs. 2,647 lakhs in the previous year. Although the overall revenue declined due to lower volume, the profitability increased on account of better margin. The Company purchased 1.32 lakh kgs of tea in 2016 compared to 1.45 lakh kgs in the previous year. It sold 1.39 lakh kgs of tea compared to 1.55 lakh kgs in the earlier year. The Company is expected to continue with its improved performance.

MCLEOD RUSSEL AFRICA LIMITED

The Company continued to record satisfactory growth in volumes in its second year of operation. The Company's revenue for the year 2016 was equivalent to Indian Rs. 5055 lakhs against Rs. 3438 lakhs in 2015. The profit after tax for the year 2016 was Rs. 16 lakhs compared to a profit of Rs. 36 lakhs in 2015. The decline in profit after tax was due to certain changes in income tax laws in Kenya. The profit before tax however was higher than the previous year. During the year 2016 the Company purchased 36.42 lakh kgs of tea against 15.89 lakh kgs for the year 2015. The Company is expected to continue to grow in the coming years.

PFUNDA TEA COMPANY LIMITED

During the year 2016 Pfunda Tea Company Limited (PTCL) manufactured a record crop of 25.43 lakh kgs of tea – up from previous year's record production of 24.37 lakh kgs. Though the production was high, the selling price was lower and the cost was higher resulting in decline in profitability. The profit after tax in 2016 declined to an equivalent of Indian Rs. 661 lakhs compared to Rs. 1293 lakhs in 2015. Reduction in income tax rate from 30 % to 15 % buoyed the post-tax profit of the Company. The turnover for the year 2016 declined from an equivalent of Rs. 4736 lakhs in 2015 to Rs. 3572 lakhs in 2016. The selling price of tea was lower at USD 2.42/kg compared to USD 3.05 /kg in 2015. In spite of higher production, the cost of production went up, mainly due to increase in the price of green leaf, mandated by the Government of Rwanda. The Company declared a dividend equivalent of Rs. 238 lakhs in 2016 as compared to Rs. 450 lakhs in 2015.

The climatic conditions were favourable in general other than in June, July and August which witnessed low rainfall.

Tea infilling continued to be the main focus area of PTCL with 242,066 numbers of plants were infilled during the year 2016.

With 0.95 ha of extension planting done in 2016 the entire extension programme covering an area of 253.74 ha was completed in the new area acquired.

The Company also underwent the RA and the ISO 22000:2005 certification audit during 2016, passing both the audits successfully.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is conscious of its social responsibility and the environment in which it operates. 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 Tea Estates of the Company.

Like earlier years it continued 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.

After Corporate Social Responsibility became an obligation under the Companies Act, 2013 the Company has taken up several specific projects to comply with the requirements of section 135 of the Companies Act, 2013 and the Rules made thereunder.

The details of the said projects are given in the Annexure IV in the form prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board of Directors has formed a CSR Committee and adopted a CSR Policy for the Company which can be accessed at http://www.mcleodrussel.com/investors/policies.aspx The Corporate Social Responsibility

Committee of the Board as on 31st March, 2017 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.

The Company has spent Rs. 197.93 lakhs in the year under review on the CSR projects adopted by the Company representing over 2% of the average net profits of the Company for the immediately preceding three financial years.

In addition to the above, like the earlier years, the Company was also associated with various other Social Welfare activities which include the following:

- Facilitating Cataract Operation Camps in association with Shankardev Netralaya where good number of patients have undergone successful eye surgeries.
- Supported Moran Blind School like earlier years.
- Associated with Williamson Magor Education Trust in awarding the Assam Valley Literary Award which was conferred this year on Dr. Arupa Patangia Kalita, an eminent figure of the literary world of Assam.
- Involved in preservation of ecosystem and natural habitats.
- Supporting heritage conservation.

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, 2017 is attached as Annexure V 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 VI. The Policy is hosted on the website of the Company and can be viewed at http://www.mcleodrussel.com/investors/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 2017 and state that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed with no material departure.

(b) 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;

(c) 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;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) 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.

(f) 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

Since the last Report there has been no change in the Board of Directors. In accordance with the provisions of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. R. Takru and Mr. K.K. Baheti will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

REPORT OF THE DIRECTORS (Contd.)

The three year term of appointment of Mr. A. Khaitan, as the Managing Director and Mr. R. Takru, Mr. A. Monem and Mr. K. K. Baheti as the Wholetime Directors had expired on 31st March, 2017. The Board at its Meeting held on 30th March, 2017 re-appointed each of them in their respective capacity for a fresh term of three years with effect from 1st April, 2017. Appropriate Resolutions will be placed before the Members at the ensuing Annual General Meeting seeking their approval to the re-appointment of the Managing Director and the Wholetime Directors and the remuneration payable to them.

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

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 six times during the year on 11th May 2016, 30th May, 2016 8th August 2016, 8th November 2016, 3rd February 2017 and 30th March 2017. 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

BOARD EVALUATION

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 2016-17. After the evaluation process was complete, the Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework in its pro-growth activity and facing challenging operational, climatic and economic adversities during the year. The Board also ensured that the Committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013 and the Listing Regulations and at the same time supported as well as coordinated with the Board to help in its decision making. The individual Directors' performance was also evaluated and the Board was of the view that the Directors fulfilled their applicable responsibilities and duties as laid down by the Listing Regulations and the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise to grab the opportunity and counter the adverse challenges faced by the Company during the year.

AUDIT COMMITTEE

The Audit Committee of the Board as on 31st March 2017 consisted of Dr. R. Srinivasan, Mr. B. Bajoria, Mr. R. Sen and Mr. Aditya Khaitan. Dr. R. Srinivasan, a Non-Executive Independent Director, is 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 victimisation 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 2017 comprised Mr. B. Bajoria, a Non-Executive Independent Director, as its Chairman and Dr. R. Srinivasan and Mr. R. Sen, Non-Executive Independent Directors 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 VII.

INDIAN ACCOUNTING STANDARDS

Your Company has adopted Indian Accounting Standards i.e., Ind-AS with effect from 1st April, 2016 pursuant to the notification issued by the Ministry of Corporate Affairs dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. The Financial Statements for the year ended 31st March, 2017 provided in this Annual Report have been prepared following the Ind-AS. The financial Statements for the year ended 31st March 2016 have been restated to comply with Ind-AS to make them comparable.

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 Notes to the Financial Statements for the year ended 31st March 2017.

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 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.

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.

REPORT OF THE DIRECTORS (Contd.)

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.

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 six 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.

ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Ministry of Corporate Affairs has notified most of the Sections of the Companies Act, 2013 which have replaced various provisions of the Companies Act, 1956. In view of the change of the Companies Act, it is felt necessary to bring the Articles of Association of the Company in line with the provisions of the Companies Act, 2013. Accordingly, the Board has proposed for adoption of a new set of Articles in substitution and to the exclusion of the existing Articles of Association. A Resolution to this effect will be placed before the members at the ensuing Annual General Meeting for their approval.

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 VIII.

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 2017 was conducted by Messrs. A. K. Labh & Co, Company Secretaries. The Secretarial Auditors' Report is attached to this Report as Annexure IX and forms part of the Directors' Report. There is no qualification or reservation or adverse remark or disclaimer made by the Secretarial Auditor in the Report.

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 2018;

(i) M/s Mani & Company
(ii) M/s SPK Associates
(iii) M/s Kumar & Associates
(iv) 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 aforesaid firms of Cost Accountants in respect of the year ended 31st March, 2016 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.

AUDITORS AND AUDIT REPORT

Messrs. Price Waterhouse, Chartered Accountants, retire as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting.

In accordance with Section 139 of the Companies Act, 2013, Listed Companies cannot appoint or re-appoint the Auditors for more than two terms of five consecutive years. The existing Companies covered under Auditor rotation requirement are to comply with these requirements within 3 years from the date of commencement of the Act.

Messrs. Price Waterhouse, Chartered Accountants (ICAI Firm Registration No. 301112E). Kolkata, have been the

Auditors for 13 years (including 3 years of transitional period) and accordingly they are not eligible for re-appointment as the Auditors at the ensuing Annual General Meeting. It is now proposed to appoint Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of your Company. Messers. Deloitte Haskins & Sells LLP, have consented to be appointed as the Statutory Auditors of the Company and have confirmed that their appointment , if made, would be in compliance with the provision of Sections 139 and 141 of the Companies Act, 2013 and Rules framed thereunder.

The Audit Committee and the Board, at their respective Meetings held on 30th May, 2017 has recommended appointment of Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of five consecutive years form the conclusion of the 19th Annual General Meeting until the conclusion of the 24th Annual General Meeting.

There is no qualification, reservation or adverse remark made by Messrs. Price Waterhouse, the Statutory Auditors of the Company in their Report pertaining to the year ended 31st March 2017.

The Board wishes to place on record its sincere appreciation for the valuable services rendered by Messers. Price Waterhouse as the Statutory Auditors during their long association with the Company.

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 X.

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.

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 XI.

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. The new Wage/ Salary agreement for workers and Staff has been implemented.

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 for its workplaces. During the year, no complaint regarding sexual harassment was received by the said Committees.

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

A. Khaitan	**K. K. Baheti**
Managing Director	Wholetime Director & CFO

Place: Kolkata
Date: 30th May 2017

ANNEXURE - I
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Global tea production during calendar year 2016 is estimated at 3000 million kg (2015 – 2900 million kg) of black tea and 2450 million kg (2015 – 2350 million kg) of green tea. Kenya with an increase of 75 million kg and India with an increase of 30 million kg over previous year are main contributors of increase in production of black tea. India, being the largest producer of black tea, produced 1239 million kg as against 1209 million kg during calendar year 2015. This represents 41% of total global black tea production. Kenya (474 million kg), Sri Lanka (292 million kg), other African countries (205 million kg), Vietnam (165 million kg), Bangladesh (82 million kg) are other main black tea producers globally. China predominantly produces green tea with production of 2350 million kg. (Source: International Tea Committee Bulletin and Tea Board of India).

Weather conditions during 2016 had generally been very conducive for tea production except in Sri Lanka. Kenya and India had a record production with an increase of 105 million kg over previous year. Sri Lanka lost 36 million kg of production during the year. Tea demand in global markets improved after stability to geopolitical situation and improved economic activities amongst consuming countries like Russia, Middle East, Egypt and Pakistan. However, tea prices at Mombasa auction for African teas were lower by 16% over the year on account of record crop in Kenya. Tea prices at North Indian auctions were also lower by Rs. 5 per kg due to higher production despite improved demand.

Costs, in India were substantially higher on account of increase in wages and other welfare expenses. This together with lower tea prices had substantial impact on operating earnings for the year.

OPPORTUNITIES AND THREATS

Global black tea production during 2016 was higher by approximately 100 million kg on account of increase in production in Kenya and India. However, Kenya has lost around 50 million kg of production during first three months of 2017 due to unfavourable dry weather conditions. This shortfall is likely to continue throughout 2017. Global demand is likely to grow by 2-3%, thereby creating shortages and lower inventory levels. Tea prices at Mombasa auction during the first 4 months of 2017 have seen an increase of 15% over last year. Indian tea prices for the new season tea has also opened firm as compared to last year. Indian exports are likely to increase during 2017 due to shortage of production in Kenya. These factors should have a positive impact on prices both in global and India markets, marking a change in the negative cycle of last three years.

The small tea growers form a considerable part of the industry. The recent revised figures show a total production of around 300 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 for own production.

The Board has decided to initiate discussion with Eveready Industries India Limited (Eveready) for participating in a joint venture as a strategic business partner for development of packet tea business through a separate entity. It is envisaged that with this measure, Eveready and the Company will bring their respective skills of marketing & distribution and tea plantation knowledge to focus and develop the Packet tea business.

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company is primarily engaged in the business of cultivation, manufacture and sale of tea and is managed organisationally 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. The 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. Labour agreement for the State of Assam and West Bengal in India is due to be finalised with effect from 1st January 2018 and 1st April 2017 respectively.

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. GST rate for Tea @ 5% is likely to be neutral for the current rate.

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 has introduced Hazard Analysis and Critical Control Points (HACCP) at all the Tea Factories to ensure better quality product.

OUTLOOK

Black tea production during 2016 was at record level mainly because of increased production in Kenya and India. However, Sri Lanka suffered crop loss due to unfavourable weather condition. Tea price at Mombasa auction for African tea decreased by 16% as compared to 2015. We have observed complete reversal of these factors during first four months of current calendar year. Tea production in Kenya reported to be lower by 50 million kg in the first three months on account of dry weather condition. Tea prices during this period were higher by 15% as compared to last year. Weather condition in India during the first few months of new season has been normal. Prices in India are likely to improve substantially due to demand in global markets and improved economic activities particularly in rural markets. This may result in reversal of negative operating cycle of the last three years.

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 unauthorised use or losses, executing transactions with proper authorisation 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.

HUMAN RESOURCES

Tea Industry is highly labour intensive. The Company employs around 74,500 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 its appreciation for 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

K. K. Baheti
Wholetime Director & CFO

Place: Kolkata
Date: 30th May 2017

ANNEXURE - II
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 2017 consisted of twelve Directors as under:

- Two Non-Executive Promoter Directors including the Chairman;
- Vice-Chairman & Managing Director is a Promoter;
- Three Wholetime Directors;
- Six Non-Executive Independent Directors.

The Board has an optimum combination of Executive and Non-Executive Directors and 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 2017, 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 8th August 2016	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 (#)
Mr. Brij Mohan Khaitan	Non-Executive Chairman	6	5	No	5	-	1
Mr. Aditya Khaitan	Vice Chairman & Managing Director	6	6	Yes	7	1	2
Mr. Amritanshu Khaitan	Non-Executive Director	6	5	Yes	8	-	-
Dr. Raghavachari Srinivasan	Non-Executive & Independent	6	6	Yes	6	1	4
Mr. Bharat Bajoria	Non-Executive & Independent	6	5	Yes	7	-	2
Mr. Ranabir Sen	Non-Executive & Independent	6	6	Yes	-	-	-
Mr. Utsav Parekh	Non-Executive & Independent	6	5	Yes	6	2	3
Mrs. Ramni Nirula	Non-Executive & Independent	6	5	Yes	10	4	10
Mr. Padam Kumar Khaitan	Non-Executive & Independent	6	2	No	8	2	5
Mr. Rajeev Takru	Wholetime Director	6	6	Yes	3	-	-
Mr. Azam Monem	Wholetime Director	6	5	Yes	-	-	-
Mr. Kamal Kishore Baheti	Wholetime Director	6	6	Yes	8	-	1

(#) Including Chairmanship, if any.

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

Six 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:

11th May 2016, 30th May 2016, 8th August 2016, 8th November 2016, 3rd February 2017 and 30th March 2017.

(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, except Mr. Aditya Khaitan who is the son of Mr. B. M. Khaitan.

ANNEXURE - II (Contd.)
CORPORATE GOVERNANCE REPORT

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

Sl. No.	Name of Director		No. of Shares held
1	Mr. Brij Mohan Khaitan	Non-Executive Chairman	36,288
2	Mr. Amritanshu Khaitan	Non-Executive Director	15,000
3	Dr. Raghavachari Srinivasan	Non-Executive & Independent	-
4	Mr. Bharat Bajoria	Non-Executive & Independent	1,800
5	Mr. Ranabir Sen	Non-Executive & Independent	133
6	Mr. Utsav Parekh	Non-Executive & Independent	-
7	Mrs. Ramni Nirula	Non-Executive & Independent	-
8	Mr. Padam Kumar Khaitan	Non-Executive & Independent	1,500

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/policies.aspx

(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 wholetime 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 2017 consisted of Dr. R. Srinivasan, Messrs. B. Bajoria, R. Sen and A. Khaitan. 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 acts as the Secretary to the Committee.

(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 2017 are given below:

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Dr. R. Srinivasan, Chairman	Non-Executive & Independent	5	5
Mr. B. Bajoria	Non-Executive & Independent	5	4
Mr. R. Sen	Non-Executive & Independent	5	5
Mr. A. Khaitan	Vice Chairman & Managing Director	5	5

Five Meetings of the Audit Committee were held during the financial year ended 31st March 2017. The dates on which the Audit Committee Meetings were held are as follows:

11th May 2016, 30th May 2016, 8th August 2016, 8th November 2016 and 3rd February 2017.

(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:

(i) 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.

ANNEXURE - II (Contd.)
CORPORATE GOVERNANCE REPORT

(ii) 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;

(iii) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

(iv) to carry out evaluation of every Director's performance;

(v) to devise a policy on Board diversity;

(vi) 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 2017 comprised of Mr. B. Bajoria, a Non-Executive Independent Director, as the Chairman, Dr. R. Srinivasan and Mr. R. Sen, Non-Executive Independent Directors as its Members.

(c) Meeting and attendance during the year

During the financial year ended 31st March 2017 two Meetings of the Nomination and Remuneration Committee were held on 11th May 2016 and 30th March 2017.

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Mr. B. Bajoria, Chairman	Non-Executive & Independent	2	2
Dr. R. Srinivasan	Non-Executive & Independent	2	2
Mr. R. Sen	Non-Executive & Independent	2	2

(d) Performance evaluation criteria for independent Directors

Securities Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 had issued a guidance note on Board Evaluation which inter alia contains indicative criterion for evaluation of performance of the Board and its 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 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 Obligation 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,
(j) Integrity.

Additional criteria for Independent director-

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

(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 and Committee Meetings. 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 2017 to the Non-Executive Directors are as under:

Name of Directors	Sitting Fees (Rs.) for Board Meetings	Sitting Fees (Rs.) for Committee Meetings
Mr. B. M. Khaitan	2,00,000	-
Dr. R. Srinivasan	2,40,000	1,40,000
Mr. B. Bajoria	2,00,000	1,60,000
Mr. R. Sen	2,40,000	2,20,000
Mr. U. Parekh	2,00,000	40,000
Mrs. R. Nirula	2,00,000	-
Mr. Amritanshu Khaitan	2,00,000	-
Mr. Padam Kumar Khaitan	80,000	-
Total	15,60,000	5,60,000

(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. Commission is paid to the Non-Executive Directors as approved by the Board based on the performance of the Company.

Details of Remuneration for the financial year ended 31st March 2017 to the Managing Director and Wholetime Directors are given below:

(Rs.)

	Mr. A. Khaitan	Mr. R. Takru	Mr. A. Monem	Mr. K.K. Baheti
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	1,68,00,000	1,04,20,000	1,04,20,000	1,04,20,000
Monetary value of Perquisites	28,800	2,78,556	2,13,481	1,82,467
Period of appointment	3 years w.e.f. 01.04.2014	3 years w.e.f. 01.04.2014	3 years w.e.f. 01.04.2014	3 years w.e.f. 01.04.2014
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.

ANNEXURE - II (Contd.)
CORPORATE GOVERNANCE REPORT

(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

Stakeholder Relationship Committee of the Board as at 31st March 2017 consisted of Mr. R. Sen, a Non-Executive Independent Director, as the Chairman and Mr. B. Bajoria and Mr. U. Parekh both Non-Executive and Independent Directors were the other 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 2017, 29 complaints were received from the Shareholders/Investors, all of which have been resolved within the year. The details are as under:

Opening as on 1st April 2016	Nil
Received during the year	29
Resolved during the year	29
Closing/Pending as on 31st March 2017	Nil

Meetings and attendance during the year

During the financial year two Meetings of the Stakeholders' Relationship Committee were held on 8th November 2016 and 30th March 2017 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. B. Bajoria	Non-Executive & Independent	2	2
Mr. U. Parekh	Non-Executive & Independent	2	2

(7) GENERAL BODY MEETINGS

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

Financial Year ended	Date	Time	Venue
31.03.2014	23.07.2014	11:00 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017
31.03.2015	04.08.2015	10:30 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017
31.03.2016	08.08.2016	11:00 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:
23.07.2014	A Special Resolution pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 for creation of mortgages and charges in addition to the existing mortgages and charges created by the Company to secure rupee/foreign currency loans, debentures, bonds or other instruments of an aggregate value not exceeding the borrowing limit available to the Board in terms of Section 180(1)(c) of the Companies Act, 2013.
04.08.2015	None
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.

(c) & (d) No Resolution was passed through Postal Ballot during the year ended 31st March 2017.

(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 19th 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

ANNEXURE - II (Contd.)
CORPORATE GOVERNANCE REPORT

of Members as on the cut-off date i.e. 2nd August 2017 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,* include Business Standard (English), The Economic Times (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. 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) 19th Annual General Meeting

Date and Time : 9th August 2017 (Wednesday) at 10:30 a.m.

Venue : Kala Mandir
48, Shakespeare Sarani,
Kolkata – 700 017

(b) Financial Year : 1st April 2016 to 31st March 2017

(c) Dividend Payment Date

The Dividend, if declared, shall be paid/credited on or after 14th August 2017.

(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 2017-2018 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

(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

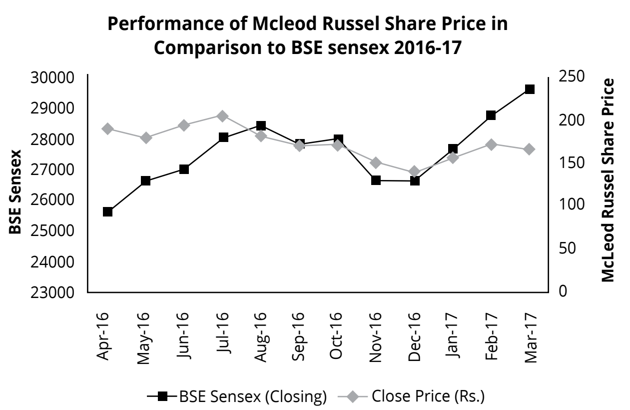
Demat **ISIN** for NSDL & CDSL: **INE 942G01012**

(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 2016	203.00	183.70	189.85	25606.62	203.50	183.25
May 2016	196.20	178.00	179.45	26667.96	196.70	177.65
June 2016	201.80	175.90	193.75	26999.72	201.75	175.10
July 2016	219.50	192.05	204.70	28051.86	219.70	193.65
August 2016	206.80	175.85	182.05	28452.17	207.00	175.65
September 2016	191.00	166.90	170.40	27865.96	190.70	168.35
October 2016	184.00	168.00	170.60	27930.21	182.50	168.00
November 2016	171.95	144.10	150.10	26652.81	172.00	143.80
December 2016	156.50	137.15	139.45	26626.46	156.40	137.50
January 2017	161.65	139.00	156.40	27655.96	161.80	138.90
February 2017	175.20	154.05	171.75	28743.32	175.50	153.60
March 2017	179.40	162.05	166.00	29620.50	179.75	162.00

(g) Performance in comparison to BSE Sensex Share Price Performance (April 2016 to March 2017)

Sensex (Closing) Share Price (Closing)



(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 Dematerialised 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 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

ANNEXURE - II (Contd.)

CORPORATE GOVERNANCE REPORT

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, have been consolidated and transferred in the name of McLeod Russel India Limited – Unclaimed Suspense Account on 18th May, 2017 and lodged for dematerialisation on 24th May, 2017 for crediting in the demat account opened with the depositary participant namely, Integrated Enterprise (India) Limited.

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 2008-2009, 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 8th August 2016 (date of last Annual General Meeting) on the website of the Company www.mcleodrussel.com.

(k) (i) Distribution of shareholding as on 31st March 2017

Size of holding	No. of holders	Percentage	No. of Shares	Percentage
1 to 500	59,731	91.3248	63,89,203	5.8372
501to 1000	3,153	4.8207	24,00,742	2.1933
1001 to 2000	1,364	2.0855	20,08,957	1.8354
2001 to 3000	402	0.6146	10,38,466	0.9488
3001 to 4000	157	0.2401	5,70,998	0.5217
4001 to 5000	134	0.2049	6,24,763	0.5708
5001 to 10000	215	0.3287	15,77,909	1.4416
10001 and above	249	0.3807	9,48,44,697	86.6512
Total	65,405	100.0000	10,94,55,735	100.0000

(ii) Shareholding Pattern as on 31st March 2017

Sr. No.	Category	Number of Shareholders	No. of Shares held	% of holding
1	Promoters	22	5,46,09,781	49.89
2	Mutual Funds/ UTI	25	1,25,34,376	11.45
3	Foreign Portfolio Investors	71	1,82,87,197	16.71
4	Financial Institutions/ Banks	89	17,97,159	1.64
5	Insurance Companies	2	15,44,000	1.41
6	Central/State Government(s)	1	112	0.00
7	Foreign Institutional Investors	8	9,17,636	0.84
8	NBFCs Registered with RBI	6	1,16,832	0.11
9	Bodies Corporate	787	28,65,516	2.62
10	NRIs/OCBs	1,004	8,22,470	0.75
11	Resident Individuals	63,139	1,55,68,803	14.22
12	Trust	12	18,577	0.02
13	Clearing Member	228	3,73,276	0.34
	Total:	65,394	10,94,55,735	100.00

(l) Dematerialisation 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 dematerialisations of shares are processed and confirmations are given to the respective Depositories within the prescribed time. 97.7041% Shares of the Company are in dematerialised 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, NILPUR
DHUNSERI	BEHORA, BUKHIAL
DOOM DOOMA	BAGHJAN, BORDUBI, KOOMSONG, PHILLOBARI, BEESAKOPIE/DAIMUKHIA, RAIDANG, SAMDANG
EAST BOROI	BARGANG, BEHALI, BOROI, DUFFLAGHUR, HALEM, NYA GOGRA
JORHAT	HUNWAL
MANGALDAI	ATTAREEKHAT, BHOOTEACHANG, BORENGAJULI, CORRAMORE, DIMAKUSI, PANEERY
MARGHERITA	BOGAPANI, DEHING, DIROK, MARGHERITA, NAMDANG
MORAN	ATTABARRIE, DIRAI, LEPETKATTA, MORAN, RAJMAI, SEPON
THAKURBARI	ADDABARIE, HARCHURAH, PHULBARI, RUPAJULI, TARAJULIE, TEZPORE & GOGRA
TINGRI	DIRIAL, ITAKHOOLI, KEYHUNG, MAHAKALI
WEST BENGAL:-	
DOOARS	BHATPARA, CENTRAL DOOARS, CHUAPARA, JAINTI/CHUNIAJHORA, 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.

ANNEXURE - II (Contd.)
CORPORATE GOVERNANCE REPORT

(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 2015, 31st March 2016 and 31st March 2017.

(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/investors/policies.aspx 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

The Board

During the financial year ended 31st March 2017, a part of the expenses for maintenance of the office of the Non-Executive Chairman was borne by the Company.

Shareholder Rights – Half yearly results

Half-yearly Results are published in prominent dailies which *inter alia,* include Business Standard (English), The Economic Times (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 2017 with unmodified opinion.

Separate Posts of Chairman and CEO/ Managing Director

The Posts of Chairman and Managing Director of the Company are separate.

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/investors/policies.aspx

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/investors/policies.aspx

(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 minimise the price risk. The Company sells the tea produced by it through Auction, by way of export and private sale.

(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.

For and on Behalf of the Board

A. Khaitan
Managing Director

K.K. Baheti
Whole Time Director & CFO

Date: 30th May 2017
Place: Kolkata

ANNEXURE - III
AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of McLeod Russel India Limited

We have examined the compliance of conditions of Corporate Governance by McLeod Russel India Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Price Waterhouse
Firm Registration Number : 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No : 52340

Place: Kolkata
Date: May 30, 2017

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 2017 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
Managing Director

Place: Kolkata
Date: 30th May 2017

ANNEXURE - IV
ANNUAL REPORT ON CSR ACTIVITIES

1. Your Company is conscious of its social responsibilities and the environment in which it operates. Like earlier years, the Company continued 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 taken up several projects during the financial year ended 31st March, 2017 to comply with the requirements of Section 135 of the Companies Act, 2013 and Rules made thereunder.

   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.

   Mr. R. Takru – Chairman
   Mr. A. Monem – Member
   Mr. K.K. Baheti – Member
   Mr. R. Sen – Member

3. Average net profit of the Company for during the three immediately preceding financial years: Rs. *9,810.89 lakhs*

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. *196.22 lakhs*

5. Details of CSR spent during the financial year.

   (a) Total amount to be spent for the financial year: Rs. 196.22 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 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	Construction of Infrastructural facilities for the students at Assam Valley School at Assam	Sch. VII item (ii)	(i) Local Area (ii) Dist. Sonitpur, Assam	180.00	180.00	180.00	Direct
2	Vermicompost Production by Villagers	Sch. VII Item (ii) & (iv)	(i) Local Area (ii Borengajuli Village, P.O. Dimakuchi, Dist. Udalguri, BTAD,Assam	3.25	3.15	3.15	Direct

ANNEXURE - IV (Contd.)
ANNUAL REPORT ON CSR ACTIVITIES

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 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
3	Vermicompost Production by Villagers	Sch. VII Item (ii) & (iv)	(i) Local Area (ii) Bhooteachang Village, P.O. Panerihat, Dist. Udalguri, BTAD,Assam.	3.25	2.78	2.78	Direct
4	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			**198.50**	**197.93**	**197.93**	

6. In terms of the requirements of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Company was required to spend Rs. 196.22 lakhs during the financial year ended 31st March, 2017, being 2% of the average net profits of the Company made during the three immediately preceding financial years. During the year, the Company has spent 197.93 lakhs in four different CSR Projects undertaken by the Company.

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

A. Khaitan
Managing Director

R. Takru
Chairman CSR Committee

Date: 30th May 2017
Place: Kolkata

ANNEXURE - V
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

1. Corporate Identity Number (CIN) of the Company: L51109WB1998PLC087076

2. Name of the Company : McLeod Russel India Limited

3. Registered address: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001

4. Website : www.mcleodrussel.com

5. E-mail id : administrator@mcleodrussel.com

6. Financial Year reported : 31st March 2017

7. Sector(s) that the Company is engaged in (industrial activity code-wise) : 1) 01271 - Growing of tea
   2) 10791 - Processing and blending of tea
   3) 46306 - Wholesale of tea

8. 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)

9. Total number of locations where business activity is undertaken by the Company

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

   (b) Number of National Locations : 55

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR in Lakhs) : 5472.79

2. Total Turnover (INR in lakhs) : 139297

3. Total profit after taxes (INR in lakhs) : 3053

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2%

5. List of activities in which expenditure in 4 above has been incurred:-

   a) Construction of Infrastructural facilities for the students at Assam Valley School at Assam

   b) Vermicompost Production by Villagers

   c) 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

1. Does the Company have any Subsidiary Company/Companies? - Yes

2. 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

3. 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

ANNEXURE - V (Contd.)
BUSINESS RESPONSIBILITY REPORT

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 (if applicable)	00023796	00023799	00027568
2	Name	Rajeev Takru	Azam Monem	Kamal Kishore Baheti
	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

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 polices 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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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

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.

2. 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 2016-17 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	7
No. of complaints resolved during the year	6
No. of complaints pending at the end of the year	1
% of complaints resolved successfully during the year	86%

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   (a) Tea – During the production of tea various environmental concerns have been addressed. The Company uses environment friendly pesticides, etc.

   The Company has also under taken afforestation and development of water bodies.

   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.

ANNEXURE - V (Contd.)
BUSINESS RESPONSIBILITY REPORT

(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.

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

1. Please indicate the Total number of employees. - 74,515

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. - 79,034

3. Please indicate the Number of permanent women employees. - 36,450

4. Please indicate the Number of permanent employees with disabilities. - Nil

5. Do you have an employee association that is recognised by management. - Yes

6. 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 is part of the union.

7. 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 - Nil

8. 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)

   (a) Permanent Employees - 100%
   (b) Permanent Women Employees - 100%
   (c) Casual/Temporary/Contractual Employees - 100%
   (d) Employees with Disabilities – N.A.

PRINCIPLE 4

1. Has the Company mapped its internal and external stakeholders? - No

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders. - No

3. 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

1. 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 Compnay, 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.

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

   The Company has Rainforest Alliance Certification and has taken serval 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 of 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.

ANNEXURE - V (Contd.)
BUSINESS RESPONSIBILITY REPORT

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:-

   Construction of Sports Infrastructural facilities for the students at Assam Valley School at Assam

   Vermicompost Production by Villagers

   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 in house team and also 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. 197.93 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. - 14%

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	**K.K. Baheti**
Managing Director	Whole Time Director & CFO

Date: 30th May 2017
Place: Kolkata

ANNEXURE - VI
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 utilised 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

ANNEXURE - VI (Contd.)
DIVIDEND DISTRIBUTION POLICY

- 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 utilised;

The retained earnings of the Company would be utilised for the 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	**K.K. Baheti**
Managing Director	Whole Time Director & CFO

Date: 30th May 2017
Place: Kolkata

ANNEXURE - VII
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.

34 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 standardised, 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.

ANNEXURE - VII (Contd.)
REMUNERATION POLICY

VII. **NON-MONETORY 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 Wholetime 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

K.K. Baheti
Whole Time Director & CFO

Date: 30th May 2017
Place: Kolkata

ANNEXURE - VIII

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017

[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;03322489434/35
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 Surendra Mohan Ghosh Sarani Kolkata – 700001. Tel. : (033) 2243-5029; 2231-6839; 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 -

S. 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, Kyarusozi, Kyenjojo District, P.O. Box 371, Fort Portal, Uganda	NA	Step down Subsidiary	100%	2(87)
4.	Gisovu Tea Company Limited, P.O. Box 60, District of Karongi, Western Province, Rwanda.	NA	Step down Subsidiary	60%	2(87)
5.	Pfunda Tea Company Limited, PO Box 206, Gisenyi, Rwanda.	NA	Step down Subsidiary	90%	2(87)
6.	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)
7.	McLeod Russel Africa Limited, Kenya- Re Towers, P.O. Box 1243-001000 Nairobi, Kenya	NA	Step down Subsidiary	100%	2(87)
8.	D1 Williamson Magor Bio Fuel Limited Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700001	U40107WB2006PLC111183	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/2016]				No of Shares held at the end of the year [As on 31/Mar/2017]				% 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	0.1434	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	27385308	0	27385308	25.0195	27385308	0	27385308	25.0195	0.0000
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	**27542281**	**0**	**27542281**	**25.1629**	**27542281**	**0**	**27542281**	**25.1629**	**0.0000**
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.	27067500	0	27067500	24.7292	27067500	0	27067500	24.7292	0.0000
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	**27067500**	**0**	**27067500**	**24.7292**	**27067500**	**0**	**27067500**	**24.7292**	**0.0000**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**54609781**	**0**	**54609781**	**49.8921**	**54609781**	**0**	**54609781**	**49.8921**	**0.0000**
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	15191454	1342	15192796	13.8803	12533034	1342	12534376	11.4515	-17.4979
b) Banks/FI	1336483	41009	1377492	1.2585	1756150	41009	1797159	1.6419	30.4660
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	1605000	0	1605000	1.4663	1544000	0	1544000	1.4106	-3.8006
g) FIIs	15390701	0	15390701	14.0611	917636	0	917636	0.8384	-94.0377
h) Foreign Venture Capital Funds									
i) Others (specify)									
Foreign Portfolio Investors	6863178	0	6863178	6.2703	18287197	0	18287197	16.7074	166.4538
Sub-total(B)(1):-	**40386816**	**42463**	**40429279**	**36.9366**	**35038017**	**42463**	**35080480**	**32.0499**	**-13.2300**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1737392	51415	1788807	1.6343	2814171	51345	2865516	2.6180	60.1915
ii) Overseas	136350	0	136350	0.1246	136350	0	136350	0.1246	0.0000
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8164875	2291699	10456574	9.5532	11373320	2229413	13602733	12.4276	30.0879
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1072052	66826	1138878	1.0405	1899244	66826	1966070	1.7962	72.6322
c) Others (Specify)									
Non Resident Indians	368605	32740	401345	0.3667	559919	32875	592794	0.5416	47.7019
Qualified Foreign Investor									
Custodian of Enemy Property	0	0	0	0.0000	0	0	0	0.0000	0.0000

ANNEXURE - VIII (Contd.)

FORM NO. MGT-9

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2016]				No of Shares held at the end of the year [As on 31/Mar/2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	3276	90050	93326	0.0853	3276	90050	93326	0.0853	0.0000
Clearing Members	282816	0	282816	0.2584	373276	0	373276	0.3410	31.9855
Trusts	6851	21	6872	0.0063	18556	21	18577	0.0170	170.3289
NBFCs registered with RBI	111707	0	111707	0.1021	116832	0	116832	0.1067	4.5879
Sub-total(B)(2):-	**11883924**	**2532751**	**14416675**	**13.1714**	**17294944**	**2470530**	**19765474**	**18.0580**	**37.1015**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**52270740**	**2575214**	**54845954**	**50.1080**	**52332961**	**2512993**	**54845954**	**50.1079**	**0.0000**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**106880521**	**2575214**	**109455735**	**100.0000**	**106942742**	**2512993**	**109455735**	**100.0000**	**0.0000**

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2016]			Shareholding at the end of the year [As on 31/Mar/2017]			% change in shareholding 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 BAHETI (TRUSTEE-BORELLI TEA HOLDINGS LTD)	27067500	24.7292	0.0000	27067500	24.7292	0.0000	0.0000
2	WILLIAMSON MAGOR & CO LIMITED	11660946	10.6536	16.6416	11660946	10.6536	16.6416	0.0000
3	WILLIAMSON FINANCIAL SERVICES LIMITED	5898725	5.3891	24.5816	5898725	5.3891	41.5344	0.0000
4	WOODSIDE PARKS LIMITED	4506801	4.1175	66.5661	4506801	4.1175	100.0000	0.0000
5	BISHNAUTH INVESTMENTS LIMITED	3971108	3.6280	82.4480	3971108	3.6280	82.4480	0.0000
6	BABCOCK BORSIG LIMITED	995989	0.9099	90.3624	995989	0.9099	90.3624	0.0000
7	UNITED MACHINE CO LTD	129927	0.1187	0.0000	129927	0.1187	0.0000	0.0000
8	ZEN INDUSTRIAL SERVICES LIMITED	85366	0.0780	0.0000	85366	0.0780	0.0000	0.0000
9	KILBURN ENGINEERING LTD	66666	0.0609	0.0000	66666	0.0609	0.0000	0.0000
10	ICHAMATI INVESTMENTS LTD	56710	0.0518	0.0000	56710	0.0518	0.0000	0.0000
11	DEEPAK KHAITAN(HUF)	43200	0.0395	0.0000	43200	0.0395	0.0000	0.0000
12	B M KHAITAN	36288	0.0332	0.0000	36288	0.0332	0.0000	0.0000
13	YASHODHARA KHAITAN	23395	0.0214	0.0000	29304	0.0268	0.0000	25.2575
14	ADITYA KHAITAN	17272	0.0158	0.0000	17272	0.0158	0.0000	0.0000
15	AMRITANSHU KHAITAN	15000	0.0137	0.0000	15000	0.0137	0.0000	0.0000
16	NITYA HOLDINGS & PROPERTIES LTD	10000	0.0091	0.0000	10000	0.0091	0.0000	0.0000
17	ISHA KHAITAN	7500	0.0069	0.0000	7500	0.0069	0.0000	0.0000
18	VANYA KHAITAN	0	0.0000	0.0000	5909	0.0054	0.0000	100.0000
19	DUFFLAGHUR INVESTMENTS LIMITED	3030	0.0028	0.0000	3030	0.0028	0.0000	0.0000
20	KAVITA KHAITAN	2200	0.0020	0.0000	2200	0.0020	0.0000	0.0000
21	ESTATE OF SHANTI KHAITAN*	300	0.0003	0.0000	300	0.0003	0.0000	0.0000
22	EVEREADY INDUSTRIES INDIA LIMITED	40	0.0000	0.0000	40	0.0000	0.0000	0.0000
23	ESTATEOF DEEPAK KHAITAN	11818	0.0108	0.0000	0	0.0000	0.0000	-100.0000
	TOTAL	**54609781**	**49.8921**	**19.3457**	**54609781**	**49.8921**	**23.9361**	**0.0000**

* The transmission of shares is in process

(iii) ***Change in Promoters' Shareholding for the financial year 2016-17***

Sl No	Name	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	YASHODHARA KHAITAN				
	01-04-2016	23395	0.0214		
	04/11/2016 - Transfer (Increase)	5909	0.0054	29304	0.0268
	31-03-2017	29304	0.0268	29304	0.0268
2	ESTATE OF DEEPAK KHAITAN*				
	01-04-2016	11818	0.0108		
	04/11/2016 - Transfer (decrease)	-11818	0.0108	0	0.0000
	31-03-2017	0	0.0000	0	0.0000
3	VANYA KHAITAN				
	01-04-2016	0	0.0000		
	31/12/2016 - Transfer (Increase)	5909	0.0054	5909	0.0054

Apart from the aforementioned there was no change in Promoters' Shareholding during the financial year 2016-17.

* The transmission of shares has been done in terms of the WILL of Mr. Deepak Khaitan.

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

Sl No	Name	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	ICICI PRUDENTIAL DYNAMIC PLAN				
	01-04-2016	3904482	3.5672		
	29/04/2016 - Transfer (increase)	28503	0.0260	3932985	3.5932
	06/05/2016 - Transfer (increase)	88879	0.0812	4021864	3.6744
	13/05/2016 - Transfer (increase)	165249	0.1510	4187113	3.8254
	20/05/2016 - Transfer (increase)	1806	0.0016	4188919	3.8270
	27/05/2016 - Transfer (increase)	45485	0.0416	4234404	3.8686
	03/06/2016 - Transfer (increase)	174014	0.1590	4408418	4.0276
	10/06/2016 - Transfer (decrease)	-287329	0.2625	4121089	3.7651
	17/06/2016 - Transfer (decrease)	-163349	0.1492	3957740	3.6158
	15/07/2016 - Transfer (decrease)	-19410	0.0177	3938330	3.5981
	05/08/2016 - Transfer (increase)	200000	0.1827	4138330	3.7808
	12/08/2016 - Transfer (increase)	320093	0.2924	4458423	4.0733
	19/08/2016 - Transfer (increase)	216532	0.1978	4674955	4.2711
	26/08/2016 - Transfer (increase)	50000	0.0457	4724955	4.3168

ANNEXURE - VIII (Contd.)

FORM NO. MGT-9

Sl No	Name	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	02/09/2016 - Transfer (increase)	194234	0.1775	4919189	4.4942
	23/09/2016 - Transfer (increase)	30505	0.0279	4949694	4.5221
	30/09/2016 - Transfer (increase)	27125	0.0248	4976819	4.5469
	07/10/2016 - Transfer (increase)	142370	0.1301	5119189	4.6769
	11/11/2016 - Transfer (increase)	110433	0.1009	5229622	4.7778
	25/11/2016 - Transfer (increase)	200000	0.1827	5429622	4.9606
	09/12/2016 - Transfer (increase)	36275	0.0331	5465897	4.9937
	23/12/2016 - Transfer (increase)	3725	0.0034	5469622	4.9971
	31-03-2017	5469622	4.9971	5469622	4.9971
2	EDGBASTON ASIAN EQUITY TRUST				
	01-04-2016	4502886	4.1139		
	08/04/2016 - Transfer (increase)	23401	0.0214	4526287	4.1353
	30/09/2016 - Transfer (increase)	139272	0.1272	4665559	4.2625
	28/10/2016 - Transfer (increase)	365931	0.3343	5031490	4.5968
	11/11/2016 - Transfer (increase)	97107	0.0887	5128597	4.6855
	18/11/2016 - Transfer (increase)	305601	0.2792	5434198	4.9647
	31-03-2017	5434198	4.9647	5434198	4.9647
3	IDFC ARBITRAGE FUND				
	01-04-2016	7600000	6.9434		
	10/06/2016 - Transfer (decrease)	-8000	0.0073	7592000	6.9361
	25/11/2016 - Transfer (decrease)	-55090	0.0503	7536910	6.8858
	02/12/2016 - Transfer (decrease)	-71910	0.0657	7465000	6.8201
	30/12/2016 - Transfer (decrease)	-803	0.0007	7464197	6.8194
	06/01/2017 - Transfer (decrease)	-632357	0.5777	6831840	6.2416
	13/01/2017 - Transfer (decrease)	-862174	0.7877	5969666	5.4540
	20/01/2017 - Transfer (decrease)	-69000	0.0630	5900666	5.3909
	03/02/2017 - Transfer (decrease)	-541066	0.4943	5359600	4.8966
	10/02/2017 - Transfer (decrease)	-227023	0.2074	5132577	4.6892
	17/02/2017 - Transfer (increase)	206435	0.1886	5339012	4.8778
	24/02/2017 - Transfer (decrease)	-99000	0.0904	5240012	4.7873
	03/03/2017 - Transfer (decrease)	-216000	0.1973	5024012	4.5900
	31-03-2017	5024012	4.5900	5024012	4.5900

Sl No	Name	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	MERRILL LYNCH MARKETS SINGAPORE PTE. LTD				
	01-04-2016	0	0.0000		
	08/07/2016 - Transfer (increase)	268400	0.2452	268400	0.2452
	26/08/2016 - Transfer (increase)	2369203	2.1645	2637603	2.4097
	02/09/2016 - Transfer (increase)	4420	0.0040	2642023	2.4138
	09/09/2016 - Transfer (increase)	60000	0.0548	2702023	2.4686
	07/10/2016 - Transfer (increase)	654000	0.5975	3356023	3.0661
	28/10/2016 - Transfer (increase)	6000	0.0055	3362023	3.0716
	18/11/2016 - Transfer (decrease)	-123000	0.1124	3239023	2.9592
	25/11/2016 - Transfer (decrease)	-180000	0.1645	3059023	2.7948
	30/12/2016 - Transfer (decrease)	-18000	0.0164	3041023	2.7783
	27/01/2017 - Transfer (decrease)	-417000	0.3810	2624023	2.3973
	24/02/2017 - Transfer (decrease)	-152415	0.1392	2471608	2.2581
	03/03/2017 - Transfer (decrease)	-23496	0.0215	2448112	2.2366
	17/03/2017 - Transfer (decrease)	-120584	0.1102	2327528	2.1265
	24/03/2017 - Transfer (decrease)	-61285	0.0560	2266243	2.0705
	31/03/2017 - Transfer (decrease)	-30890	0.0282	2235353	2.0422
5	M&G ASIAN FUND				
	01-04-2016	2168477	1.9811		
	30/06/2016 - Transfer (decrease)	-43166	0.0394	2125311	1.9417
	08/07/2016 - Transfer (decrease)	-21700	0.0198	2103611	1.9219
	21/10/2016 - Transfer (decrease)	-36122	0.0330	2067489	1.8889
	28/10/2016 - Transfer (decrease)	-15250	0.0139	2052239	1.8749
	04/11/2016 - Transfer (decrease)	-15993	0.0146	2036246	1.8603
	25/11/2016 - Transfer (decrease)	-45330	0.0414	1990916	1.8189
	03/02/2017 - Transfer (increase)	95900	0.0876	2086816	1.9065
	10/02/2017 - Transfer (increase)	46621	0.0426	2133437	1.9491
	31-03-2017	2133437	1.9491	2133437	1.9491
6	KOTAK EQUITY SAVINGS FUND				
	01-04-2016	0	0.0000		
	24/06/2016 - Transfer (increase)	6600	0.0060	6600	0.0060
	30/06/2016 - Transfer (decrease)	-600	0.0005	6000	0.0055
	08/07/2016 - Transfer (increase)	204000	0.1864	210000	0.1919

ANNEXURE - VIII (Contd.)
FORM NO. MGT-9

Sl No	Name	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	15/07/2016 - Transfer (increase)	51000	0.0466	261000	0.2385
	29/07/2016 - Transfer (increase)	15000	0.0137	276000	0.2522
	05/08/2016 - Transfer (increase)	9000	0.0082	285000	0.2604
	23/09/2016 - Transfer (increase)	12000	0.0110	297000	0.2713
	14/10/2016 - Transfer (decrease)	-15000	0.0137	282000	0.2576
	11/11/2016 - Transfer (decrease)	-9000	0.0082	273000	0.2494
	18/11/2016 - Transfer (decrease)	-27000	0.0247	246000	0.2247
	16/12/2016 - Transfer (decrease)	-9000	0.0082	237000	0.2165
	23/12/2016 - Transfer (decrease)	-9000	0.0082	228000	0.2083
	06/01/2017 - Transfer (increase)	9000	0.0082	237000	0.2165
	13/01/2017 - Transfer (increase)	48000	0.0439	285000	0.2604
	20/01/2017 - Transfer (increase)	237565	0.2170	522565	0.4774
	27/01/2017 - Transfer (decrease)	-87000	0.0795	435565	0.3979
	03/02/2017 - Transfer (increase)	75000	0.0685	510565	0.4665
	10/02/2017 - Transfer (increase)	82000	0.0749	592565	0.5414
	17/02/2017 - Transfer (increase)	99000	0.0904	691565	0.6318
	03/03/2017 - Transfer (increase)	370098	0.3381	1061663	0.9699
	17/03/2017 - Transfer (increase)	155256	0.1418	1216919	1.1118
	24/03/2017 - Transfer (increase)	145000	0.1325	1361919	1.2443
	31/03/2017 - Transfer (increase)	35670	0.0326	1397589	1.2769
7	LAKSHMI CAPITAL INVESTMENTS LIMITED				
	01-04-2016	0	0.0000		
	04/11/2016 - Transfer (increase)	50000	0.0457	50000	0.0457
	11/11/2016 - Transfer (increase)	161000	0.1471	211000	0.1928
	18/11/2016 - Transfer (increase)	211000	0.1928	422000	0.3855
	25/11/2016 - Transfer (increase)	104300	0.0953	526300	0.4808
	02/12/2016 - Transfer (increase)	56000	0.0512	582300	0.5320
	09/12/2016 - Transfer (increase)	25000	0.0228	607300	0.5548
	16/12/2016 - Transfer (increase)	50000	0.0457	657300	0.6005
	23/12/2016 - Transfer (increase)	60000	0.0548	717300	0.6553
	30/12/2016 - Transfer (increase)	50000	0.0457	767300	0.7010
	06/01/2017 - Transfer (increase)	100000	0.0914	867300	0.7924
	13/01/2017 - Transfer (increase)	246000	0.2247	1113300	1.0171

Sl No	Name	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	27/01/2017 - Transfer (increase)	50000	0.0457	1163300	1.0628
	03/03/2017 - Transfer (increase)	35000	0.0320	1198300	1.0948
	10/03/2017 - Transfer (increase)	32407	0.0296	1230707	1.1244
	24/03/2017 - Transfer (increase)	124500	0.1137	1355207	1.2381
	31/03/2017 - Transfer (increase)	30000	0.0274	1385207	1.2655
8	THE EDGBASTON ASIAN EQUITY (JERSEY) TRUST				
	01-04-2016	1141959	1.0433		
	08/04/2016 - Transfer (decrease)	-23401	0.0214	1118558	1.0219
	28/10/2016 - Transfer (increase)	87747	0.0802	1206305	1.1021
	11/11/2016 - Transfer (increase)	23281	0.0213	1229586	1.1234
	18/11/2016 - Transfer (increase)	73268	0.0669	1302854	1.1903
	31-03-2017	1302854	1.1903	1302854	1.1903
9	GENERAL INSURANCE CORPORATION OF INDIA				
	01-04-2016	1000000	0.9136		
	31-03-2017	1000000	0.9136	1000000	0.9136
10	THE NEW INDIA ASSURANCE COMPANY LIMITED				
	01-04-2016	958753	0.8759		
	31-03-2017	958753	0.8759	958753	0.8759

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	B M KHAITAN				
	01-04-2016	36288	0.0332		
	31-03-2017	36288	0.0332	36288	0.0332
2	ADITYA KHAITAN				
	01-04-2016	17272	0.0158		
	31-03-2017	17272	0.0158	17272	0.0158
3	AMRITANSHU KHAITAN				
	01-04-2016	15000	0.0137		
	31-03-2017	15000	0.0137	15000	0.0137

ANNEXURE - VIII (Contd.)

FORM NO. MGT-9

Sl No	Name	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	RAGHAVACHARI SRINIVASAN				
	01-04-2016	Nil	Nil		
	31-03-2017	Nil	Nil	Nil	Nil
5.	RAMNI NIRULA				
	01-04-2016	Nil	Nil		
	31-03-2017	Nil	Nil	Nil	Nil
6.	UTSAV PAREKH				
	01-04-2016	Nil	Nil		
	31-03-2017	Nil	Nil	Nil	Nil
7	BHARAT BAJORIA				
	01-04-2016	1800	0.0016		
	31-03-2017	1800	0.0016	1800	0.0016
8.	RANABIR SEN				
	01-04-2016	133	0.0001		
	31-03-2017	133	0.0001	133	0.0001
9.	PADAM KUMAR KHAITAN				
	01-04-2016	1500	0.0014		
	31-03-2017	1500	0.0014	1500	0.0014
10.	RAJEEV TAKRU				
	01-04-2016	900	0.0008		
	31-03-2017	900	0.0008	900	0.0008
11	AZAM MONEM				
	01-04-2016	500	0.0005		
	31-03-2017	500	0.0005	500	0.0005
12	KAMAL KISHORE BAHETI				
	01-04-2016	5100	0.0046		
	31-03-2017	5100	0.0046	5100	0.0046
13	A GUHA SARKAR				
	01-04-2016	650	0.0005		
	31-03-2017	650	0.0005	650	0.0005

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	64,948.30	-	-	64,948.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.73	-	-	4.73
Total (i+ii+iii)	**64,953.03**	**-**	**-**	**64,953.03**
Change in Indebtedness during the financial year				
· Addition	4,614.30	9,500.00	-	14,114.30
· Reduction	0.12	-	-	0.12
Net Change	4,614.18	9,500.00	-	14,114.18
Indebtedness at the end of the financial year				
i) Principal Amount	69,562.60	9,500.00	-	79,062.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.61	-	-	4.61
Total (i+ii+iii)	**69,567.21**	**9,500.00**	**-**	**79,067.21**

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 MD	K.K. Baheti WTD & CFO	R. Takru WTD	A. Monem WTD	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	396.60	195.64	195.64	195.64	983.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	1.82	2.79	2.13	7.03
	(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)	**396.89**	**197.46**	**198.43**	**197.77**	**990.55**
	Ceiling as per the Act	10% of the Net Profits calculated u/s 198 of the Act.				

ANNEXURE - VIII (Contd.)
FORM NO. MGT-9

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	Amritanshu Khaitan	Padam Khaitan	
	Independent Directors									
	• Fee for attending board / committee meetings	-	3.8	3.6	4.6	2.4	2.0	-	0.8	17.20
	• Commission	-	-	-	-	-	-	-	-	-
	• Others, please specify		-	-	-	-	-	-	-	-
	Total (1)	**-**	**3.8**	**3.6**	**4.6**	**2.4**	**2.0**	**-**	**0.8**	**17.20**
	Other Non-Executive Directors		-	-	-	-	-	-	-	-
	• Fee for attending board committee meetings	2.0	-	-	-	-	-	2.0	-	4.0
	• Commission	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	**2.0**	**-**	**-**	**--**	**-**	**-**	**2.0**	**-**	**4.0**
	Total (B)=(1+2)	**2.0**	**3.8**	**3.6**	**4.6**	**2.4**	**2.0**	**2.0**	**0.8**	**21.20**
	Total Managerial Remuneration (A+B)									**1011.75**
	Overall Ceiling as per the Act	11% of the Net Profits calculated u/s 198 of the Act. (Excluding Sitting Fees)								

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(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	-	40.15	-	40.15
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	2.06	-	2.06
	(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 Retiral benefits	-	4.02	-	4.02
	Total	**-**	**46.23**	**-**	**46.23**

* Remuneration of the Wholetime Director & 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, 2017

For and on behalf of the Board

Date: 30th May 2017
Place: Kolkata

A. Khaitan
Managing Director

K.K. Baheti
Wholetime Director & CFO

ANNEXURE - IX
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017
[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 authorised 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 31.03.2017 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 Board 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 statues 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.

ANNEXURE - IX (Contd.)
SECRETARIAL AUDIT REPORT

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 31.03.2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) Secretarial Standards (SS–1 and SS-2) 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.

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 their applicability to the Company during the financial year ended 31.03.2017 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 including general laws, labour laws, competition law, environments laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above. However, we have been informed that the Company has already filed the applications with the Central Government on 22.05.2017 for waiver of recovery of excess remuneration as paid to the Managing Director and Whole-time Directors during the year under report.

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 (Buyback of Securities) Regulations, 1998;

(ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;

(iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;

(v) 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 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.

For A. K. LABH & Co.
Company Secretaries

(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No.- 3238

Place : Kolkata
Dated : 30.05.2017

ANNEXURE - X

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 (ACCOUNTS) 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 has enhanced the efficiency, withering capacity and at the same time conserved space. Moreover, plucking machines, energy efficient Gensets, Water Pumps, VFB Dryers, APFC Panels, Rotor Vane Machines, Conventional Dryers, Wind Driven Fans, Transformers, Withering Troughs, Auto Milling Machines, Auto Chasing Machines, Air Circuit Breakers (ACBs), Boilers and Stabilisers for ACs 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. 6209 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 VFB Driers, APFC Panels, Colour Sorters, ACBs, Rotor Vane Machine, etc. had been installed at various tea estates as a part of the continuous endeavour of the Company to updgrade 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.

(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	2016-17	2015-16
Capital Expenditure	Nil	Nil
Revenue Expenditure	177.30	132.67
Total	**177.30**	**132.67**

(C) Foreign exchange earnings and Outgo

The total foreign exchange earnings during the year in terms of actual inflows was Rs. 29,727 Lakhs and the foreign exchange outgo during the year in terms of actual outflow was Rs. 2373 Lakhs.

For and on Behalf of the Board

A. Khaitan
Managing Director

K.K. Baheti
Whole Time Director & CFO

Date: 30th May 2017
Place: Kolkata

ANNEXURE - XI

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 2016-17	
	All Employees	**Executive Grade Employees**
Non-Executive Directors		
Mr. B. M. Khaitan	2.04:1	0.13:1
Dr. R. Srinivasan	3.87:1	0.24:1
Mr. B. Bajoria	3.67:1	0.23:1
Mr. R. Sen	4.69:1	0.29:1
Mr. U. Parekh	2.45:1	0.15:1
Mrs. R. Nirula	2.04:1	0.13:1
Mr. Amritanshu Khaitan	2.04:1	0.13:1
Mr. Padam Kumar Khaitan	0.82:1	0.05:1
Executive Directors		
Mr. Aditya Khaitan - Managing Director	404.6:1	25.43:1
Mr. Rajeev Takru - Whole Time Director	202.28:1	12.72:1
Mr. Azam Monem - Whole Time Director	201.62:1	12.67:1
Mr. Kamal Kishore Baheti - Whole Time Director & CFO	201.3:1	12.65:1

ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year	Mr. Rajeev Takru, Wholetime Director: 0.48%, Mr. Kamal Kishore Baheti, Wholetime Director & CFO: 0.33%, Mr. A. Guha Sarkar, Company Secretary: 8.87%. No increase in remuneration of Managing Director and the other Wholetime Director. The Non-executive Directors have only received sitting fees for attending Board/Committee Meetings during 2016-17.
(iii) The percentage increase in the median remuneration of the employees in the financial year	All Employees – No Increase Executive Grade Employees – 2.80%
(iv) The number of permanent employees on the rolls of Company as on 31st March 2017:	74,515
(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:	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year is 8.47%. There has been no increase in the managerial remuneration. Since there has been no increase in the managerial remuneration and the average employee remuneration has increased by 8.47%, the same can be considered to be justified.
(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company.	The remuneration paid during the financial year ended 31st March 2017 is in terms of the Remuneration Policy of the Company.

Information pursuant to Rule 5(2) of Chapter XIII 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	396.89	In Whole time employment as per contract	B.Com (Hons); 25 years	01.04.2005	49	N.A.	0.0158	Mr. B.M. Khaitan – Father
R. Takru	Whole Time Director	198.43	-do-	B.A. (Hons); 41 years	01.04.2004	62	Eveready Industries India Limited, Senior Vice-president	0.0008	No
A. Monem	Whole Time Director	197.77	-do-	B.Com (Hons); 36 years	01.04.2004	57	Eveready Industries India Limited, Senior Vice- president	0.0005	No
K.K. Baheti	Whole Time Director & CFO	196.46	-do-	B.Com (Hons), FCA, ACS, AICWA; 31 years	01.04.2004	54	Eveready Industries India Limited, Vice-president	0.0047	No
A Guha Sarkar	Senior Vice-President & Company Secretary	46.23	Permanent Employment	B.COM (Hons), LLB, ACS; 40 years	16.02.2005	62	Williamson Magor & Co. Limited, Company Secretary	0.0006	No
A. Pandit	Visiting Agent	45.70	Permanent Employment	B.A.; 39 years	01.04.2005	61	Williamson Tea Assam Limited, Senior Manager	0.0002	No
P. Bhar	Vice President	44.93	Permanent Employment	B.Com (Hons), FCA, AICWA; 37 years	01.01.2012	59	D1 Williamson Magor Bio Fuel Limited, Managing Director	0.0000	No
N.R. Srinivasan	Vice President	44.26	Permanent Employment	B.Com, FCA, 37 years	01.04.2004	63	Eveready Industries India Limited, General Manager	0.0002	No
B. K. Newar	Vice President	40.27	Permanent Employment	B.Com (Hons), FCA, FCS; 33 years	01.04.2004	56	Eveready Industries India Limited, General Manager	0.0000	No
V. K. Singh	Senior General Manager	38.61	Permanent Employment	B. COM; LLB; 36 years	01.04.2004	62	Eveready Industries India Limited, Senior Manager	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	396.89	In Whole time employment	B.Com (Hons); 25 years	01.04.2005	49	N.A.	0.0158	Mr. B.M. Khaitan – Father
R. Takru	Whole Time Director	198.43	-do-	B.A. (Hons); 41 years	01.04.2004	62	Eveready Industries India Limited, Senior Vice- president	0.0008	No
A. Monem	Whole Time Director	197.77	-do-	B.Com (Hons); 36 years	01.04.2004	57	Eveready Industries India Limited, Senior Vice- president	0.0005	No
K.K. Baheti	Whole Time Director & CFO	196.46	-do-	B.Com (Hons), FCA, ACS, AICWA; 31 years	01.04.2004	54	Eveready Industries India Limited, Vice-president	0.0047	No

(III) There was no employee in the Company, whether employed throughout or part of the financial year 2016-17, 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
Wholetime Director & CFO

Date: 30th May 2017
Place: Kolkata

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
McLEOD RUSSEL INDIA LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of McLeod Russel India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to 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 accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

INDEPENDENT AUDITORS' REPORT (Contd.)

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw your attention to Note 43 to the standalone Ind AS financial statements regarding total remuneration paid/payable to the managing director of the Company aggregating Rs 266.40 lakhs for the year ended March 31, 2017 which is in excess of the limits specified in Schedule V read with Section 197 of the Companies Act, 2013, and as approved by the shareholders of the Company and for which approval from the Central Government is awaited. Our opinion is not qualified in respect of this matter.

Other Matter

10. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 30, 2016 and May 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

    Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) 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.

    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors)

Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 40;

ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no 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 during the year ended March 31, 2017.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 60.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number: 52340

Kolkata
May 30, 2017

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of McLeod Russel India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.

4. 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.

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

Meaning of Internal Financial Controls Over Financial Reporting

6. 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

7. 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.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number: 52340

Kolkata
May 30, 2017

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2017.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company/transferor companies (Refer Note 36 to the financial statements).

ii. The physical verification of inventory, excluding stocks with third parties, have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and/or have been verified with reference to subsequent sale. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loan, to one company covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/unsecured loans to companies (other than above)/firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loan, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, service tax, tax deducted at source, cess on green leaf and deposit link insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, duty of customs , duty of excise, value added tax, works contract tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, duty of custom, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax, duty of excise as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Tax deducted at Source, Interest, Others	4922.77	2005-06 to 2008-09	Commissioner of Income-tax (Appeals)/ The Supreme Court of India
Finance Act, 1994	Service Tax	131.61	2004-05 to 2007-08	Commissioner (Appeals)/ CESTAT
Finance Act, 1994	Service Tax	373.72	2008-09 to 2012-13	Principal Commissioner of Service Tax
Finance Act, 1994	Service Tax	438.16	2011-12 to 2014-15	High Court at Calcutta
Central Excise Act, 1944	Excise Duty	10.75	1999 to 2003	Commissioner (Appeals)

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. The company did not have any dues outstanding to any debenture holders or Government as at the beginning of the year nor did it obtain any such loans during the year.

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). However, on an overall basis, the term loans have been applied for the purposes for which they were obtained other than a term loan of Rs. 5000 lakhs disbursed during the previous year and out of which Rs. 1631.87 lakhs is pending utilization.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. Except for managerial remuneration aggregating Rs. 266.40 lakhs, the managerial remuneration paid/ provided for by the Company is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. The Company has applied to the Central Government seeking its approval for waiver of excess remuneration paid.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number: 52340

Kolkata
May 30, 2017

BALANCE SHEET

as at 31st March, 2017

	Note	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	161,470.16	160,140.56	158,586.96
Capital Work-in-Progress		8,232.08	8,315.83	4,958.39
Other Intangible Assets	4	2,136.51	2,537.81	2,894.53
Investment in Subsidiary and Associate	5	22,936.98	22,936.98	22,936.98
Financial Assets				
Investments	6	7,224.99	7,729.85	8,444.67
Loans	7	10.40	10.40	10.80
Other Financial Assets	8	2,782.59	6,227.15	8,773.58
Other Non-current Assets	9	1,885.00	1,627.51	2,172.43
Total Non-Current Assets		**206,678.71**	**209,526.09**	**208,778.34**
Current Assets				
Inventories	10	14,026.96	16,631.72	15,875.02
Biological Assets other than bearer plants	11	398.02	393.58	314.17
Financial Assets				
Trade Receivables	12	7,141.79	7,562.28	7,768.89
Cash and Cash Equivalents	13	927.75	991.95	787.65
Loans	7	33,753.58	24,759.02	8,566.58
Other Financial Assets	8	23,261.29	14,606.68	9,005.82
Current Tax Assets (Net)	14	7,241.90	7,241.90	5,739.77
Other Current Assets	15	8,614.20	8,930.45	7,540.52
Total Current Assets		**95,365.49**	**81,117.58**	**55,598.42**
TOTAL ASSETS		**302,044.20**	**290,643.67**	**264,376.76**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	16	5,472.79	5,472.79	5,472.79
Other Equity				
Reserves and Surplus	17	108,271.65	107,166.89	108,412.51
Other Reserves	17	60,588.94	61,394.27	63,692.13
Total Equity		**174,333.38**	**174,033.95**	**177,577.43**
Liabilities				
Non-current Liabilities				
Financial Liabilities				
Borrowings	18	14,720.09	21,553.52	11,992.41
Employee Benefit Obligations	19	4,591.65	2,975.07	3,352.95
Deferred Tax Liabilities (Net)	20	16,917.51	20,454.12	20,422.87
Other Non-current Liabilities	21	373.88	81.65	-
Total Non-Current Liabilities		**36,603.13**	**45,064.36**	**35,768.23**
Current Liabilities				
Financial Liabilities				
Borrowings	22	57,534.18	39,042.79	25,437.04
Trade Payables	23	10,231.69	11,231.92	8,806.05
Other Financial Liabilities	24	17,481.31	15,190.67	11,581.32
Other Current Liabilities	25	1,052.84	808.89	603.55
Employee Benefit Obligations	19	1,611.34	2,230.74	1,567.56
Provisions	26	344.77	984.00	1,012.00
Current Tax Liabilities (Net)	27	2,851.56	2,056.35	2,023.58
Total Current Liabilities		**91,107.69**	**71,545.36**	**51,031.10**
Total Liabilities		**127,710.82**	**116,609.72**	**86,799.33**
TOTAL EQUITY AND LIABILITIES		**302,044.20**	**290,643.67**	**264,376.76**

This is the Balance Sheet referred to in our report of even date

The above Balance Sheet should be read in conjunction with the accompanying notes

For **PRICE WATERHOUSE**
Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 30th May 2017

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2017

	Note	Year ended 31st March 2017 Rs. Lakhs	Year ended 31st March 2016 Rs. Lakhs
Revenue from Operations	28	148,539.66	150,678.55
Other Income	29	18,448.14	9,769.61
Total Income		**166,987.80**	**160,448.16**
Expenses:			
Cost of Materials Consumed	30	18,774.47	24,778.12
Changes in Inventories of Finished Goods	31	923.09	(517.90)
Employee Benefits Expense	32	76,578.14	67,945.09
Finance Costs	33	12,756.91	10,078.35
Depreciation and Amortisation Expense	34	8,252.19	8,064.08
Other Expenses	35	49,203.53	50,081.60
Total Expenses		**166,488.33**	**160,429.34**
Profit before Tax		**499.47**	**18.82**
Income Tax expense:			
Current Tax		975.00	753.11
Deferred Tax-Charge/(Credit)		(3,528.32)	(1,143.83)
Total Tax Expense		**(2,553.32)**	**(390.72)**
Profit for the Year		**3,052.79**	**409.54**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment defined benefit obligations		(145.93)	884.55
Changes in Fair Value of FVOCI Equity instruments		(121.41)	(714.82)
Income Tax relating to these items		46.46	(281.31)
Other Comprehensive Income for the year, net of tax		**(220.88)**	**(111.58)**
Total Comprehensive income for the year		**2,831.91**	**297.96**
Earnings per Equity Share: [Nominal Value per share : Rs. 5/- (Previous Year : Rs. 5/-)]	44		
- Basic		**2.79**	**0.37**
- Diluted		**2.79**	**0.37**

This is the Statement of Profit and Loss referred to in our report of even date

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes

For **PRICE WATERHOUSE**
Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 30th May 2017

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary

STATEMENT OF CASH FLOWS

for the year ended 31st March, 2017

	Year ended 31st March 2017 Rs. Lakhs	Year ended 31st March 2016 Rs. Lakhs
A. Cash flow from operating activities		
Profit before income tax	499.47	18.82
Adjustments for		
Depreciation and Amortisation Expense	8252.19	8,064.08
(Profit)/Loss on disposal of Property, Plant and Equipment	(1723.75)	369.98
Amortisation of Government Grants - Capital Subsidy	(18.68)	-
Changes in Fair Value of Biological Assets	(4.44)	(79.41)
Dividend and Interest Income classified as investing cash flows	(10578.77)	(7,929.79)
Finance Costs	12756.91	10,078.35
Fair Value Gain on derivatives	(292.99)	(49.99)
Liabilities no longer required written back	(136.48)	(70.35)
Provision for bad and doubtful accrued interest no longer required written back	-	(967.96)
Remeasurements of post-employment defined benefit obligations	(145.93)	884.55
Net exchange differences	1.53	(0.28)
Change in operating assets and liabilities:		
Decrease in Trade Receivables	420.49	206.61
(Increase)/Decrease in Inventories	2,604.76	(756.70)
Increase/(Decrease) in Trade Payables	(863.75)	2,496.22
(Increase)/Decrease in Other Financial Assets	(4,103.06)	2,506.90
Decrease in Other Non Current Assets	10.62	10.62
(Increase)/Decrease in Other Current Assets	316.25	(496.16)
Increase in Employee Benefit Obligations	997.18	285.30
Increase in Other Current Liabilities	243.95	205.34
Increase in Other Financial Liabilities	25.02	2,151.58
Cash Generated from operations	**8,260.52**	**16,927.71**
Income taxes paid (Net of Refunds)	(141.62)	(2,250.47)
Net cash inflow from operating activities	**8,118.90**	**14,677.24**
B. Cash flows from investing activities:		
Payments for Property, Plant and Equipment	(11,118.14)	(12,505.76)
Payments for Computer Software	(13.73)	(51.86)
Loans to Employees and Related party	(2,200.00)	(142.04)
Loans to Body Corporate	(6,940.00)	(17,350.00)
Receipts of Government Grants - Capital Subsidy	310.91	81.65
Proceeds from sale of Long Term Investments	383.45	-
Proceeds from sale of Property, Plant and Equipment	3,416.41	107.51
Repayment of loans by Employees and Related party	145.44	1,300.00
Dividends Received	536.04	560.44
Interest Received	9,111.83	2,954.77
Net cash outflow from investing activities	**(6,367.79)**	**(25,045.29)**

	Year ended 31st March 2017 Rs. Lakhs	Year ended 31st March 2016 Rs. Lakhs
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	-	13,913.10
Repayment of Long Term Borrowings	(4,377.09)	(2,985.26)
Proceeds from Short Term Borrowings	18,491.39	13,605.75
Interest paid	(12,757.03)	(10,130.53)
Dividends paid (Including Dividend Tax)	(3,171.05)	(3,830.98)
Payment towards Unclaimed Fractional Share Sale Proceeds	-	(0.01)
Net cash inflow/(outflow) from financing activities	**(1,813.78)**	**10,572.07**
Net increase/(decrease) in Cash and Cash Equivalents	(62.67)	204.02
Cash and Cash Equivalents at the beginning of the financial year (Refer Note 13)	991.95	787.65
Effects of exchange rate changes on Cash and Cash Equivalents	(1.53)	0.28
Cash and Cash Equivalents at the end of the year (Refer Note 13)*	**927.75**	**991.95**
* Includes the following balances which are available for use for specific purposes		
Dividend Accounts	397.27	396.61
Escrow Accounts/Fractional Share Sale Proceeds Account	0.17	0.17

(a) The above Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 on Statement of Cash Flows.

(b) The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Statement of Cash Flows referred to in our report of even date.

For **PRICE WATERHOUSE**
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 30th May 2017

For and on behalf of the Board of Directors

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

Rs. Lakhs

	Notes	Amount
As at 1st April 2015		5,472.79
Changes in Equity Share Capital	16	-
As at 31st March 2016		5,472.79
Changes in Equity Share Capital	16	-
As at 31st March 2017		5,472.79

B. OTHER EQUITY

Rs. Lakhs

	Reserves and Surplus			Capital Reserve	Other Reserve	Revaluation Surplus	FVOCI Equity Investments	Total
	Securities Premium Reserve	General Reserve	Retained Earnings					
Balance at 1st April 2015	**11,053.58**	**80,712.34**	**16,646.59**	**201.68**	**19,209.20**	**36,801.50**	**7,479.75**	**1,72,104.64**
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	1,583.40	-	-	-	(1,583.40)	-	-
Profit for the year	-	-	409.54	-	-	-	-	409.54
Other Comprehensive Income	-	-	602.88	-	-	-	(714.46)	(111.58)
Total Comprehensive Income for the year	**-**	**-**	**1,012.42**	**-**	**-**	**-**	**(714.46)**	**297.96**
Transactions with owners in their capacity as owners :								
Dividend Paid	-	-	(3,283.67)	-	-	-	-	(3,283.67)
Dividend Tax Paid	-	-	(557.77)	-	-	-	-	(557.77)
Balance at 31st March 2016	**11,053.58**	**82,295.74**	**13,817.57**	**201.68**	**19,209.20**	**35,218.10**	**6,765.29**	**1,68,561.16**
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	683.92	-	-	-	(683.92)	-	-
Profit for the year	-	-	3,052.79	-	-	-	-	3,052.79
Other Comprehensive Income	-	-	(99.47)	-	-	-	(121.41)	(220.88)
Total Comprehensive Income for the year	-	-	2,953.32	-	-	-	(121.41)	2,831.91
Transactions with owners in their capacity as owners :								
Dividend Paid	-	-	(2,189.11)	-	-	-	-	(2,189.11)
Dividend Tax Paid	-	-	(343.37)	-	-	-	-	(343.37)
Balance at 31st March 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**

This is the Statement of Changes In Equity referred to in our report of even date

The above Statement of Changes In Equity should be read in conjunction with the accompanying notes

For **PRICE WATERHOUSE**
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 30th May 2017

For and on behalf of the Board of Directors

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary

NOTES TO FINANCIAL STATEMENTS

BACKGROUND

McLeod Russel India Limited is a Company limited by shares, incorporated and domiciled in India. The Company is engaged in cultivation, manufacture and sale of tea.

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 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 59 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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.

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 entity 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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of tea claim and are net of sales return, sales tax/ value added tax, trade allowances and amount collected on behalf of third parties.

NOTES TO FINANCIAL STATEMENTS (Contd.)

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer.

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.

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 or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, 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 difference 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, 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 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

1.8 Trade Receivables

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

1.9 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 direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost 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.

1.10 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.

1.11 Investments and Other Financial Assets

1.11.1 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.

1.11.2 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 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 (FVOCI):** 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 (FVOCI). 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 FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently 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

NOTES TO FINANCIAL STATEMENTS (Contd.)

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.

1.11.3 Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

Where the entity 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.

1.11.5 Income Recognition

Interest Income

Interest Income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established.

1.12 Financial liabilities

1.12.1 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.

1.12.2 Subsequent measurement

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

1.12.3 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

1.12.4 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.

1.13 Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 and loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

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 Fixed Assets 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

Bearer Plants are depreciated from the date when they are ready for commercial harvest.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

1.14 Intangible Assets

1.14.1 Trademark

Separately acquired Trademark is shown at historical cost. It is amortised over expected useful life and is subsequently carried at cost less accumulated amortisation and impairment losses.

1.14.2 Computer software

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

1.14.3 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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

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 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.

1.16 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. 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.

1.16.3 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. 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

1.16.4 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.

1.17 EQUITY

Equity shares are classified as equity.
Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.18 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.19 Earnings per Share

1.19.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit/ loss attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year.

1.19.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.20 Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

1.21 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.

1.22 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.

1.23 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.

1.24 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there

NOTES TO FINANCIAL STATEMENTS (Contd.)

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.

1.25 Research and Development

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

1.26 Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

1.27 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.

1.28 Standards issued but not yet effective

The amendment to Ind AS 7, 'Statement of cash flows', introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes (i.e. changes in fair values). The Company is not expecting any material impact on the standalone financial statements.

Note 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 also subject to tax liability under MAT provisions. 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 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.

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 Company and that are believed to be reasonable under the circumstances.

NOTES TO FINANCIAL STATEMENTS (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

Rs. Lakhs

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	Deemed Cost as at 1st April, 2015	Additions during the year	Disposals during the year	As at 31st March, 2016	As at 1st April, 2015	Depreciation for the year	Disposals during the year	As at 31st March, 2016	As at 31st March, 2016
Freehold Land [Refer (a) below]	4,312.32	-	-	4,312.32	-	-	-	-	4,312.32
Buildings	37,634.03	4,489.18	-	**42,123.21**	-	2,789.74	-	**2,789.74**	39,333.47
Plant and Equipment	22,108.69	4,578.20	84.26	**26,602.63**	-	2,016.24	-	**2,016.24**	24,586.39
Furniture and Fixtures	693.39	139.58	0.08	**832.89**	-	145.49	-	**145.49**	687.40
Vehicles	2,700.63	388.67	38.51	**3,050.79**	-	594.77	-	**594.77**	2,456.02
Office Equipment	88.98	3.22	0.08	**92.12**	-	27.17	-	**27.17**	64.95
Bearer Plants	90,879.57	36.71	354.55	**90,561.73**	-	2,009.06	-	**2,009.06**	88,552.67
Computer	169.35	51.03	0.01	**220.37**	-	73.03	-	**73.03**	147.34
31st March, 2016	**158,586.96**	**9,686.59**	**477.49**	**167,796.06**	**-**	**7,655.50**	**-**	**7,655.50**	**160,140.56**

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

Rs. Lakhs

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April, 2016	Additions during the year	Disposals during the year	As at 31st March, 2017	As at 1st April, 2016	Depreciation for the year	Disposals during the year	As at 31st March, 2017	As at 31st March, 2017
Freehold Land [Refer (a) below]	4,312.32	-	-	4,312.32	-	-	-	-	4,312.32
Buildings	42,123.21	4,162.18	1,647.98	**44,637.41**	2,789.74	2,856.92	484.07	**5,162.59**	39,474.82
Plant and Equipment	26,602.63	6,209.06	381.46	**32,430.23**	2,016.24	2,238.00	300.99	**3,953.25**	28,476.98
Furniture and Fixtures	832.89	87.36	31.21	**889.04**	145.49	135.51	30.84	**250.16**	638.88
Vehicles	3,050.79	338.60	285.82	**3,103.57**	594.77	559.27	277.79	**876.25**	2,227.32
Office Equipment	92.12	4.30	9.44	**86.98**	27.17	26.07	9.44	**43.80**	43.18
Bearer Plants	90,561.73	-	459.35	**90,102.38**	2,009.06	1,961.69	22.21	**3,948.54**	86,153.84
Computer	220.37	57.92	9.99	**268.30**	73.03	59.70	7.25	**125.48**	142.82
31st March, 2017	**167,796.06**	**10,859.42**	**2,825.25**	**175,830.23**	**7,655.50**	**7,837.16**	**1,132.59**	**14,360.07**	**161,470.16**

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

4. OTHER INTANGIBLE ASSETS

Rs. Lakhs

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	Deemed Cost as at 1st April, 2015	Additions during the year (Acquired Separately)	Disposals during the year	As at 31st March, 2016	As at 1st April, 2015	Amortisation for the year	Disposals during the year	As at 31st March, 2016	As at 31st March, 2016
Trade Mark [Brand] [Refer (a) below]	2,437.50	-	-	2,437.50	-	250.00	-	250.00	2,187.50
Computer Software [Refer (b) below]	457.03	51.86	-	508.89	-	158.58	-	158.58	350.31
31st March, 2016	**2,894.53**	**51.86**	**-**	**2,946.39**	**-**	**408.58**	**-**	**408.58**	**2,537.81**

Rs. Lakhs

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	As at 1st April, 2016	Additions during the year (Acquired Separately)	Disposals during the year	As at 31st March, 2017	As at 1st April, 2016	Amortisation for the year	Disposals during the year	As at 31st March, 2017	As at 31st March, 2017
Trade Mark [Brand] [Refer (a) below]	2,437.50	-	-	2,437.50	250.00	250.00	-	500.00	1,937.50
Computer Software [Refer (b) below]	508.89	13.73	-	522.62	158.58	165.03	-	323.61	199.01
31st March, 2017	**2,946.39**	**13.73**	**-**	**2,960.12**	**408.58**	**415.03**	**-**	**823.61**	**2,136.51**

(a) Trade mark (Brand - WM logo), acquired in January 2005, is being amortised under straight line method over a working life of 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 (Contd.)

5. INVESTMENT IN SUBSIDIARY AND ASSOCIATE

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

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Equity Instrument at Cost			
Investment in Equity Instrument - Subsidiary			
Unquoted			
Borelli Tea Holdings Limited (U.K.)			
362000(31.03.2016 - 362000, 01.04.2015 - 362000) Shares of GBP 1/- each	22,936.98	22,936.98	22,936.98
Investment in Equity Instrument - Associate			
Unquoted			
D1 Williamson Magor Bio Fuel Limited			
7281201(31.03.2016 - 7281201, 01.04.2015 - 7281201) Shares	-	-	-
	22,936.98	**22,936.98**	**22,936.98**
a. Aggregate amount of unquoted investments	22,936.98	22,936.98	22,936.98
b. Aggregate amount of impairment in the value of investments	-	-	-

Disclosure pertaining to First time adoption under Ind AS 101 :

i. The aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount is Rs. 22936.98 lakhs.

ii. The aggregate deemed cost of those investments for which deemed cost is fair value is Rs.Nil.

iii. The aggregate adjustment to carrying amounts reported under previous GAAP is Rs.94.35 lakhs.

6. NON-CURRENT INVESTMENTS

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

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
EQUITY INVESTMENTS DESIGNATED AT FVOCI			
Investments in Equity Instruments - Others			
Quoted			
Murablack India Limited			
500000(31.03.2016 - 500000, 01.04.2015 - 500000) Shares	-	-	-
McNally Bharat Engineering Co. Limited			
3052295(31.03.2016 - 3052295, 01.04.2015 - 3052295) Shares	1,578.04	2,319.75	2,548.66
Williamson Financial Services Limited			
1666853(31.03.2016 - 1666853, 01.04.2015 - 1666853) Shares	521.72	464.22	598.40
Eveready Industries India Limited			
1663289(31.03.2016 - 1663289, 01.04.2015 - 1663289) Shares of Rs. 5/- each	4,365.30	3,848.85	4,331.20

NOTES TO FINANCIAL STATEMENTS (Contd.)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Kilburn Engineering Limited			
848168(31.03.2016 - 848168, 01.04.2015 - 848168) Shares	513.14	537.31	460.56
The Standard Batteries Limited			
1003820(31.03.2016 - 1003820, 01.04.2015 - 1003820) Shares of Re. 1/- each	80.10	89.64	66.25
Kilburn Chemicals Limited			
350200(31.03.2016 - 350200, 01.04.2015 - 350200) Shares	165.12	84.92	53.76
Kilburn Office Automation Limited			
31340(31.03.2016 - 31340, 01.04.2015 - 31340) Shares	0.86	1.00	1.68
Suryachakra Seafood Limited			
400000(31.03.2016 - 400000, 01.04.2015 - 400000) Shares	-	-	-
Unquoted			
Dewrance Macneill & Co. Limited			
Nil (31.03.2016 - 200000, 01.04.2015 - 200000) Shares	-	-	-
Kilburn Electricals Limited			
Nil (31.03.2016 - 28000, 01.04.2015 - 28000) Shares	-	-	-
Cosepa Fiscal Industries Limited			
Nil(31.03.2016 - 350000, 01.04.2015 - 350000) Shares	-	-	-
Delhi Golf & County Club Private Limited			
Nil (31.03.2016 - 35750, 01.04.2015 - 35750) Shares of Rs.100/- each	-	-	-
ABC Tea Workers Welfare Services Limited			
11067(31.03.2016 - 11067, 01.04.2015 - 11067) Shares	0.71	0.71	0.71
Jalpaiguri Club Limited			
Nil (31.03.2016 - 523, 01.04.2015 - 523) Shares	-	-	-
Indonilpur Marketing Pvt. Ltd.			
Nil (31.03.2016 - 12500, 01.04.2015 - 12500) Shares	-	-	-
Nilhat Shipping Company Limited			
Nil(31.03.2016 - 1000, 01.04.2015 - 1000) Shares	-	-	-
Woodlands Multispeciality Hospital Limited			
Nil (31.03.2016 - 229610, 01.04.2015 - 229610) Shares	-	383.45	383.45

NOTES TO FINANCIAL STATEMENTS (Contd.)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
OTHER INVESTMENTS THROUGH FVTPL			
Investments in Preference shares - Others			
Unquoted			
Thakurbari Club Limited			
Nil (31.03.2016 - 56, 01.04.2015 - 56)Preference Shares of Rs.100/- each	-	-	-
CFL Capital Financial Services Ltd.			
Nil (31.03.2016 - 1154790, 01.04.2015 - 1154790) 13% Redeemable Cumulative Preference Shares of Rs.100/- each	-	-	-
Total Non-Current Investments	**7,224.99**	**7,729.85**	**8,444.67**
(a) Aggregate amount of quoted investments and market value thereof	7,224.28	7,345.69	8,060.51
Aggregate amount of unquoted investments	0.71	384.16	384.16
Aggregate amount of impairment in the value of investments	-	-	-

7. LOANS

	31st March 2017 Rs. Lakhs		31st March 2016 Rs. Lakhs		1st April 2015 Rs. Lakhs	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(Unsecured - considered good unless otherwise stated)						
Loans to Related Parties						
- Subsidiary	5,300.00	-	3,100.00	-	4,400.00	-
Loans to Employees						
Considered Good;	55.58	10.40	201.02	10.40	58.58	10.80
Considered Doubtful;	9.56	-	9.56	-	9.56	-
Less: Provision for Bad and Doubtful Loans	(9.56)	-	(9.56)	-	(9.56)	-
Loans to Body Corporate						
Considered Good;	28,398.00	-	21,458.00	-	4,108.00	-
Considered Doubtful;	248.00	850.00	248.00	850.00	248.00	850.00
Less: Provision for Bad and Doubtful Loans	(248.00)	(850.00)	(248.00)	(850.00)	(248.00)	(850.00)
	33,753.58	**10.40**	**24,759.02**	**10.40**	**8,566.58**	**10.80**

NOTES TO FINANCIAL STATEMENTS (Contd.)

8. OTHER FINANCIAL ASSETS

	31st March 2017		31st March 2016		1st April 2015	
	Rs. Lakhs		Rs. Lakhs		Rs. Lakhs	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Margin Money Deposit with bank (a)	-	16.15	-	14.70	-	14.70
Other Long Term Receivable						
-From Sale of Tea Estates	-	91.13	-	91.13	-	91.13
Interest Accrued on Loans and Deposits						
Considered good;	7,523.29	-	6,592.39	-	1,209.85	-
Considered Doubtful	173.35	1,316.26	173.35	1,316.26	173.35	2,284.22
Less: Provision for Doubtful Interest Receivable	(173.35)	(1,316.26)	(173.35)	(1,316.26)	(173.35)	(2,284.22)
Security Deposits	-	1,869.96	-	1,712.73	-	1,585.66
Deposits with National Bank for Agriculture and Rural Development	7,500.00	805.35	7,500.00	4,408.59	7,500.00	7,082.09
Receivable on account of claim/disposal of assets	5,945.68	-	194.44	-	154.91	-
Compensation receivable from Government	1,840.49	-	44.11	-	44.11	-
Derivative not designated as hedges - Forward Contracts	451.83	-	275.74	-	96.95	-
	23,261.29	**2,782.59**	**14,606.68**	**6,227.15**	**9,005.82**	**8,773.58**

(a) For issuing Bank Guarantee

9. OTHER NON-CURRENT ASSETS

	31st March 2017	31st March 2016	1st April 2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Capital Advances	1039.91	771.80	1,306.10
Advances Other than Capital Advances:			
Advances to Suppliers, Service Providers etc.	1,217.20	1,217.20	1,217.20
Less : Provision for Bad and Doubtful Advances	(1,217.20)	(1,217.20)	(1,217.20)
Subsidies receivable from Government	579.35	579.35	579.35
Prepaid Expenses	265.74	276.36	286.98
	1885.00	**1627.51**	**2172.43**

NOTES TO FINANCIAL STATEMENTS (Contd.)

10. INVENTORIES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
At lower of cost and net realisable value			
Raw Materials (Green Leaf)	262.88	265.80	158.64
Finished Goods (Stock of Tea)	6,721.52	7,644.61	7,126.71
[including in transit Rs. 2217.72 lakhs (31.03.2016 - Rs 1205.96 lakhs, 01.04.2015 - Rs 313.21 lakhs)]			
Stores and Spares	7,042.56	8,721.31	8,589.67
[including in transit Rs. Nil (31.03.2016 - Rs 39.39 lakhs, 01.04.2015 - Rs Nil)]			
	14,026.96	**16,631.72**	**15,875.02**

11. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Fair Value of Biological Assets Other than Bearer Plants (Unharvested Tea Leaves)	398.02	393.58	314.17
	398.02	**393.58**	**314.17**

a) Unharvested tea leaves on bushes as on 31st March 2017 was 19.14 lakh kgs (31.03.2016 - 19.22 lakh kgs, 01.04.2015 - 13.57 lakh kgs)

12. TRADE RECEIVABLES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Secured			
- Considered Good	350.00	350.00	350.00
Unsecured			
- Considered Good	6,791.79	7,212.28	7,418.89
- Considered Doubtful	340.90	340.90	340.90
Less: Allowance for Doubtful Debts	(340.90)	(340.90)	(340.90)
	7,141.79	**7,562.28**	**7,768.89**

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 its balance sheet.

The relevant carrying amounts are as follows:

Total transferred receivables	1,619.65	1,719.04	1,203.58
Associated payable (Refer Note 24)	1,619.65	1,719.04	1,203.58

NOTES TO FINANCIAL STATEMENTS (Contd.)

13. CASH AND CASH EQUIVALENTS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Balance with banks in Current Accounts	244.90	213.60	235.50
Cash on hand	248.41	356.81	154.82
Remittance in Transit	37.00	24.76	11.00
Dividend Accounts *	397.27	396.61	386.15
Escrow Accounts/Fractional Share Sale Proceeds Account	0.17	0.17	0.18
Total	**927.75**	**991.95**	**787.65**

* Earmarked for payment of unclaimed dividend

(a) Margin Money Deposit kept with bank for issuing guarantee in favour of Third party has been disclosed under Other Financial Assets (Refer Note 8)

14 CURRENT TAX ASSETS (NET)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Advance Tax - Agricultural Income Tax	6,934.14	6,934.14	5,432.01
[Net of Provision Rs. 15069.89 lakhs (31.03.2016 - Rs 15069.89 lakhs, 01.04.2015 - Rs 16245.61 lakhs]			
Advance Tax- Fringe Benefit Tax	307.76	307.76	307.76
[Net of Provision Rs. 273.20 lakhs (31.03.2016 - Rs 273.20 lakhs, 01.04.2015 - Rs 273.20 lakhs]			
	7,241.90	**7,241.90**	**5,739.77**

15 OTHER CURRENT ASSETS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Balance with Excise Authorities	17.53	18.71	11.44
Advances to Suppliers, Service Providers etc.			
Considered Good	1,716.05	2,517.50	1,869.13
Considered Doubtful	103.69	103.69	103.69
Less: Provision for Bad and Doubtful Advances	(103.69)	(103.69)	(103.69)
Advance for Employee Benefits (Refer Note 38)	3,615.12	2,955.37	2,048.83
Advance to Employees	670.73	704.40	687.36
Prepaid Expenses	1,066.97	704.72	982.35
Tax Payment Under Protest (Refer Note 50)	700.00	700.00	700.00
Subsidies receivable from Government	370.12	418.22	334.22
Accrued Duty exemption benefits pertaining to exports	457.68	911.53	907.19
	8,614.20	**8,930.45**	**7,540.52**

NOTES TO FINANCIAL STATEMENTS (Contd.)

16 EQUITY SHARE CAPITAL

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Authorised			
12,00,00,000 (31.03.2016 - 12,00,00,000, 01.04.2015 - 12,00,00,000) Equity Shares of Rs.5/- each	6,000.00	6,000.00	6,000.00
Issued, subscribed and paid-up			
10,94,55,735 (31.03.2016 - 10,94,55,735, 01.04.2015 - 10,94,55,735) Equity Shares of Rs 5/- each fully paid up	5,472.79	5,472.79	5,472.79
	5,472.79	**5,472.79**	**5,472.79**

(a) 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.

(b) Details of Equity Shares held by shareholders holding more than 5 per cent of the aggregate Equity Shares in the Company

	Number of Equity Shares 31st March 2017	Number of Equity Shares 31st March 2016	Number of Equity Shares 1st April 2015
Kamal Baheti (Trustee of Borelli Tea Holdings Limited, U.K.)	27067500	27067500	27067500
	(24.73%)	(24.73%)	(24.73%)
Williamson Magor & Co. Limited	11660946	11660946	11660946
	(10.65%)	(10.65%)	(10.65%)
Williamson Financial Services Limited	5898725	5898725	5898725
	(5.39%)	(5.39%)	(5.39%)
IDFC Premier Equity Fund	-	-	6425178
	-	-	(5.87%)
IDFC Monthly Income Plan	-	7600000	-
	-	(6.94%)	-

NOTES TO FINANCIAL STATEMENTS (Contd.)

17. RESERVES AND SURPLUS

Rs. Lakhs

	Securities Premium Reserve	General Reserve	Retained Earnings	Total
As at 1st April 2015	11,053.58	80,712.34	16,646.59	108,412.51
Profit for the year	-	-	409.54	409.54
Transfer on account of depreciation on amount added on Revaluation of Property , Plant and Equipment	-	1,583.40	-	1,583.40
Dividend Paid	-	-	(3,283.67)	(3,283.67)
Dividend Tax Paid	-	-	(557.77)	(557.77)
Items of Other Comprehensive Income recognised directly in Retained Earnings				
Remeasurements of post-employment defined benefit obligations (Net of Tax)	-	-	602.88	602.88
As at 31st March 2016	**11,053.58**	**82,295.74**	**13,817.57**	**107,166.89**
Profit for the year	-	-	3,052.79	3,052.79
Transfer on account of depreciation on amount added on Revaluation of Property , Plant and Equipment	-	683.92	-	683.92
Dividend Paid	-	-	(2,189.11)	(2,189.11)
Dividend Tax Paid	-	-	(343.37)	(343.37)
Items of Other Comprehensive Income recognised directly in Retained Earnings				
Remeasurements of post-employment defined benefit obligations (Net of Tax)	-	-	(99.47)	(99.47)
As at 31st March 2017	**11,053.58**	**82,979.66**	**14,238.41**	**108,271.65**

OTHER RESERVES

Rs. Lakhs

	Capital Reserve	Other Reserve	Revaluation Surplus	FVOCI Equity Investments	Total
As at 1st April 2015	201.68	19,209.20	36,801.50	7,479.75	63,692.13
Changes in Fair Value of equity instruments designated at FVOCI	-	-	-	(714.46)	(714.46)
Transfer on account of depreciation on amount added on Revaluation of Property , Plant and Equipment	-	-	(1,583.40)	-	(1,583.40)
As at 31st March 2016	**201.68**	**19,209.20**	**35,218.10**	**6,765.29**	**61,394.27**
Changes in Fair Value of equity instruments designated at FVOCI	-	-	-	(121.41)	(121.41)
Transfer on account of depreciation on amount added on Revaluation of Property , Plant and Equipment	-	-	(683.92)	-	(683.92)
As at 31st March 2017	**201.68**	**19,209.20**	**34,534.18**	**6,643.88**	**60,588.94**

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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 Act.

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 Company and remaining undistributed as on date.

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 retained earnings .

g) **FVOCI Equity Investments**
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 FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

18 NON CURRENT BORROWINGS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
SECURED			
Term Loans from Banks			
ICICI Bank Limited	6,978.82	8,965.45	10,000.00
Less : Current maturities of long term debts	(1,989.89)	(1,986.63)	(1,000.00)
	4,988.93	**6,978.82**	**9,000.00**
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			
Fourteen (31.03.2016 - Eighteen, 01.04.2015 - Twenty) equal quarterly instalments of Rs. 500 Lakhs each.			

NOTES TO FINANCIAL STATEMENTS (Contd.)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
HDFC Bank Limited	8,974.90	9,000.00	-
Less : Current maturities of long term debts	(2,986.22)	-	-
	5,988.68	**9,000.00**	
a) Nature of Security To be secured by extension of exclusive charge over certain tea estates as per terms of agreement with bank.			
b) Rate of Interest Interest is payable on monthly basis at HDFC bank base rate plus 0.30% p.a.			
c) Terms of Repayment Twelve (31.03.2016 - Twelve, 01.04.2015 - Nil) equal quarterly instalments of Rs. 750 Lakhs each commencing from 31st May, 2017			
HDFC Bank Limited	999.41	2,992.41	4,977.67
Less : Current maturities of long term debts	(999.41)	(1,993.00)	(1,985.26)
	-	**999.41**	**2,992.41**
a) Nature of Security Secured by equitable mortgage of certain tea estates on an exclusive basis			
b) Rate of Interest Interest is payable on quarterly basis at base rate plus 0.05% p.a.			
c) Terms of Repayment Two (31.03.2016 - Six, 01.04.2015 - Ten) equal quarterly instalments of Rs. 500 Lakhs each			
Term Loan from Others			
Housing Development Finance Corporation Limited	4,575.29	4,947.65	-
Less : Current maturities of Long term debt	(832.81)	(372.36)	-
	3,742.48	**4,575.29**	**-**
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 CPLR minus 6.75% p.a.			
c) Terms of Repayment Fifty four (31.03.2016 - Sixty, 01.04.2015 - Nil) equated monthly instalments (including interest) of Rs. 108.46 Lakhs each.			
	14,720.09	**21,553.52**	**11,992.41**

19. EMPLOYEE BENEFIT OBLIGATIONS

	31st March 2017 Rs. Lakhs		31st March 2016 Rs. Lakhs		1st April 2015 Rs. Lakhs	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits (Refer Note 38)	1,611.34	4,591.65	2,230.74	2,975.07	1,567.56	3,352.95
	1,611.34	**4,591.65**	**2,230.74**	**2,975.07**	**1,567.56**	**3,352.95**

NOTES TO FINANCIAL STATEMENTS (Contd.)

20. DEFERRED TAX LIABILITIES (NET)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Deferred Tax Liabilities			
The balance comprises temporary differences attributable to:			
i) Property, Plant and Equipment and Other Intangible Assets	29,615.87	28,624.51	28,537.59
ii) Financial Assets at FVOCI	-	69.89	70.25
iii) Financial Assets at Fair Value through Profit or Loss	-	87.80	30.87
iv) Other Items	26.94	164.92	224.38
Deferred Tax Liabilities (A)	**29,642.81**	**28,947.12**	**28,863.09**
Deferred Tax Assets			
The balance comprises temporary differences attributable to:			
i) Losses under Agricultural Income Tax *	5,748.63	1,940.84	720.84
ii) Items allowed for tax purpose on payment	1,683.12	1,339.51	1,304.91
iii) Provision for Doubtful Debts, Advances etc.	1,356.19	1,356.18	1,664.24
iv) Minimum Alternate Tax Credit Entitlement	3,608.19	3,646.36	4,540.13
v) Other Items	329.17	210.11	210.10
Deferred Tax Assets (B)	**12,725.30**	**8,493.00**	**8,440.22**
Net Deferred Tax Liabilities (A-B)	**16,917.51**	**20,454.12**	**20,422.87**

* Considered to the extent deferred tax liability against which it can be realised.

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 FVOCI	Financial Assets at FVTPL	Total
At 1st April 2015	28,537.59	(720.84)	(1,304.91)	(1,664.24)	14.28	70.25	30.87	24,963.00
Charged /(credited)								
- to profit or loss	86.92	(1,220.00)	(316.27)	308.06	(59.47)	-	56.93	(1,143.83)
- to other comprehensive income	-	-	281.67	-	-	(0.36)	-	281.31
At 31st March 2016	**28,624.51**	**(1,940.84)**	**(1,339.51)**	**(1,356.18)**	**(45.19)**	**69.89**	**87.80**	**24,100.48**
Add: Minimum Alternate Tax Credit Entitlement								**(3,646.36)**
Net Deferred Tax Liabilities								**20,454.12**
At 1st April 2016	28,624.51	(1,940.84)	(1,339.51)	(1,356.18)	(45.19)	69.89	87.80	24,100.48
Charged /(credited)								
- to profit or loss	991.36	(3,807.79)	(297.15)	(0.01)	(257.04)	(69.89)	(87.80)	(3,528.32)
- to other comprehensive income	-	-	(46.46)	-	-	-	-	(46.46)
At 31st March 2017	**29,615.87**	**(5,748.63)**	**(1,683.12)**	**(1,356.19)**	**(302.23)**	**-**	**-**	**20,525.70**
Add: Minimum Alternate Tax Credit Entitlement								**(3,608.19)**
Net Deferred Tax Liabilities								**16,917.51**

NOTES TO FINANCIAL STATEMENTS (Contd.)

21. OTHER NON - CURRENT LIABILITIES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Government Grants			
Opening Balance	81.65	-	-
Grants during the year	310.91	81.65	-
Less: Released to Profit or Loss	(18.68)	-	-
Closing Balance	**373.88**	**81.65**	**-**

22. CURRENT BORROWINGS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Secured Loans repayable on demand from Banks			
Cash Credit, Packing Credit and Demand Loans	48,034.18	39,042.79	25,437.04
Nature of Security			
Secured by a first pari passu charge by way of mortgage of immovable properties and hypothecation of movable properties of certain tea estates and second pari passu charge of similar properties of certain other tea estates and also secured by a first charge by way of hypothecation of current assets of the company, both present and future.			
Unsecured			
Short-term Loan from a bank	9,500.00	-	-
	57,534.18	**39,042.79**	**25,437.04**

23. TRADE PAYABLES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
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	10,231.69	11,231.92	8,806.05
	10,231.69	**11,231.92**	**8,806.05**

24. OTHER FINANCIAL LIABILITIES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Current maturities of long-term debts	6,808.33	4,351.99	2,985.26
Interest accrued but not due on borrowings	4.61	4.73	56.91
Unpaid Dividends [Refer (a) below]	397.27	396.61	386.15
Unclaimed Fractional Share Sale Proceeds	0.17	0.17	0.18
Deposits Received from Agents	123.09	133.09	163.61
Employee Benefits Payable	8,507.49	8,373.08	6,706.44
Capital Liabilities	8.80	83.16	79.19
Payable for Bill Discounting	1,619.65	1,719.04	1,203.58
Derivative not designated as hedges - Interest rate swap	11.90	128.80	-
	17,481.31	**15,190.67**	**11,581.32**

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

25 OTHER CURRENT LIABILITIES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Advances from Customers / Selling Agents	329.05	59.41	9.92
Statutory dues (including Provident Fund and Tax deducted at Source)	723.79	749.48	593.63
	1,052.84	**808.89**	**603.55**

26 PROVISIONS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Provision for Tax on Proposed Dividend	344.77	984.00	984.00
Provision for Wealth Tax	-	-	28.00
	344.77	**984.00**	**1,012.00**

27 CURRENT TAX LIABILITIES (NET)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Provision for Central Income Tax	2,851.56	2,056.35	2,023.58
[Net of Advance Tax Rs. 18835.27 lakhs (31.03.2016 - Rs 18693.65 lakhs, 01.04.2015 - Rs. 17691.36 lakhs]			
	2,851.56	**2,056.35**	**2,023.58**

NOTES TO FINANCIAL STATEMENTS (Contd.)

28 REVENUE FROM OPERATIONS

	Year Ended 31st March 2017 Rs. Lakhs	Year Ended 31st March 2016 Rs. Lakhs
Sale of Products - Tea	139,297.08	148,307.86
Other Operating Revenues		
Consultancy Fees	152.30	159.31
Subsidy on Orthodox Tea	106.68	82.23
Replantation Subsidy	761.27	489.10
Transport Subsidy	245.11	317.99
Subsidy- Capital Items	18.68	-
Profit on Compulsory acquisition of Leasehold Land by Government	6,762.74	-
Accrued duty exemption entitlement and other Benefits relating to exports / premium on sale thereof	1,195.80	1,322.06
	148,539.66	**150,678.55**

Government grants in the form of subsidy are related to certain incentives being made available by the Government of India for Tea Industry. Replantation subsidy relates to activities for which cost has been incurred in earlier years. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance.

29 OTHER INCOME

	Year Ended 31st March 2017 Rs. Lakhs	Year Ended 31st March 2016 Rs. Lakhs
Interest Income from Financial assets at amortised cost		
On Deposits	456.56	903.24
On Loans	9,586.17	6,466.11
Interest Income from Tax Refunds	157.06	-
Dividend income from equity investments in a subsidiary company	502.44	543.81
Dividend income from equity investments designated at fair value through other comprehensive income [Refer (a) below]	33.60	16.63
Insurance Claims	199.23	368.95
Sundry Income [Refer (b) below]	5,308.26	259.84
Profit on Disposal of Property, Plant and Equipment (net)	1,723.75	-
Profit on Sale of Investments	*	-
Provision for bad and doubtful accrued interest no longer required written back	-	967.96
Liabilities no Longer Required Written Back	136.48	70.35
Net Gain on Foreign Currency Transaction and Translation	47.16	43.32
Fair Value Gain on Derivatives (Net)	292.99	49.99
Changes in Fair Value of Biological Assets	4.44	79.41
	18,448.14	**9,769.61**

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

(a) All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting period. There was no dividend income relating to investments derecognised during the reporting period.

(b) Sundry Income includes Rs. 4824.24 lakhs being assets written off by predecessor companies now recovered.

NOTES TO FINANCIAL STATEMENTS (Contd.)

30 COST OF MATERIALS CONSUMED

	Year Ended 31st March 2017 Rs. Lakhs	Year Ended 31st March 2016 Rs. Lakhs
Green Leaf Consumed	18,774.47	24,778.12
	18,774.47	**24,778.12**

31 CHANGES IN INVENTORIES OF FINISHED GOODS

	Year Ended 31st March 2017 Rs. Lakhs	Year Ended 31st March 2016 Rs. Lakhs
Stock of Tea at the beginning of the year	7,644.61	7,126.71
Less: Stock of Tea at the end of the year	(6,721.52)	(7,644.61)
(Increase)/Decrease	**923.09**	**(517.90)**

32 EMPLOYEE BENEFITS EXPENSE

	Year Ended 31st March 2017 Rs. Lakhs	Year Ended 31st March 2016 Rs. Lakhs
Salaries and Wages	60,378.45	54,201.29
Contribution to Provident and Other Funds	7,471.31	6,792.38
Labour and Staff Welfare	8,728.38	6,951.42
	76,578.14	**67,945.09**

33 FINANCE COSTS

	Year Ended 31st March 2017 Rs. Lakhs	Year Ended 31st March 2016 Rs. Lakhs
Interest Cost on Financial liabilities carried at amortised cost		
On Fixed Loans	5,461.17	3,007.59
Others	7,295.74	7,070.76
	12,756.91	**10,078.35**

34 DEPRECIATION AND AMORTISATION EXPENSE

	Year Ended 31st March 2017 Rs. Lakhs	Year Ended 31st March 2016 Rs. Lakhs
Depreciation on Property, Plant and Equipment	7,837.16	7,655.50
Amortisation of Other Intangible Assets	415.03	408.58
	8,252.19	**8,064.08**

NOTES TO FINANCIAL STATEMENTS (Contd.)

35 OTHER EXPENSES

	Year Ended 31st March 2017 Rs. Lakhs	Year Ended 31st March 2016 Rs. Lakhs
Consumption of Stores and Spare Parts	6,643.25	6,306.16
Consumption of Packing Materials	1,479.76	1,393.39
Power and Fuel	17,821.97	18,483.45
Rent	93.19	65.15
Lease Rent	85.63	85.62
Repairs - Buildings	1,659.19	1,241.61
- Machinery	3,242.16	3,400.93
- Others	1,445.56	1,174.42
Insurance	853.17	812.83
Rates and Taxes	458.69	382.61
Cess on Tea	432.13	436.37
Green Leaf Cess	1,077.03	1,000.55
Travelling	1,069.89	1,218.14
Legal and Professional Fees	803.34	805.33
Freight, Shipping and Selling Expenses	7,399.01	7,842.21
Brokerage on Sales	822.31	720.87
Selling Agents' Commission	476.15	710.33
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer Note 57)	197.93	26.90
Loss (net) on disposal of Property, Plant and Equipment	-	369.98
Miscellaneous Expenses	3,143.17	3,604.75
	49,203.53	**50,081.60**

Note 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).

Note 37: Employee Benefits

I. Provident Fund and Other Plans:

During the year an amount of Rs 6025.69 lakhs (31st March 2016 - Rs. 5357.60 lakhs) has been recognised as expenditure towards Defined Contribution plans of the Company.

Provident Fund:

Contributions towards provident funds are recognised as 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 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

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 AS19 (2015) 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. 366.44 lakhs (31st March 2016 – Rs. 332.10 lakhs) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds'. Disclosures given hereunder are restricted to the information available as per the Actuary's report.

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. 10.00 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 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 Company has introduced a scheme of re-imbursement of medical expenses to a certain category of employees up to a certain 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.

The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended 31st March 2017 and corresponding figures for the previous year:

Rs. Lakhs

Gratuity Fund (Funded)	**Present Value of Obligation**	**Fair value of plan assets**	**Net Amount**
1st April 2015	13,166.11	(14,217.72)	(1,051.61)
Current Service cost	1,246.88	-	1,246.88
Interest Expense/(Income)	982.98	(1,137.40)	(154.42)
Total Amount recognised in profit or loss	2,229.86	(1,137.40)	1,092.46
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	248.81	248.81
Experience (gains)/ losses	(350.38)	-	(350.38)
Total amount recognised in other comprehensive income	(350.38)	248.81	(101.57)
Contributions	**-**	**(1,757.60)**	**(1,757.60)**
Benefit payments	**(1,757.60)**	**1,757.60**	**-**
31st March 2016	13,287.99	(15,106.31)	(1,818.32)
Current Service cost	**1,266.87**	**-**	**1,266.87**
Interest Expense/(Income)	**928.00**	**(1,132.98)**	**(204.98)**
Total Amount recognised in profit or loss	2,194.87	(1,132.98)	1,061.89
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	**-**	**(469.13)**	**(469.13)**
(Gain)/loss from change in financial assumptions	**311.57**	**-**	**311.57**
Experience (gains)/ losses	**380.53**	**-**	**380.53**
Total amount recognised in other comprehensive income	692.10	(469.13)	222.97
Contributions	-	(1,829.22)	(1,829.22)
Benefit payments	(1,829.22)	1,829.22	-
31st March 2017	14,345.74	(16,708.42)	(2,362.68)

NOTES TO FINANCIAL STATEMENTS (Contd.)

The major categories of plan assets are as follows:

	31st March 2017		31st March 2016		1st April 2015	
	Rs. Lakhs	%	Rs. Lakhs	%	Rs. Lakhs	%
Debt Instruments						
Government Bonds	31.28	0.19%	31.20	0.21%	31.13	0.22%
Investments						
Investments with Life Insurance Corporation of India	2,686.36	16.08%	2,492.81	16.50%	2,289.43	16.10%
Investments with other Insurance Companies	13,922.06	83.32%	12,514.22	82.84%	11,730.63	82.51%
Cash and Cash Equivalents						
Others including Bank Balances	68.72	0.41%	68.08	0.45%	166.53	1.17%
Total	16,708.42	100.00%	15,106.31	100.00%	14,217.72	100.00%

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%
Salary Inflation	5.00%	5.00%	5.00%
Attrition Rate	1.00%	1.00%	1.00%
Return on Plan Assets	7.50%	8.00%	8.00%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	3.53%	2.39%	Increase By	3.80%	2.53%
Salary Growth rate	0.50%	0.50%	Increase By	3.53%	2.07%	Decrease By	3.28%	1.97%
Attrition Rate	0.50%	0.50%	Increase By	0.10%	0.16%	Decrease By	0.10%	0.16%
Mortality Rate	10%	10%	Increase By	0.35%	0.54%	Decrease By	0.35%	0.54%

The above sensitivity analyses are 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 (Contd.)

Rs. Lakhs

Superannuation Fund (Funded)	Present Value of Obligation	Fair value of plan assets	Net Amount
1st April 2015	**1,558.19**	**(2,555.41)**	**(997.22)**
Current Service cost	-	-	-
Interest Expense/(Income)	**120.31**	**(204.43)**	**(84.12)**
Total Amount recognised in profit or loss	120.31	(204.43)	(84.12)
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	**54.38**	**54.38**
Experience (gains)/ losses	**(106.29)**	-	**(106.29)**
Total amount recognised in other comprehensive income	(106.29)	54.38	(51.91)
Contributions	-	**(3.80)**	**(3.80)**
Benefit payments	**(108.73)**	**108.73**	-
31st March 2016	1,463.48	(2,600.53)	(1,137.05)
Current Service cost			-
Interest Expense/(Income)	**102.65**	**(195.04)**	**(92.39)**
Total Amount recognised in profit or loss	102.65	(195.04)	(92.39)
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	**(93.86)**	**(93.86)**
(Gain)/loss from change in financial assumptions	**24.48**	-	**24.48**
Experience (gains)/ losses	**49.94**	-	**49.94**
Total amount recognised in other comprehensive income	74.42	(93.86)	(19.44)
Contributions	-	**(3.56)**	**(3.56)**
Benefit payments	**(189.29)**	**189.29**	-
31st March 2017	1,451.26	(2,703.70)	(1,252.44)

The major categories of plan assets are as follows:

	31st March 2017		31st March 2016		1st April 2015	
	Rs. Lakhs	%	Rs. Lakhs	%	Rs. Lakhs	%
Debt Instruments						
Government Bonds	13.21	0.49%	38.32	1.47%	38.33	1.50%
Investments						
Investments with Life Insurance Corporation of India	168.63	6.24%	154.50	5.94%	169.09	6.62%
Investments with other Insurance Companies	2,496.10	92.32%	2,397.16	92.18%	2,338.36	91.51%
Cash and Cash Equivalents						
Others including Bank Balances	25.76	0.95%	10.55	0.41%	9.63	0.37%
Total	2,703.70	100.00%	2,600.53	100.00%	2,555.41	100.00%

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%
Return on Plan Assets	7.50%	8.00%	8.00%

NOTES TO FINANCIAL STATEMENTS (Contd.)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	1.28%	1.35%	Increase By	1.37%	1.42%
Mortality Rate	10%	10%	Increase By	0.29%	0.27%	Decrease By	0.29%	0.25%

The above sensitivity analyses are 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.

Rs. Lakhs

Staff Pension Fund Type A (Funded)	Present Value of Obligation	Fair value of plan assets	Net Amount
1st April 2015	432.25	(114.21)	318.04
Current Service cost	72.32	-	72.32
Interest Expense/(Income)	31.18	(9.16)	22.02
Total Amount recognised in profit or loss	103.50	(9.16)	94.34
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1.72	1.72
Experience (gains)/ losses	(30.69)	-	(30.69)
Total amount recognised in other comprehensive income	(30.69)	1.72	(28.97)
Contributions	-	-	-
Benefit payments	(84.91)	84.91	-
31st March 2016	420.15	(36.74)	383.41
Current Service cost	81.95	-	81.95
Interest Expense/(Income)	30.47	(2.74)	27.73
Total Amount recognised in profit or loss	112.42	(2.74)	109.68
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.37	0.37
(Gain)/loss from change in financial assumptions	44.61	-	44.61
Experience (gains)/ losses	94.17	-	94.17
Total amount recognised in other comprehensive income	138.78	0.37	139.15
Contributions	-	-	-
Benefit payments	(27.88)	27.88	-
31st March 2017	643.47	(11.23)	632.24

NOTES TO FINANCIAL STATEMENTS (Contd.)

The major categories of plan assets are as follows:

	31st March 2017		31st March 2016		1st April 2015	
	Rs. Lakhs	%	Rs. Lakhs	%	Rs. Lakhs	%
Investments						
Investments with Life Insurance Corporation of India	11.23	100.00%	36.74	100.00%	114.21	100.00%
Total	11.23	100.00%	36.74	100.00%	114.21	100.00%

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%
Salary Inflation	5.00%	5.00%	5.00%
Attrition Rate	1.00%	1.00%	1.00%
Return on Plan Assets	7.50%	8.00%	8.00%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

			Impact on defined benefit obligation					
	Change in Assumption		Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	1.62%	1.20%	Increase By	1.70%	1.24%
Salary Growth rate	10%	10%	Increase By	0.27%	0.03%	Decrease By	0.27%	0.03%
Attrition Rate	0.50%	0.50%	Increase By	1.03%	0.52%	Decrease By	0.75%	0.05%
Mortality Rate	10%	10%	Increase By	0.15%	0.15%	Decrease By	0.15%	0.15%

The above sensitivity analyses are 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 (Contd.)

Rs. Lakhs

Staff Pension Fund Type B (Unfunded)	Present Value of Obligation	Fair value of plan assets	Net Amount
1st April 2015	3,550.47	-	3,550.47
Current Service cost	789.51	-	789.51
Interest Expense/(Income)	276.56	-	276.56
Total Amount recognised in profit or loss	1,066.07	-	1,066.07
Remeasurements:			
Experience (gains)/ losses	(731.18)	-	(731.18)
Total amount recognised in other comprehensive income	(731.18)	-	(731.18)
Benefit payments	(186.85)	-	(186.85)
31st March 2016	3,698.51	-	3,698.51
Current Service cost	872.44	-	872.44
Interest Expense/(Income)	269.29	-	269.29
Total Amount recognised in profit or loss	1,141.73	-	1,141.73
Remeasurements:			
(Gain)/loss from change in financial assumptions	96.18	-	96.18
Experience (gains)/ losses	(334.48)	-	(334.48)
Total amount recognised in other comprehensive income	(238.30)	-	(238.30)
Benefit payments	(216.03)	-	(216.03)
31st March 2017	**4,385.91**	**-**	**4,385.91**

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%
Salary Inflation	5.00%	5.00%	5.00%
Attrition Rate	1.00%	1.00%	1.00%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	2.05%	0.47%	Increase By	2.16%	0.48%
Salary Growth rate	0.50%	0.50%	Increase By	0.51%	0.10%	Decrease By	0.51%	0.03%
Attrition Rate	10%	10%	Increase By	1.53%	0.02%	Decrease By	1.46%	0.02%
Mortality Rate	10%	10%	Increase By	0.15%	0.16%	Decrease By	0.15%	0.16%

The above sensitivity analyses are 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 (Contd.)

Rs. Lakhs

Medical Benefit Liability (Unfunded)	Present Value of Obligation	Fair value of plan assets	Net Amount
1st April 2015	428.55	-	428.55
Current Service cost	-	-	-
Interest Expense/(Income)	**34.28**	-	**34.28**
Total Amount recognised in profit or loss	34.28	-	34.28
Remeasurements:			
Experience (gains)/ losses	**0.08**	-	**0.08**
Total amount recognised in other comprehensive income	0.08	-	0.08
Benefit payments	**(31.12)**	-	**(31.12)**
31st March 2016	431.79	-	431.79
Current Service cost	-	-	-
Interest Expense/(Income)	**32.37**	-	**32.37**
Total Amount recognised in profit or loss	32.37	-	32.37
Remeasurements:			-
(Gain)/loss from change in financial assumptions	**10.05**	-	**10.05**
Experience (gains)/ losses	**21.21**	-	**21.21**
Total amount recognised in other comprehensive income	31.26	-	31.26
Benefit payments	**(28.53)**	-	**(28.53)**
31st March 2017	466.89	-	466.89

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%
Attrition Rate	1.00%	1.00%	1.00%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	1.46%	0.18%	Increase By	1.53%	0.21%
Salary Growth Rate	10%	10%	Increase By	1.16%	0.01%	Decrease By	1.05%	0.01%
Attrition Rate	0.50%	0.50%	Increase By	0.15%	1.38%	Decrease By	0.15%	0.62%
Mortality Rate	10%	10%	Increase By	0.05%	0.03%	Decrease By	0.05%	0.02%

The above sensitivity analyses are 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 (Contd.)

Rs. Lakhs

Expatriate Pension (Unfunded)	Present Value of Obligation	Fair value of plan assets	Net Amount
1st April 2015	31.93	-	31.93
Current Service cost	-	-	-
Interest Expense/(Income)	1.29	-	1.29
Total Amount recognised in profit or loss	1.29	-	1.29
Remeasurements:			-
Experience (gains)/ losses	**29.00**	**-**	**29.00**
Total amount recognised in other comprehensive income	29.00	-	29.00
Benefit payments	**(31.63)**	**-**	**(31.63)**
31st March 2016	30.59	-	30.59
Current Service cost	-	-	-
Interest Expense/(Income)	**1.43**	**-**	**1.43**
Total Amount recognised in profit or loss	1.43	-	1.43
Remeasurements:			-
(Gain)/loss from change in financial assumptions	**3.30**	**-**	**3.30**
Experience (gains)/ losses	**6.98**	**-**	**6.98**
Total amount recognised in other comprehensive income	10.28	-	10.28
Benefit payments	**(23.01)**	**-**	**(23.01)**
31st March 2017	19.29	-	19.29

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	1.85%	0.18%	Increase By	1.56%	0.22%
Mortality Rate	10%	10%	Increase By	0.15%	0.03%	Decrease By	0.15%	0.02%

The above sensitivity analyses are 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

The estimates of rate of inflation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment sphere.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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.

Company's best estimate of contribution expected to be paid to the Funds in the next year

Rs. Lakhs

	31st March 2017	31st March 2016
Gratuity Fund	2,035.31	1,953.90
Superannuation Fund	3.86	4.14
Staff Pension Fund	-	0.28

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 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 Company'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 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 (Contd.)

The average duration of liabilities for all the funds is as follows :

Particulars	31st March 2017 No. of Years	31st March 2016 No. of Years	1st April 2015 No. of Years
Defined benefit obligation			
Gratuity Fund (Funded)			
McLeod Russel India Limited Employees Gratuity Fund	15	15	8
The Moran Tea Company India Limited Employees Gratuity Fund	17	17	9
George Williamson (Assam) Limited Employees Group Gratuity Fund	17	9	9
Doom Dooma Tea Employees Gratuity Fund	15	9	9
The Bishanauth Tea Company Limited Employees Group Gratuity Fund	16	9	9
Superannuation Fund (Funded)			
Doom Dooma Tea Management Employees Pension Fund	6	7	7
George Williamson (Assam) Limited Superannuation Fund	3	4	4
Williamson Magor & Company Limited Superannuation Fund	5	5	5
McLeod Russel India Limited Superannuation Fund	5	5	5
Staff Pension Fund Type A (Funded)			
Doom Dooma India Limited Staff Pension Fund	10	10	10
Staff Pension Fund Type B (Unfunded)			
McNeil & Magor and McLeod Russel Group	10	10	10
Moran Tea Company Limited	10	10	10
Medical Benefit Liability (Unfunded)			
McLeod Russel India Limited	10	10	10
Expatriate Pension (Unfunded)			
McLeod Russel India Limited	6	7	7

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 2017					
Defined benefit obligation					
Gratuity Fund (Funded)	3,525.39	1,537.26	4,499.97	26,919.66	36,482.28
Superannuation Fund (Funded)	924.91	180.18	412.40	668.45	2,185.94
Staff Pension Fund Type A (Funded)	210.51	52.30	176.43	564.89	1004.13
Staff Pension Fund Type B (Unfunded)	731.59	219.98	641.23	4,402.66	5,995.46
Medical Benefit Liability (Unfunded)	84.59	15.89	84.12	292.48	477.08
Expatriate Pension (Unfunded)	3.78	1.16	3.32	12.59	20.85

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	5,480.77	**2,006.77**	**5,817.47**	**32,860.73**	**46,165.74**
31st March 2016					
Defined benefit obligation					
Gratuity Fund (Funded)	2,962.39	1,403.06	4,294.31	20,070.05	28,729.81
Superannuation Fund (Funded)	850.86	170.99	381.89	632.32	2,036.06
Staff Pension Fund Type A (Funded)	169.47	72.39	150.07	491.84	883.77
Staff Pension Fund Type B (Unfunded)	1,669.69	162.80	474.81	1,781.58	4,088.88
Medical Benefit Liability (Unfunded)	75.80	25.40	65.79	287.77	454.76
Expatriate Pension (Unfunded)	5.99	1.84	5.26	19.98	33.07
	5,734.20	**1,836.48**	**5,372.13**	**23,283.54**	**36,226.35**
1st April 2015					
Defined benefit obligation					
Gratuity Fund (Funded)	2,181.55	1,124.63	3,705.87	21,623.49	28,635.54
Superannuation Fund (Funded)	757.01	188.25	468.03	725.49	2,138.78
Staff Pension Fund Type A (Funded)	101.78	57.60	125.83	447.43	732.64
Staff Pension Fund Type B (Unfunded)	1,005.84	438.04	1,129.17	2,080.01	4,653.06
Medical Benefit Liability (Unfunded)	66.46	26.25	67.21	275.51	435.43
Expatriate Pension (Unfunded)	4.85	2.19	6.40	22.61	36.05
	4,117.49	**1,836.96**	**5,502.51**	**25,174.54**	**36,631.50**

NOTE 38: CLASSIFICATION OF PROVISION/ADVANCE FOR EMPLOYEE BENEFITS

	Classified as Non-Current			Classified as Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits						
- Staff Pension	3,680.30	2,128.16	2,550.27	1,337.85	1,953.76	1,318.24
- Medical Benefit	436.22	357.71	365.93	30.67	74.08	62.62
- Expatriate Pension	15.64	24.82	27.97	3.65	5.77	3.97
- Other Employee Benefits	459.49	464.38	408.78	239.17	197.13	182.73
	4,591.65	2,975.07	3,352.95	1,611.34	2,230.74	1,567.56
Advance for Employee Benefits						
- Gratuity Fund	-	-	-	**2,362.68**	**1,818.32**	**1,051.61**
- Superannuation Fund	-	-	-	**1,252.44**	**1,137.05**	**997.22**
	-	-	-	3,615.12	2,955.37	2,048.83

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note 39: Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Property, Plant and Equipment			
Commitment (Gross)	1,298.39	1,116.75	2,670.27
Advances against above commitments	1,039.91	764.23	1,891.04
Commitment (Net)	258.48	352.52	779.23

(b) In connection with a Term Loan of Rs.5000.00 lakhs (31st March 2016 – Rs. 5000.00 lakhs, 1st April 2015 - Rs 5000.00 lakhs) taken by McNally Bharat Engineering Company Limited (MBECL) from one of its Bankers, the Company has furnished a Non-Disposal Undertaking in respect 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 the said bank.

(c) The Company has undertaken to continue to directly hold 100% (31st March 2016 - 100%, 1st April 2015 - 100%) of the shares in the share capital of Borelli Tea Holdings Limited (BTHL) in connection with the Senior Term Loan facility of USD 20.50 million (31st March 2016 - EURO 6.00 million; 1st April 2015 - EURO 6.00 million) obtained by BTHL from ICICI Bank UK PLC, Frankfurt.

(d) 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. The Lease Rent is charged in the Statement of Profit and Loss and future lease commitments are:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Commitments for minimum lease payments in relation to non-cancellable operating leases as follows:			
Within one year	66.88	85.63	85.62
Later than one year but not later than five years	42.52	98.77	173.77
Later than five years	223.20	233.83	244.46
	332.60	**418.23**	**503.85**

Rental expense relating to operating leases

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Minimum lease payments	85.63	85.62
Total rental expense relating to operating leases	85.63	85.62

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note 40: Contingent Liabilities

a) Claims against the Company not acknowledged as debts : -

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Electricity Dues	91.62	91.62	169.87
Excise Duty	10.75	10.75	10.75
Income Tax	97.88	97.88	1,851.21
Service Tax	1,010.58	131.61	131.61
Land Revenue	9.65	62.53	2.09

b) Guarantees given on behalf of a subsidiary in order to secure the loan availed by them - Rs. 21400.50 lakhs (31st March 2016 - Rs. 26616.63 lakhs, 1st April 2015 - Rs. 24658.50 lakhs); Year-end balance of loan Rs. 10563.95 lakhs (31st March 2016 – Rs. 15268.87 lakhs, 1st April 2015 - Rs. 15947.08 lakhs).

c) Bank Guarantees Rs. 164.46 lakhs (31st March 2016 - Rs. 158.01 lakhs, 1st April 2015 - Rs. 123.96 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.

Note 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.

Note 42: Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Current Assets				
Financial Assets				
Trade Receivables	12	7,141.79	7,562.28	7,768.89
Cash and Cash Equivalents	13	530.31	595.17	401.32
Loans	7	33,753.58	24,759.02	8,566.58
Current Tax Assets (Net)	14	7,241.90	7,241.90	5,739.77
Other Financial Assets	8	23,261.29	14,606.68	9,005.82
Total Charge on Financial Assets		**71,928.87**	**54,765.05**	**31,482.38**
Non-financial Assets				
Inventories	10	14,026.96	16,631.72	15,875.02
Biological Assets	11	398.02	393.58	314.17
Other Current Assets	15	8,614.20	8,930.45	7,540.52
Total Charge on Non- Financial Assets		**23,039.18**	**25,955.75**	**23,729.71**
Total Current assets pledged as security		**94,968.05**	**80,720.80**	**55,212.09**
Non-current Assets				
Property, Plant and Equipment	3	1,42,915.39	1,35,953.84	1,33,997.47
Total Charge on Non- Current Assets		**1,42,915.39**	**1,35,953.84**	**1,33,997.47**
Total Non-current assets pledged as security		**1,42,915.39**	**1,35,953.84**	**1,33,997.47**
Total Assets pledged as security		**2,37,883.44**	**2,16,674.64**	**1,89,209.56**

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note 43: Related Party Disclosures as per Ind AS-24

(a) Subsidiaries

Borelli Tea Holdings Limited (BTHL)

Phu Ben Tea Company Limited (PBTCL)

Rwenzori Tea Investments Limited (RTI) (amalgamated with McLeod Russel Uganda Limited)

McLeod Russel Uganda Limited (MRUL)

Gisovu Tea Company Limited (GTCL)

McLeod Russel Middle East DMCC (MRME)

McLeod Russel Africa Limited (MRAL)

Pfunda Tea Company Limited (PTCL)

(b) Associate

D1 Williamson Magor Bio Fuel Limited

(c) Key Management Personnel

Mr. Aditya Khaitan (AK)	Managing Director
Mr. Rajeev Takru (RT)	Wholetime Director
Mr. Azam Monem (AM)	Wholetime Director
Mr. Kamal Kishore Baheti (KKB)	Wholetime Director
Mr. Brij Mohan Khaitan (BMK)	Non-Executive Director
Mr. Amritanshu Khaitan (AAK)	Non-Executive Director
Dr. Raghavachari Srinivasan (RAS)	Non-Executive Director
Mr. Bharat Bajoria (BB)	Non-Executive Director
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

(d) Relatives of Key Management Personnel with whom transactions took place during the year.

Mr. Brij Mohan Khaitan (BMK)	Father of Mr. Aditya Khaitan
Mrs. Shanti Khaitan (SK) (died on 25th February, 2016)	Mother of Mr. Aditya Khaitan
Mrs. Kavita Khaitan (KK)	Wife of Mr. Aditya Khaitan
Mr. Deepak Khaitan (DK) (died on 9th March, 2015)	Brother of Mr. Aditya Khaitan
Mrs. Zubeena Monem (ZM)	Wife of Mr. Azam Monem

NOTES TO FINANCIAL STATEMENTS (Contd.)

(e) Transactions with Key Management Personnel:

(i) Key Management Personnel Compensation:

Rs. Lakhs

	31st March 2017	Excess Recovered (*)	Net	31st March 2016	Excess Recovered (*)	Net
Short- term employment benefits						
AK	369.89	375.18	(5.29)	469.89	103.58	366.31
RT	187.63	-	187.63	186.67	8.02	178.65
AM	186.97	-	186.97	187.20	14.29	172.91
KKB	186.66	-	186.66	186.00	12.27	173.73
	931.15	375.18	555.97	1,029.76	138.16	891.60
Post-employment benefits						
AK	27.00	-	27.00	27.00	-	27.00
RT	10.80	-	10.80	10.80	-	10.80
AM	10.80	-	10.80	10.80	-	10.80
KKB	10.80	-	10.80	10.80	-	10.80
	59.40	-	59.40	59.40	-	59.40
Long- term employment benefits						
AK	-	-	-	-	-	-
RT	-	-	-	-	-	-
AM	-	-	-	-	-	-
KKB	-	-	-	-	-	-
	-	-	-	-	-	-
Total compensation	**990.55**	**375.18**	**615.37**	**1,089.16**	**138.16**	**951.00**

Remuneration for 2016-17 includes Rs. 396.89 lakhs paid/payable to Managing Director in accordance with Shareholders' approval obtained at the Sixteenth AGM of the Company held on 23rd July, 2014. However, due to inadequacy of profit of the Company during the year 2016-17, the said remuneration has exceeded the limit by Rs 266.40 Lakhs prescribed under Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 in anticipation of which the Company has applied to the Central Government seeking its approval to the said remuneration.

(*) In view of inadequacy of profit during the year 2014-15 and 2015-16, the Department of Company Affairs (Govt. Of India) has passed orders to recover the amount of Rs. 138.16 lakhs and Rs 375.18 lakhs respectively.

(ii) Dividends paid to Key Management Personnel

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
AK	0.35	0.22
RT	0.02	0.03
AM	0.01	0.02
KKB	0.10	0.15
Total	**0.48**	**0.42**

NOTES TO FINANCIAL STATEMENTS (Contd.)

(f) Transactions / Balances with subsidiaries:

(i) Sales and purchases of goods and services:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
MRME		
Sale of tea	175.56	119.43
BTHL		
Royalty (Gross)	326.29	403.10
MRUL		
Consultancy Fees	119.88	122.02
PBTCL		
Consultancy Fees	32.42	37.30

(ii) Other transactions:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
BTHL		
Guarantee Commission (Gross)	76.51	79.74
Dividend received	502.44	543.81
Dividend Paid	541.35	812.03

(iii) Loan to subsidiary - BTHL:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
At the beginning of the year		
Principal	3,100.00	4,400.00
Interest	494.25	236.08
Loans advanced	2,200.00	500.00
Loan repayments received	-	1,800.00
Interest Charged	514.71	494.25
Interest Received	494.25	236.08
At the end of the year		
Principal	5,300.00	3,100.00
Interest Receivable	514.71	494.25

(iv) Expenses Incurred on behalf of the subsidiaries:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
At the beginning of the year		
MRUL	2.32	-
PBTCL	17.73	-
PTCL	2.18	-
	22.23	-
Incurred during the year		
MRUL	3.33	25.81
PBTCL	2.24	17.73
MRME	-	0.60
GTC	3.90	3.99

NOTES TO FINANCIAL STATEMENTS (Contd.)

PTCL	3.26	2.18
	12.73	50.31
Reimbursements Received		
MRUL	3.33	23.49
PBTCL	2.24	-
MRME	-	0.60
GTC	-	3.99
	5.57	28.08
At the end of the year		
MRUL	2.32	2.32
PBTCL	17.73	17.73
GTC	3.90	-
PTCL	5.44	2.18
	29.39	22.23

(v) Outstanding balances:

The following balances are outstanding at the end of the reporting period in relation to transactions with subsidiaries:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
MRUL			
Trade Receivables (Consultancy fees)	58.36	29.81	84.38
PBTCL			
Trade Receivables (Consultancy fees)	32.43	-	31.25
BTHL			
Royalty Payable	326.29	403.10	285.09
Guarantee Commission receivable	76.51	79.74	-
Corporate Guarantee provided on behalf	21,400.50	26,616.63	24,658.50

(vi) Balance of investement at year end

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
BTHL	22,936.38	22,936.38	22,936.38

(g) Transactions / Balances with associate:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Balance of investment at year end	-	-	-

NOTES TO FINANCIAL STATEMENTS (Contd.)

(h) Transactions with relatives of Key Management Personnel:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Dividend Paid		
BMK	0.72	1.09
DK's Estate/Successor	0.24	0.35
Others	0.05	0.08
Directors' sitting fees		
BMK	2.00	1.40

(i) Transactions with Post Employment Benefit Plan - Contributions:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Provident Fund		
McLeod Russel India Limited Staff Provident Fund	366.44	332.10
	366.44	332.10
Gratuity Fund		
McLeod Russel India Limited Employees Gratuity Fund	761.10	720.06
The Moran Tea Company India Limited Employees Gratuity Fund	129.98	168.15
George Williamson Assam Limited Employees Group Gratuity Fund	468.79	370.35
Doom Dooma Tea Employees Gratuity Fund	104.02	130.27
The Bishanauth Tea Company Limited Employees Group Gratuity Fund	365.33	368.77
	1,829.22	1,757.60
Superannuation Fund		
Doom Dooma Tea Management Employees Pension Fund	3.56	3.80
	3.56	**3.80**

(j) Transactions with Non-Executive Directors:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Sitting Fees		
BMK	2.00	1.40
AAK	2.00	1.40
RAS	3.80	2.40
BB	3.60	2.80
RS	4.60	3.00
UP	2.40	1.40
RN	2.00	1.20
PKK	0.80	1.40
	21.20	**15.00**

NOTES TO FINANCIAL STATEMENTS (Contd.)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Dividend Paid		
BMK	0.73	1.09
AAK	0.30	0.23
BB	0.04	0.05
RS	*	*
PKK	0.03	0.05
	1.10	**1.42**

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

Note 44: Earnings per share

(a) Basic and Diluted Earnings per share

	31st March 2017 Rs	31st March 2016 Rs
Total basic and diluted earnings per share attributable to the equity holders of the Company	2.79	0.37

(b) Reconciliations of earnings used in calculating earnings per share

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Profit attributable to the equity holders of the Company used in calculating basic and diluted Earnings per share	3,052.79	409.54

(c) Weighted average number of shares used as the denominator

	31st March 2017 Number of Shares	31st March 2016 Number of Shares
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share.	109455735	109455735

Note 45: Segment Information

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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note 46: Fair value measurements

Financial instruments by category

Rs. Lakhs

	31st March 2017			31st March 2016			1st April 2015		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets									
Investments									
- Equity Instruments	-	7,224.99	-	-	7,729.85	-	-	8,444.67	-
Trade Receivables	-	-	7,141.79	-	-	7,562.28	-	-	7,768.89
Loans	-	-	33,763.98	-	-	24,769.42	-	-	8,577.38
Cash and Cash Equivalents	-	-	927.75	-	-	991.95	-	-	787.65
Interest Accrued on Loans and Deposits	-	-	7,523.29	-	-	6,592.39	-	-	1,209.85
Deposits with National Bank for Agriculture and Rural Development	-	-	8,305.35	-	-	11,908.59	-	-	14,582.09
Receivable on account of claim/disposal of assets	-	-	5,945.68	-	-	194.44	-	-	154.91
Compensation receivable from Government	-	-	1,840.49	-	-	44.11	-	-	44.11
Derivative assets	451.83	-	-	275.74	-	-	96.95	-	-
Security deposits	-	-	1,869.96	-	-	1,712.73	-	-	1,585.66
Margin Money Deposit with bank	-	-	16.15	-	-	14.70	-	-	14.70
Other Long Term Receivable	-	-	91.13	-	-	91.13	-	-	91.13
Total Financial assets	**451.83**	**7,224.99**	**67,425.57**	**275.74**	**7,729.85**	**53,881.74**	**96.95**	**8,444.67**	**34,816.37**
Financial liabilities									
Borrowings	-	-	79,067.21	-	-	64,953.03	-	-	40,471.62
Unpaid Dividends	-	-	397.27	-	-	396.61	-	-	386.15
Unclaimed Fractional Share Sale Proceeds	-	-	0.17	-	-	0.17	-	-	0.18
Deposits Received from Agents	-	-	123.09	-	-	133.09	-	-	163.61
Employee Benefits Payable	-	-	8,507.49	-	-	8,373.08	-	-	6,706.44
Capital liabilities	-	-	8.80	-	-	83.16	-	-	79.19
Derivative Liability	11.90	-	-	128.80	-	-	-	-	-
Payable for Bill Discounting	-	-	1,619.65	-	-	1,719.04	-	-	1,203.58
Trade payables	-	-	10,231.69	-	-	11,231.92	-	-	8,806.05
Total Financial liabilities	**11.90**	**-**	**99,955.37**	**128.80**	**-**	**86,890.10**	**-**	**-**	**57,816.82**

(i) Fair value hierarchy

(a) <u>Financial Instruments</u>

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. An explanation of each level follows underneath the table.

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Financial assets and liabilities measured at fair value- recurring fair value measurements at 31st March 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Derivatives not designated as hedges - Forward Contracts	8		451.83	-	451.83
Financial investment at FVOCI					
Quoted Equity Investments	6	7,224.28	-	-	7,224.28
Unquoted Equity Investments	6	-	-	0.71	0.71
Total Financial assets		**7,224.28**	**451.83**	**0.71**	**7,676.82**
Financial liabilities					
Derivatives not designated as hedges					
Interest rate swap	24	-	11.90	-	11.90
Total Financial liabilities		**-**	**11.90**	**-**	**11.90**

Rs. Lakhs

Financial assets which are measured at amortised cost for which fair values are disclosed at 31st March 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Other Long Term Receivable	8	-	-	93.76	93.76
Total Financial assets		**-**	**-**	**93.76**	**93.76**

Rs. Lakhs

Financial assets and liabilities measured at fair value- recurring fair value measurements at 31st March 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Derivatives not designated as hedges - Forward Contracts	8	-	275.74	-	275.74
Financial investment at FVOCI					
Quoted Equity Investments	6	7,345.69	-	-	7,345.69
Unquoted equity investments	6		-	384.16	384.16
Total Financial assets		**7,345.69**	**275.74**	**384.16**	**8,005.59**
Financial liabilities					
Derivatives not designated as hedges					
Interest rate swap	24	-	128.80	-	128.80
Total Financial liabilities		**-**	**128.80**	**-**	**128.80**

Rs. Lakhs

Financial assets which are measured at amortised cost for which fair values are disclosed at 31st March 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Other Long Term Receivable	8	-	-	93.54	93.54
Total Financial assets		**-**	**-**	**93.54**	**93.54**

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Financial assets and liabilities measured at fair value- recurring fair value measurements at 1st April 2015	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Derivatives not designated as hedges - Forward Contracts	8	-	96.95	-	96.95
Financial investment at FVOCI					
Quoted Equity Investments	6	8,060.51	-	-	8,060.51
Unquoted equity investments	6	-	-	384.16	384.16
Total Financial assets		**8,060.51**	**96.95**	**384.16**	**8,541.62**
Financial liabilities					
Derivatives not designated as hedges					
Interest rate swap	24	-	-	-	-
Total Financial liabilities		**-**	**-**	**-**	**-**

Financial assets which are measured at amortised cost for which fair values are disclosed at 1st April 2015	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Other Long Term Receivable	8	-	-	91.13	91.13
Total Financial assets		**-**	**-**	**91.13**	**91.13**

(b) <u>Biological assets other than bearer plants</u>

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, 2017	Notes	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	11	-	398.02	-	398.02
Total		**-**	**398.02**	**-**	**398.02**

Rs. Lakhs

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 31st March, 2016	Notes	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	11	-	393.58	-	393.58
Total		**-**	**393.58**	**-**	**393.58**

Rs. Lakhs

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 1st April, 2015	Notes	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	11	-	314.17	-	314.17
Total		**-**	**314.17**	**-**	**314.17**

NOTES TO FINANCIAL STATEMENTS (Contd.)

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. This is the case for unlisted equity securities and Other Long Term Receivable.

There are no transfers between level 1, level 2 and level 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

i the use of quoted market prices or dealer quotes for similar instruments

ii Forward exchange contracts and interest rate swap are calculated based on mark-to-market valuation by the bank.

iii the fair value of the unquoted equity instruments and remaining financial instrument is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and Other Long Term Receivable.

(iii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted.

Particulars	Fair value as at			Significant unobservable inputs	Probability-weighted range			Sensitivity
	31st March 2017	31st March 2016	1st April 2015		31st March 2017	31st March 2016	1st April 2015	
Unquoted equity shares	0.71	384.16	384.16	Earning growth rate	2.5	2.5	2.5	2016 and 2015 : Increased earnings growth factor (+100 basis points (bps)) and lower discount rate (-100 bps) would increase fair value by Rs. 22.96 Lakhs ; lower growth factor (-100 bps) and higher discount rate (+100 bps) would decrease fair value by Rs. 16.07 Lakhs
				Discounting Rate	17.00%	17.00%	17.00%	

NOTES TO FINANCIAL STATEMENTS (Contd.)

(iv) Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the company's quarterly reporting periods.

(v) Fair value of financial assets measured at amortised costs

Rs. Lakhs

	31st March 2017		31st March 2016		1st April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Other Long Term Receivable	91.13	93.76	91.13	93.54	91.13	91.13
Total Financial assets	**91.13**	**93.76**	**91.13**	**93.54**	**91.13**	**91.13**

The carrying amounts of other financial assets and financial liabilities are considered to be the same as their fair values, due to their short term in nature.

Significant Estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) and (iii) above.

(vi) Equity Instruments carried at fair value through other comprehensive income.

These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Company has chosen to designate these investments in equity instruments FVOCI since, it provides a more meaningful presentation.

(vii) During the year, the Company has sold certain shares for strategic purpose.

Note 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 counterparty 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

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 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 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:

- all non-derivative financial liabilities, and
- 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Contractual maturities of financial liabilities as at 31st March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (Principal plus interest)	67,271.63	7,177.54	9,662.14	-	84,111.31
Trade Payables	10,231.69	-	-	-	10,231.69
Other financial liabilities	10,656.47	-	-	-	10,656.47
Total non-derivative financial liabilities	**88,159.79**	**7,177.54**	**9,662.14**	**-**	**1,04,999.47**
Derivatives					
Interest rate swaps	11.90	-	-	-	11.90
Total derivative financial liabilities	**11.90**	**-**	**-**	**-**	**11.90**

Rs. Lakhs

Contractual maturities of financial liabilities as at 31st March 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (Principal plus interest)	46,182.94	8,696.56	16,213.31	626.37	71,719.18
Trade Payables	11,231.92	-	-	-	11,231.92
Other financial liabilities	10,705.15	-	-	-	10,705.15
Total non-derivative financial liabilities	68,120.01	8,696.56	16,213.31	626.37	93,656.25
Derivatives					
Interest rate swaps	128.80	-	-	-	128.80
Total derivative financial liabilities	128.80	-	-	-	128.80

Rs. Lakhs

Contractual maturities of financial liabilities as at 1st April 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (Principal plus interest)	30,639.21	4,967.43	8,269.90	1,036.19	44,912.73
Trade Payables	8,806.05	-	-	-	8,806.05
Other financial liabilities	8,539.15	-	-	-	8,539.15
Total non-derivative financial liabilities	47,984.41	4,967.43	8,269.90	1,036.19	62,257.93

(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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

The following table sets forth information relating to foreign currency exposure as at 31st March 2017

Rs. Lakhs

	USD	EUR	GBP	Total
Financial Assets (a)				
Cash & Cash equivalent	-	-	5.83	5.83
Trade Receivable	90.79	-	-	90.79
	90.79	-	5.83	96.62
Financial Liabilities (b)				
Trade Payable	-	-	326.29	326.29
	-	-	326.29	326.29
Net Exposure in Foreign Currency **(a-b)**	**90.79**	**-**	**(320.46)**	**(229.67)**

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. 9.66 lakhs for financial assets and decrease / increase in the Company's profit before tax by approximately Rs. 32.63 lakhs for financial liabilities.

The following table sets forth information relating to foreign currency exposure as at 31st March 2016

Rs. Lakhs

	USD	EUR	GBP	Total
Financial Assets (a)				
Cash & Cash equivalent	-	-	10.22	10.22
Trade Receivable	29.81	-	-	29.81
	29.81	-	10.22	40.03
Financial Liabilities (b)				
Trade Payable	-	-	403.10	403.10
	-	-	403.10	403.10
Net Exposure in Foreign Currency **(a-b)**	**29.81**	**-**	**(392.88)**	**(363.07)**

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. 4.00 lakhs for financial assets and decrease / increase in the Company's profit before tax by approximately Rs. 40.31 lakhs for financial liabilities.

The following table sets forth information relating to foreign currency exposure as at 1st April 2015

Rs. Lakhs

	USD	Euro	GBP	Total
Financial Assets (a)				
Cash & Cash equivalent	-	-	9.31	9.31
Trade Receivable	115.64	-	-	115.64
	115.64	-	9.31	124.95
Financial Liabilities (b)				
Trade Payable	-	-	285.09	285.09
	-	-	285.09	285.09
Net Exposure in Foreign Currency **(a-b)**	**115.64**	**-**	**(275.78)**	**(160.14)**

NOTES TO FINANCIAL STATEMENTS (Contd.)

(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.

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 2017, 31st March 2016 and 1st April 2015, 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 2017, 31st March 2016 and 1st April 2015 to interest rate risk is as follows:

Rs. Lakhs

	31st March 2017		31st March 2016		1st April 2015	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	42,069.33	-	36,678.01	-	23,159.47
Financial liabilities	79,062.60	123.09	64,948.30	133.09	40,414.71	163.61
	79,062.60	**42,192.42**	**64,948.30**	**36,811.10**	**40,414.71**	**23,323.08**

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. 395.31 lakhs and Rs. 324.74 lakhs on profit before tax for the year ended 31 March 2017 and 31 March 2016 respectively.

(iii) Price risk

The Company's exposure to equity securities price risk arises from investments held - both quoted and unquoted and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The Company is not expecting high risk exposure from its investment in securities.

The table below sets forth the fair value of quoted and unquoted investments in securities of listed companies .

Rs. Lakhs

	31st March 2017	31st March 2016	1st April 2015
Fair value of quoted investments	7,224.28	7,345.69	8,060.51
Fair value of unquoted investments	0.71	384.16	384.16
	7,224.99	**7,729.85**	**8,444.67**

NOTES TO FINANCIAL STATEMENTS (Contd.)

Sensitivity analysis for quoted equity investments

The impact of increases/decreases of the index on the Company's quoted equity investments for the period is based on the assumption that the equity index had increased/ decreased with all other variables held constant, and that all the Company's equity investments moved as per the market index.

Increase /decrease of 1000 basis points of index would result in an impact (increase/ decrease) by Rs. 722.43 lakhs and Rs. 734.57 lakhs on other comprehensive income for the year ended 31st March 2017 and 31st March 2016 respectively.

(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, fertilisers 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 customers, in order to mitigate the financial risk in fluctuation in 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.

Note 48: Capital Management

(a) Risk Management

The Company's objectives when managing capital are to

(a) 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

(b) 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 asssets 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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.

Rs. Lakhs

	Note	31st March 2017	31st March 2016	1st April 2015
(i) Total Debt				
Borrowings - Non-Current	18	14,720.09	21,553.52	11,992.41
- Current	22	57,534.18	39,042.79	25,437.04
Current Maturities of Long Term Debt	24	6,808.33	4,351.99	2,985.26
		79,062.60	**64,948.30**	**40,414.71**
Less : Cash and Cash Equivalents	13	927.75	991.95	787.65
Net Debt		**78,134.85**	**63,956.35**	**39,627.06**
(ii) Equity attributable to Shareholders		1,74,333.38	1,74,033.95	1,77,577.43
(iii) Net debt to equity ratio		**0.45**	**0.37**	**0.22**

Under the terms of the major borrowing facilities, the Company has complied with 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 2016 and 31st March 2017.

(b) Dividend

	31st March 2017	31st March 2016
(i) Equity Shares		
Final dividend for the year ended 31st March 2016 of Rs. 2/- (31st March 2015 - Rs 3/-) per fully paid share	2,189.11	3,283.67
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of final dividend of Rs 0.25 per fully paid equity share (31st March 2016 - Rs 2/-). This proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting.	273.64	2,189.11

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note 49: Disclosure pursuant to SEBI's (Listing Obligations And Disclosure Requirements) Regulations, 2015.

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
i) Loans and Advances in the Nature of Loans to Subsidiary			
Loan to Subsidiary			
Borelli Tea Holdings Limited			
- Balance at the year end	5,300.00	3,100.00	4,400.00
- Maximum amount outstanding at any time during the year	5,300.00	4,900.00	4,400.00
ii) Loans and Advances in the Nature of Loans to Firms/Companies in which Directors are Interested			
(a) 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	280.00	280.00
- Maximum amount outstanding at any time during the year	280.00	280.00	300.00

Note 50: In connection with an overseas acquisition of a subsidiary in 2005, the Income Tax authority had raised a demand of Rs.5278 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 15). 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.

Note 51: Revenue Expenditure on Research and Development Rs. 177.30 lakhs (31st March 2016 - Rs. 132.67 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.

Note 53: Auditors' Remuneration:

(included in Miscellaneous Expenses under Note 35)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
As Auditors - Audit Fees	63.00	63.00
For Other Services		
Tax Audit Fees	18.00	18.00
Certification etc.	53.00	35.00
For Reimbursement of expenses		
Out of Pocket Expenses	1.73	1.32
Service Tax	20.36	17.69

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note 54: Consumption of Stores (including Packing Material), Spare Parts and Components

[Including Rs. 3552.68 lakhs (31st March 2016 – Rs. 3268.47 lakhs) debited to other accounts]

	31st March 2017		31st March 2016	
	Rs. Lakhs	%	Rs. Lakhs	%
Imported	940.56	8.06%	422.75	3.69%
Indigenous	10735.14	91.94%	11,020.28	96.31%
	11675.70	**100.00%**	**11,443.03**	**100.00%**

Note 55: Salaries and Wages

Salaries and Wages excludes Rs. 1104.31 lakhs (31st March 2016 - Rs. 801.57 lakhs) and Stores and Spares consumed excludes Rs. 3552.68 lakhs (31st March 2016 - Rs. 3268.47 lakhs) debited to other accounts.

Note 56: Details of Loans and Guarantees given covered under section 186(4) of the Companies Act, 2013

During the year, the Company has given Interest bearing (which is not lower than prevailing yield of related Government Security close to the tenure of respective loans) loans to certain parties for their business purposes, which is repayable on demand;

- Williamson Magor & Co. Ltd. – Nil (31st March 2016 – Rs. 4875 lakhs, 1st April 2015 - Nil) at the year end and maximum amount outstanding during the year Rs. 22700 lakhs (31st March 2016 - Rs. 18125 lakhs, 1st April 2015 - Rs. 14400 lakhs).

- Babcock Borsig Ltd. - Rs. 12550 lakhs (31st March 2016 – Rs. 3950 lakhs, 1st April 2015 - Nil) at the year end and maximum amount outstanding during the year Rs. 22450 lakhs (31st March 2016 – Rs. 19700 lakhs, 1st April 2015 - Rs. 11300 lakhs).

- Borelli Tea Holdings Ltd. - Rs. 5300 lakhs (31st March 2016 –Rs. 3100 lakhs, 1st April 2015 - Rs. 4400 lakhs) at the year end and maximum amount outstanding during the year Rs. 5300 lakhs (31st March 2016 – Rs. 4900 lakhs, 1st April 2015 - Rs. 4400 lakhs).

- Williamson Financial Services Ltd. - Rs. 7350 lakhs (31st March 2016 – Rs. 5100 lakhs, 1st April 2015 - Rs. 3800 lakhs) at the year end and maximum amount outstanding during the year Rs. 22300 Lakhs (31st March 2016 – Rs. 19650 lakhs, 1st April 2015 - Rs. 9250 lakhs).

- McNally Bharat Engg. Co. Ltd. - Rs. 3405 lakhs (31st March 2016 – Rs. 7225 lakhs, 1st April 2015 - Nil) at the year end and maximum amount outstanding during the year Rs. 39121 lakhs (31st March 2016 –Rs. 20179 lakhs, 1st April 2015 - Nil).

- Seajulie Developers & Finance Ltd. - Rs. 4840 lakhs (31st March 2016 – Nil, 1st April 2015 - Nil) at the year end and maximum amount outstanding during the year Rs. 5620 lakhs (31st March 2016 – Nil, 1st April 2015 - Nil).

During the year 2014-15, the Company had given Guarantee of USD 33 million (equivalent Rs.20628.30 lakhs) to a bank in respect of loans availed / to be availed by Borelli Tea Holdings Ltd. (wholly owned subsidiary) for its business purpose. The guarantee would continue till full repayment of the loans by the subsidiary. Refer to Note 40(b).

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note 57: Corporate Social Responsibility Expenditure

(a) Gross amount required to be spent by the Company during the year : Rs. 196.22 lakhs (31.03.2016 - Rs. 366.19 lakhs)

(b) Amount spent during the year on :

Rs. Lakhs

Sr. No	CSR project or activity identified	31st March 2017			31st March 2016		
		In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	180.00	-	180.00	408.29	-	408.29
(ii)	On purposes other than (i) above	17.93	-	17.93	26.90	-	26.90

Note 58: 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.

(a) Income Tax Expense

Rs. Lakhs

	31st March 2017	31st March 2016
Current Tax		
Current tax on profits for the year	975.00	1,200.00
MAT Credit written off	-	616.05
Adjustments for current tax of prior periods	-	(1,062.94)
Total Current Tax Expense	**975.00**	**753.11**
Deferred Tax		
Decrease / (increase) in deferred tax assets	(4,224.01)	(1,228.22)
(Decrease) / increase in deferred tax liabilities	695.69	84.39
Total deferred tax expense/(benefit)	**(3,528.32)**	**(1,143.83)**
Income tax expense	**(2,553.32)**	**(390.72)**
Income tax expense/(credit) is attributable to		
profit from continuing operations	(2,553.32)	(390.72)

NOTES TO FINANCIAL STATEMENTS (Contd.)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Rs. Lakhs

	31st March 2017	31st March 2016
Profit from continuing operations before Income Tax expenses	499.47	18.82
Tax at an average rate	**159.09**	**5.99**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate Social Responsibility Expenditure	63.03	23.48
Weighted Deduction on Research & Development Expenditure	(42.34)	(31.68)
Profit on compulsory acquisition of Land	(2,153.47)	-
Replantation Subsidy	(242.41)	(155.75)
Other items	(143.97)	73.05
Adjustments for tax of prior periods	(193.25)	(921.86)
MAT Credit written off	-	616.05
Income Tax Expense	**(2,553.32)**	**(390.72)**

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note 59: First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and Exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Company has applied same exemption for investment in associate.

A.1.2 Prospective application of Ind AS 21 to business combinations

The Company has elected to apply this exemption.

A.1.3 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 *Intangible Asset*.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value. The Company does not have any de-commissioning liabilities as on the date of transition and accordingly no adjustment have been made for the same.

A.1.4 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity instruments.

NOTES TO FINANCIAL STATEMENTS (Contd.)

A.1.5 Measurement of Investment in subsidiaries and associate

Ind AS 101 allows a first time adopter to measure investment in subsidiaries and associate at cost determined in accordance with Ind AS 27 or at deemed cost i.e. fair value of such investments at the entity's date of transition or previous GAAP carrying amount at the date of transitions. Accordingly, the Company has adopted previous GAAP carrying amount of investment in subsidiary at cost. However, in respect of associate deemed cost is the fair value at the entity's date of transition.

The Company has elected to apply this exemption for its investment in subsidiary and associate.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

i Investment in equity instruments carried at FVOCI;

ii Investment in debt instruments carried at FVPL; and

iii Biological asset measured at fair value less cost to sell.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliation of total equity as at 31st March 2016 and 1st April 2015

Rs. Lakhs

	Notes to first-time adoption	31st March 2016	1st April 2015
Total equity (shareholder's funds) as per previous GAAP		187,657.38	188,724.09
Adjustments:			
Effect of recognising amount receivable for Sale of Tea Estate at Fair Value	6	(89.69)	(89.69)
Changes in Inventories of Raw Material	7	265.80	158.64
Effect of Changes in value of Finished Goods (Tea Stock)	7	(235.96)	209.57
Effect of recognising Subsidies Receivable from Government at Fair Value	5	(570.15)	(570.15)
Effect of Recognising Interest Expense on Term Loan as per Effective Interest Method	10	94.49	22.33
Effect of reversal of Proposed Dividend and Tax on Proposed Dividend	12	2,634.76	3,952.15
Effect of Recognition of Mark to Market Gain on Derivative Instrument	9	275.74	96.95
Effect of Changes in value of Green Leaf	8	393.58	314.17
Effect of Capitalisation of Replanting Cost			

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

	Notes to first-time adoption	31st March 2016	1st April 2015
- Employee Benefits Expense	1	1,210.93	
- Consumption of Stores and Spare Parts	1	475.01	-
Effect of Recognition of Depreciation on Bearer Plants	2	(2,009.06)	-
Effect of Recognition of Loss on Disposal of Bearer Plants	2	(353.91)	
Deferred Tax	11	(22,571.19)	(22,696.28)
Effect of recognition of Investments in Associate at Fair Value	3	(34.35)	(94.35)
Effect of change in Fair Value of Investments	4	**6,890.57**	**7,550.00**
Total Adjustments		(13,623.43)	(11,146.66)
Total Equity as per Ind AS		174,033.95	177,577.43

Reconciliation of total comprehensive income for the year ended 31st March 2016

Rs. Lakhs

	Notes to first-time adoption		31st March 2016
Net Profit as reported under previous GAAP			1,457.34
Adjustments:			
Effect of Reclassification of Exceptional Items to Changes in Fair Value of Equity Shares			115.39
Effect of Recognition of Fair Value Gain on Derivative Instrument	9		178.79
Effect of Changes in value of Finished Goods (Tea Stock)	7		(445.53)
Effect of Changes in value of Green Leaf	8		79.41
Changes in Inventories of Raw Material	7		107.16
Effect of Capitalisation of Replanting Cost			
- Employee Benefits Expense	1		1,210.93
- Consumption of Stores and Spare Parts	1		475.01
Effect of reclassification of Actuarial Gain on defined benefit plan to Other Comprehensive Income	13		(884.55)
Effect of Recognising Interest Expense on Term Loan as per Effective Interest Method	10		72.16
Effect of Recognition of Depreciation on Bearer Plants	2		(2,009.06)
Effect of Recognition of Loss on Disposal of Bearer Plants	2		(353.91)
Tax Expense			406.40
Total Adjustments			(1,047.80)
Profit after tax as per Ind AS			409.54
Other Comprehensive Income			(111.58)
Total comprehensive Income as per Ind AS			297.96

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March 2016

Rs. Lakhs

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	12,366.23	2,311.01	14,677.24
Net cash flow from investing activities	(23,177.46)	(1,867.83)	(25,045.29)
Net cash flow from financing activities	11,015.25	(443.18)	10,572.07
Net increase/(decrease) in cash and cash equivalents	204.02	-	204.02
Cash and cash equivalents as at 1st April 2015	787.65	-	787.65
Effect of exchange rate changes on cash and cash equivalents	0.28	-	0.28
Cash and cash equivalents as at 31st March 2016	**991.95**	**-**	**991.95**

NOTES TO FINANCIAL STATEMENTS (Contd.)

C. Notes to first-time Adoption

Note 1: Replanting Cost

Under the previous GAAP, replanting cost was charged off to profit and loss account as and when incurred. Under Ind AS, such cost is being considered as bearer plant within the ambit of Ind AS 16 "Property, Plant and Equipment". Accordingly, replanting cost incurred after the transition date has been shown under Capital Work in Progress till the time it is ready for commercial production and capitalised under bearer plants when it is ready for commercial production. Consequent to the above change profit for the year ended 31st March 2016 has increased by Rs 1685.94 lakhs with corresponding increase in Capital work-in-progress..

Note 2: Depreciation on Bearer Plants

Under the previous GAAP, neither the depreciation has been charged on bearer plants nor loss on disposal has been recognised. Under Ind AS, since bearer plants comes within the ambit of Ind AS 16 "Property, Plant and Equipment" depreciation and loss on disposal is being provided on bearer plants. Consequent to the above change profit for the year ended 31st March 2016 has decreased by Rs 2362.97 lakhs with corresponding decrease in balance of bearer plants.

Note 3: Investment in Subsidiary and Associate

The carrying value of investments in equity instruments in subsidiary and fair value of equity instruments in associate as on transition date have been considered as deemed cost. Fair value of equity instruments in associate has been considered as Rs. Nil as on the date of transition.

Consequent to above change, the total equity as on 1st April, 2015 and 31st March, 2016 has been reduced by Rs. 94.35 lakhs and Rs. 34.35 lakhs respectively.

Note 4: Fair valuation of Investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value (except for Investments in subsidiary and associates for which exemption with regard to deemed cost is adopted).

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI - Equity Investments (net of tax) as at the date of transition and subsequently in the other comprehensive income for the year ended 31st March 2016. This has increased FVOCI Equity Investments by Rs 6890.57 lakhs as at 31st March 2016 (1st April 2015- Rs 7550.00 lakhs).

Consequent to the above, the total equity as at 31st March 2016 increased by Rs 6890.57 lakhs (1st April 2015- Rs 7550.00 lakhs) and other comprehensive income for the year ended 31st March 2016 decreased by Rs 659.43 lakhs, respectively.

Note 5: Subsidies Receivable from Government

Under the previous GAAP, amount receivable as subsidy are recorded at their transaction value. Under Ind AS, such assets are measured at amortised cost . Difference between the amortised cost and the transaction value has been adjusted against Profit and Loss. Consequent to this change, the subsidy receivable has decreased by Rs 570.15 lakhs as at 1st April 2015 and 31st March 2016. Total equity decreased by Rs 570.15 lakhs as on 1st April 2015 and 31st March 2016.

Note 6: Other Long Term Receivable

Under the previous GAAP, amount receivable for sale of tea estates are recorded at their

NOTES TO FINANCIAL STATEMENTS (Contd.)

transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the amount receivable for sale of tea estates. Difference between the fair value and the transaction value has been adjusted against Profit and Loss. Consequent to this change, the amount receivable for sale of tea estates decreased by Rs 89.69 lakhs as at 1st April 2015 and 31st March 2016. Total equity decreased by Rs 89.69 lakhs as on 1st April 2015 and 31st March 2016.

Note 7: Inventories

(a) Raw Materials : Under previous GAAP, no valuation was done for period end harvested tea-leaf. Under Ind AS, harvested leaf is measured at its fair value less cost to sell and is classified as Raw Materials.

Consequent to this change, inventory of raw materials has increased by Rs 158.64 lakhs and Rs 265.80 lakhs as at 1st April 2015 and 31st March 2016 respectively with corresponding increase in equity.

(b) Finished Goods : Under previous GAAP, tea stock has been valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase/production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Under Ind AS, cost of inventories comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost (i.e 40 % of factory cost) and other costs incurred in bringing the inventories to their present location and condition.

Consequent to this change, inventory of finished goods as on 1st April 2015 has increased by Rs 209.57 lakhs with corresponding increase in equity. However, Inventories as on 31st March 2016 had decreased by Rs 235.96 lakhs with corresponding decrease in equity.

Note 8: Biological Assets (i.e. unplucked leaf on tea bushes)

Under previous GAAP, biological assets i.e. unplucked leaf on tea bushes has neither been valued nor recognised in the accounts. Under Ind AS, unplucked leaf on tea bushes has been measured at its fair value less cost to sell. Consequent to this change, inventory of biological assets as on 1st April 2015 has increased by Rs. 314.17 lakhs with corresponding increase in equity. However, inventory of biological assets as on 31st March, 2016 has increased by Rs. 393.58 lakhs with corresponding increase in equity.

Note 9: Derivative Financial Asset

Under previous GAAP, mark to market gains in respect of outstanding foreign currency derivative contracts are not recognized in the financial statements in accordance with ICAI Announcement on Accounting for Derivatives. Under Ind AS, such gains are accounted for in the financial statements. Consequent to the above change Derivative Financial Asset as on 1 April, 2015 and 31 March, 2016 have been increased by Rs. 96.95 lakhs and Rs. 275.74 lakhs respectively with corresponding increase in equity.

Note 10: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at 31st March 2016 have been reduced by Rs 94.49 lakhs (1st April 2015- Rs 22.33 lakhs) with a corresponding adjustment to retained earnings. The total equity

NOTES TO FINANCIAL STATEMENTS (Contd.)

increased by an equivalent amout. The profit for the year ended 31st March 2016 increased by Rs 72.16 lakhs as a result of reversal of excess charge on account of interest expenses.

Note 11: Deferred Tax
Under previous GAAP, no deferred tax asset/ liability was recognized on revalued amount of Property, Plant and Equipment since this was considered as permanent difference. Under Ind AS, deferred tax liability was recognized on such revalued amount, with tax base being Rs. NIL.

Consequent to above change, deferred tax liability has increased by Rs. 22696.98 lakhs as on 1st April, 2015 and by Rs. 22571.19 lakhs as on 31st March, 2016 with corresponding decrease in equity for respective period.

Note 12: Proposed Dividend and Tax on Proposed Dividend
Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements and applicable dividend tax thereon were considered as adjusting events. Accordingly, provision for proposed dividend and dividend tax thereon was recognised as a liability. Under Ind AS, such dividend and tax thereon are recognised when the dividend is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and dividend tax thereon aggregating Rs 2634.76 lakhs as at 31st March 2016 (1st April 2015 - Rs 3952.15 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 13: Remeasurements of post-employment benefit obligations
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As result of this change, the profit for the year ended 31 March, 2016 has decreased by Rs. 602.88 lakhs (net of tax Rs.281.67 lakhs). There is no impact on the total equity as at 31st March 2016.

Note 14: Retained Earnings
Retained earnings as at 1st April, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 15: Other Comprehensive Income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note 60: Disclosure relating to Specified Bank Notes

This note provides the details of Specified Bank Notes (SBNs) held and transacted by the company during the period from 8th November, 2016 to 30th December, 2016 as provided in the table below.

Rs. Lakhs

	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	206.27	200.99	407.26
Add : Permitted receipts	-	8,344.79	8,344.79
Less: Permitted payments	-	4,922.71	4,922.71
Less: Amount deposited in Banks	206.27	19.81	226.08
Closing Cash in hand as on 30.12.2016	**-**	**3,603.26**	**3,603.26**

Signatures to Note 1 to 60

For **PRICE WATERHOUSE**
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 30th May 2017

For and on behalf of the Board of Directors

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of
McLeod Russel India Limited

REPORT ON THE CONSOLIDATED INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated Ind AS financial statements of McLeod Russel India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate company (refer Note 37 to the attached consolidated Ind AS financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and Consolidated changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate as at March 31, 2017, and their consolidated total Comprehensive Income (comprising of consolidated profit and consolidated other Comprehensive Income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

EMPHASIS OF MATTER

8. We draw your attention to Note 43 to the consolidated Ind AS financial statements regarding total remuneration paid/payable to the managing director of the parent Company aggregating Rs. 266.40 lakhs for the year ended March 31, 2017 which is in excess of the limits specified in Schedule V read with Section 197 of the Companies Act, 2013, and as approved by the shareholders of the company and for which approval from Central Government is awaited. Our opinion is not qualified in respect of this matter.

OTHER MATTER

9. We did not audit the financial statements/financial information of one subsidiary whose financial statements/ financial information reflect total assets of Rs 56365.03 lakhs and net assets of Rs 30800.07 lakhs as at March 31, 2017, total revenue of Rs. 41270.63 lakhs, total Comprehensive Income (comprising of profit and other Comprehensive Income) of Rs 3737.96 lakhs and net cash flows amounting to Rs 520.02 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total Comprehensive Income (comprising of loss and other Comprehensive Income) of Rs. Nil for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of one associate company whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary and associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary and associate, is based solely on reports of the other auditors.

   Our opinion on the consolidated Ind AS financial statements 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.

10. The comparative financial information of the Holding Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were

INDEPENDENT AUDITORS' REPORT (Contd.)

audited by us, on which we expressed an unmodified opinion dated May 30, 2016 and May 28, 2015 respectively. The adjustments to those consolidated financial statements for the differences in accounting principles adopted by the Holding Company on transition to the Ind AS have been audited by us.

Comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 of the associate as set out in Note 37 to the financial statements, and of the subsidiary reflecting total assets of Rs 59321.06 lakhs and Rs 68370.71 lakhs, net assets of Rs 29885.43 lakhs and Rs 35608.28 lakhs, total revenue of Rs 44470.93 lakhs, net profit of Rs 4542.66 lakhs and net cash flows amounting to Rs 63.25 lakhs for the year ended March 31, 2016 and transition opening balance sheet as at April 1, 2015, included in the comparative figures of the group in the consolidated financial statements has been audited by other auditors.

Our opinion is not qualified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought 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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law maintained by the Holding Company, and its associate company incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), 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 by the Holding Company and its associate company incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the

Group and its associate company - Refer Note 41 to the consolidated Ind AS financial statements.

ii. The Group and its associate company had long-term contracts including derivative contracts as at March 31, 2017 for which there were no 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 Holding Company during the year ended March 31, 2017. Based on the report of other auditors of Holding Company's associate incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the aforesaid associate during the year ended March 31, 2017.

iv. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on our audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, and its associate company incorporated in India and as produced to us by the Management – Refer Note 61.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number: 52340

Kolkata
May 30, 2017

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the consolidated Ind AS financial statements for the year ended March 31, 2017

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of McLeod Russel India Limited (hereinafter referred to as "the Holding Company") and its associate company, which is incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company and its associate company, which is incorporated in India, are 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 respective 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 Act.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.

4. 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its associate company, incorporated in India, internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. 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

7. 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.

OPINION

8. In our opinion, the Holding Company and its associate company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

OTHER MATTERS

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company, which is incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number: 52340

Kolkata
May 30, 2017

CONSOLIDATED BALANCE SHEET

as at 31st March, 2017

	Note	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	1,82,025.87	1,82,033.87	1,81,885.98
Capital Work-in-Progress		9,122.25	9,642.64	6,996.94
Goodwill	4	29,105.03	31,252.23	30,837.03
Other Intangible Assets	5	2,593.82	3,134.76	3,499.42
Investment in Associate	6	-	-	-
Financial Assets				
Investments	7	7,224.99	7,806.36	8,645.98
Loans	8	14.18	13.41	80.89
Other Financial Assets	9	2,802.04	6,593.66	9,144.06
Other Non-current Assets	10	1,957.26	1,723.32	2,272.94
Total Non-Current Assets		**2,34,845.44**	**2,42,200.25**	**2,43,363.24**
Current Assets				
Inventories	11	23,716.14	25,010.04	26,229.92
Biological Assets other than bearer plants	12	494.23	520.62	446.65
Financial Assets				
Trade Receivables	13	10,890.67	12,728.62	9,968.36
Cash and Cash Equivalents	14	5,065.36	4,609.54	4,341.99
Loans	8	28,691.73	22,035.48	4,420.05
Other Financial Assets	9	23,468.41	14,669.10	9,338.81
Current Tax Assets (Net)	15	7,849.40	7,262.86	5,739.77
Other Current Assets	16	10,169.51	9,916.88	8,485.63
Total Current Assets		**1,10,345.45**	**96,753.14**	**68,971.18**
TOTAL ASSETS		**3,45,190.89**	**3,38,953.39**	**3,12,334.42**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	17	4,119.41	4,119.41	4,119.41
Other Equity				
Reserves and Surplus	18	1,33,801.73	1,30,803.06	1,29,177.77
Other Reserves	18	57,961.93	60,078.88	63,849.80
Equity attributable to Owners' of McLeod Russel India Limited		**1,95,883.07**	**1,95,001.35**	**1,97,146.98**
Non-controlling interests		**2,222.89**	**1,817.25**	**2,405.07**
Total Equity		**1,98,105.96**	**1,96,818.60**	**1,99,552.05**
Liabilities				
Non-current Liabilities				
Financial Liabilities				
Borrowings	19	22,634.74	32,537.99	26,323.10
Other Financial Liabilities	25	331.62	-	-
Employee Benefit Obligations	20	4,606.54	2,989.09	3,362.33
Deferred Tax Liabilities (Net)	21	18,509.26	21,990.80	21,867.50
Other Non-current Liabilities	22	373.88	81.65	-
Total Non-Current Liabilities		**46,456.04**	**57,599.53**	**51,552.93**
Current Liabilities				
Financial Liabilities				
Borrowings	23	61,477.92	42,426.73	28,184.30
Trade Payables	24	11,661.54	13,596.44	12,390.48
Other Financial Liabilities	25	20,569.05	20,725.66	15,030.63
Other Current Liabilities	26	1,734.66	1,526.62	807.31
Employee Benefit Obligations	20	1,621.09	2,230.74	1,567.56
Provisions	27	344.77	1,137.00	1,085.66
Current Tax Liabilities (Net)	28	3,219.86	2,892.07	2,163.50
Total Current Liabilities		**1,00,628.89**	**84,535.26**	**61,229.44**
Total Liabilities		**1,47,084.93**	**1,42,134.79**	**1,12,782.37**
TOTAL EQUITY AND LIABILITIES		**3,45,190.89**	**3,38,953.39**	**3,12,334.42**

This is the Consolidated Balance Sheet referred to in our report of even date

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes

For **PRICE WATERHOUSE**
Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 30th May 2017

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2017

	Note	Year ended 31st March 2017 Rs. Lakhs	Year ended 31st March 2016 Rs. Lakhs
Revenue from Operations	**29**	1,87,082.13	1,92,632.25
Other Income	**30**	18,351.24	9,140.22
Total Income		**2,05,433.37**	**2,01,772.47**
Expenses:			
Cost of Materials Consumed	**31**	27,465.50	32,842.41
Purchase of Tea		4,542.75	3,765.10
Changes in Inventories of Finished Goods	**32**	(450.21)	859.38
Employee Benefits Expense	**33**	83,977.21	75,059.49
Finance Costs	**34**	13,589.54	10,909.21
Depreciation and Amortisation Expense	**35**	10,353.19	10,218.06
Other Expenses	**36**	60,502.24	63,217.14
Total Expenses		**1,99,980.22**	**1,96,870.79**
Profit before Tax		**5,453.15**	**4,901.68**
Income Tax expense:			
Current Tax		2,319.14	2,288.29
Deferred Tax-Charge/(Credit)		(3,310.79)	(890.48)
Total Tax Expense		**(991.65)**	**1,397.81**
Profit for the Year		**6,444.80**	**3,503.87**
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(1,243.59)	(1,306.27)
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment defined benefit obligations		(184.37)	884.55
Changes in Fair Value of FVOCI Equity instruments		(121.41)	(839.62)
Income Tax relating to these items		57.99	(281.31)
Other Comprehensive Income for the year, net of tax		**(1,491.38)**	**(1,542.65)**
Total Comprehensive income for the year		**4,953.42**	**1,961.22**
Profit is attributable to:			
Owners' of McLeod Russel India Limited		5,856.83	2,801.41
Non-controlling interests		587.97	702.46
Other comprehensive income is attributable to:			
Owners' of McLeod Russel India Limited		(1,559.41)	(1,426.97)
Non-controlling interests		68.03	(115.68)
Total comprehensive income is attributable to:			
Owners' of McLeod Russel India Limited		4,297.42	1,374.44
Non-controlling interests		656.00	586.78
Earnings per Equity Share: [Nominal Value per share : Rs. 5/- (Previous Year : Rs. 5/-)]	**46**		
- Basic		**7.11**	**3.40**
- Diluted		**7.11**	**3.40**

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes

For **PRICE WATERHOUSE**
Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 30th May 2017

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March, 2017

	Year ended 31st March 2017 Rs. Lakhs	Year ended 31st March 2016 Rs. Lakhs
A. Cash flow from operating activities		
Profit before income tax	5,453.15	4,901.68
Adjustments for		
Depreciation and Amortisation Expense	10,353.19	10,218.06
(Profit) / Loss on disposal of Property, Plant and Equipment	(1,729.15)	353.92
Amortisation of Government Grants - Capital Subsidy	(18.68)	-
Provision for diminution in value of investment	76.51	-
Changes in Fair Value of Biological Assets	26.39	(73.97)
Dividend and Interest Income classified as investing cash flows	(9,755.17)	(7,274.21)
Finance Costs	13,589.54	10,909.21
(Fair Value Gain) / Provision for Fair Value losses on derivatives	(866.33)	554.18
Liabilities no longer required written back	(136.48)	(70.35)
Provision for bad and doubtful accrued interest no longer required written back	-	(967.96)
Remeasurement of post-employment defined benefit obligations	(184.37)	884.55
Exchange difference on translation of foreign currency	496.26	(374.68)
Net exchange differences	1.53	(0.28)
Change in operating assets and liabilities:		
(Increase) / Decrease in Trade Receivables	1,837.95	(2,760.26)
Decrease in Inventories	1,293.90	1,217.80
Increase / (Decrease) in Trade Payables	(1,798.42)	1,276.31
(Increase) / Decrease in Other Financial Assets	(3,488.31)	2,531.95
(Increase) / Decrease in Other Non Current Assets	28.63	(18.88)
(Increase) in Other Current Assets	(252.63)	(1,431.25)
Increase in Employee Benefit Obligations	1,007.80	289.94
Increase in Other Current Liabilities	208.04	719.31
Increase in Other Financial Liabilities	115.87	2,016.43
Cash Generated from operations	**16,259.22**	**22,901.50**
Income taxes paid (Net of Refunds)	(2,539.72)	(2,217.04)
Net cash inflow from operating activities	**13,719.50**	**20,684.46**
B. Cash flows from investing activities:		
Payments for Property, Plant and Equipment	(13,500.54)	(14,583.57)
Payments for Computer Software	(17.06)	(87.56)
Loans to Employees and Related party	(186.31)	-
Loans to Body Corporate	(6,574.78)	(17,715.22)
Receipts of Government Grants - Capital Subsidy	310.91	81.65
Proceeds from sale of Long Term Investments	383.45	-
Proceeds from sale of Property, Plant and Equipment	3,810.13	142.69
Repayment of loans by Employees and Related party	104.07	167.27
Dividends Received	33.60	180.90
Interest Received	8,822.14	2,928.22
Net cash outflow from investing activities	**(6,814.39)**	**(28,885.62)**

	Year ended 31st March 2017 Rs. Lakhs	Year ended 31st March 2016 Rs. Lakhs
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	-	14,094.18
Repayment of Long Term Borrowings	(9,073.88)	(5,645.15)
Proceeds from Short Term Borrowings	19,051.19	14,242.43
Interest paid	(13,559.16)	(10,950.42)
Dividends paid (Including Dividend Tax)	(2,865.91)	(3,272.60)
Payment towards Unclaimed Fractional Share Sale Proceeds	-	(0.01)
Net cash inflow (outflow) from financing activities	**(6,447.76)**	**8,468.43**
Net increase in Cash and Cash Equivalents	457.35	267.27
Cash and Cash Equivalents at the beginning of the financial year (Refer Note 14)	4,609.54	4,341.99
Effects of exchange rate changes on Cash and Cash Equivalents	(1.53)	0.28
Cash and Cash Equivalents at the end of the year (Refer Note 14)*	**5,065.36**	**4,609.54**
* Includes the following balances which are available for use for specific purposes		
Dividend Accounts	397.27	396.61
Escrow Accounts/Fractional Share Sale Proceeds Account	0.17	0.17

(a) The above Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 on Statement of Cash Flows.

(b) The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For **PRICE WATERHOUSE**
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 30th May 2017

For and on behalf of the Board of Directors

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A EQUITY SHARE CAPITAL

	Notes	Rs. Lakhs Amount
As at 1st April 2015		4,119.41
Changes in Equity Share Capital	17	-
As at 31st March 2016		4,119.41
Changes in Equity Share Capital	17	-
As at 31st March 2017		4,119.41

B OTHER EQUITY

		Attributable to Owners' of McLeod Russel India Limited									Non Controlling Interest	Total
		Reserves and Surplus						Other Reserves		Total Equity		
	Notes	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Reserve	Other Reserve	Revaluation Surplus	FVOCI Equity Investments	Foreign Currency Translation Reserve			
Balance at 1st April 2015		**11,053.58**	**80,712.34**	**37,411.85**	**359.35**	**19,209.20**	**36,801.50**	**7,479.75**	**-**	**1,93,027.57**	**2,405.07**	**1,95,432.64**
Adjustments recorded at subsidiary (Borelli Tea Holdings Limited)		-	-	-	-	-	-	-	-	-	(892.08)	**(892.08)**
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment		-	1,583.40	-	-	-	(1,583.40)	-	-	-	-	**-**
Amount adjusted during the year		-	-	-	(157.67)	-	-	-	-	(157.67)	-	**(157.67)**
Profit for the year		-	-	2,801.41	-	-	-	-	-	2,801.41	702.46	**3,503.87**
Other Comprehensive Income		-	-	602.88	-	-	-	(839.26)	(1,190.59)	(1,426.97)	(115.68)	**(1,542.65)**
Total Comprehensive Income for the year		**-**	**-**	**3,404.29**	**-**	**-**	**-**	**(839.26)**	**(1,190.59)**	**1,374.44**	**586.78**	**1,961.22**
Transactions with owners in their capacity as owners :												
Adjustment on account of dividend	**51**	-	-	812.03	-	-	-	-	-	812.03	-	**812.03**
Dividend Paid		-	-	(3,283.67)	-	-	-	-	-	(3,283.67)	(282.52)	**(3,566.19)**
Dividend payable to Minority Interest		-	-	(332.99)	-	-	-	-	-	(332.99)	-	**(332.99)**
Dividend Tax Paid		-	-	(557.77)	-	-	-	-	-	(557.77)	-	**(557.77)**
Balance at 31st March 2016		**11,053.58**	**82,295.74**	**37,453.74**	**201.68**	**19,209.20**	**35,218.10**	**6,640.49**	**(1,190.59)**	**1,90,881.94**	**1,817.25**	**1,92,699.19**
Adjustments recorded at subsidiary (Borelli Tea Holdings Limited)		-	-	-	-	-	-	-	-	-	(92.17)	**(92.17)**
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment		-	683.92	-	-	-	(683.92)	-	-	-	-	**-**
Amount adjusted during the year		-	-	(1,341.36)	-	-	-	-	-	(1,341.36)	-	**(1,341.36)**
Profit for the year		-	-	5,856.83	-	-	-	-	-	5,856.83	587.97	**6,444.80**
Other Comprehensive Income		-	-	(126.38)	-	-	-	(121.41)	(1,311.62)	(1,559.41)	68.03	**(1,491.38)**
Total Comprehensive Income for the year		**-**	**-**	**5,730.45**	**-**	**-**	**-**	**(121.41)**	**(1,311.62)**	**4,297.42**	**656.00**	**4,953.42**
Transactions with owners in their capacity as owners :												
Adjustment on account of dividend	**51**	-	-	458.14	-	-	-	-	-	458.14	-	**458.14**
Dividend Paid		-	-	(2,189.11)	-	-	-	-	-	(2,189.11)	(158.19)	**(2,347.30)**
Dividend Tax Paid		-	-	(343.37)	-	-	-	-	-	(343.37)	-	**(343.37)**
Balance at 31st March 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**

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For **PRICE WATERHOUSE**
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 30th May 2017

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

For and on behalf of the Board of Directors

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BACKGROUND

McLeod Russel India Limited is a Company limited by shares, incorporated and domiciled in India. It has seven overseas subsidiaries. The Group is engaged in cultivation, manufacture and sale of tea.

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 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Group under Ind AS. Refer Notes 60 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

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 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.

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 Parent Company) 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.

Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

1.4 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of tea claim and are net of sales return, sales tax/value added tax, trade allowances and amount collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and significant risk and reward incidental to sale of products is transferred to the buyer.

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 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.

1.6 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 or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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, 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 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.

1.8 Trade Receivables

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

1.9 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 direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include 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.

1.10 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.

1.11 Investments and Other Financial Assets

1.11.1 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.

1.11.2 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 finance income using the effective interest rate method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- **Fair value through other comprehensive income (FVOCI):** 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 (FVOCI). 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 FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments
The Group subsequently 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.

1.11.3 Impairment of financial assets
The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

Where the entity 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.

1.11.5 Income Recognition
Interest Income
Interest Income from debt instruments is recognised using the effective interest rate method.

Dividends
Dividends are recognised in profit or loss only when the right to receive payment is established.

1.12 Financial liabilities

1.12.1 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.12.3 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.

1.12.4 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.

1.13 Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

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 Fixed Assets 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 are depreciated from the date when they are ready for commercial harvest.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

1.14 Intangible Assets

1.14.1 Trademark

Separately acquired Trademark is shown at historical cost. It is amortised over expected useful life and is subsequently carried at cost less accumulated amortisation and impairment losses.

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

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 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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. 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.

1.16.3 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. 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.

1.16.4 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 EQUITY

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.18 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.19 Earnings per Share

1.19.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit/loss attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year.

1.19.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.20 Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

1.21 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.

1.22 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.

1.23 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.

1.24 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 Group or the counterparty.

1.25 Research and Development

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

1.26 Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

1.27 Borrowing costs

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.28 Principles of consolidation and equity accounting

1.28.1 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 combines 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 polices 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.

1.28.2 Associate

Associate is an entity over which the group has significant influence but not control or joint control. Investment in associate are accounted for using the equity method of accounting, after initially being recognised at cost.

1.28.3 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.

1.29 Standards issued but not yet effective

The amendment to Ind AS 7, 'Statement of cash flows', introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes (i.e. changes in fair values). The Company is not expecting any material impact on the standalone financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 2: Critical estimates and judgements

The preparation of the consolidated financial statements requires 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 higher 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 also subject to tax liability under MAT provisions in case of parent entity. Significant jugdement 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) for include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The Group 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 parent entity and that are believed to be reasonable under the circumstances.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

Rs. Lakhs

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	Deemed Cost as at 1st April, 2015	Additions / adjustments during the year	Disposals/ adjustments during the year [Refer (b) below]	As at 31st March, 2016	As at 1st April, 2015	Depreciation for the year	Disposals/ adjustments during the year	As at 31st March, 2016	As at 31st March, 2016
Freehold Land [Refer (a) below]	4,312.32	-	-	**4,312.32**	-	-	-	-	**4,312.32**
Leasehold Land	10.05	11.02	0.61	**20.46**	-	0.21	-	**0.21**	**20.25**
Buildings	46,258.93	5,602.04	213.28	**51,647.69**	-	3,234.75	-	**3,234.75**	**48,412.94**
Plant and Equipment	29,626.90	5,904.23	374.16	**35,156.97**	-	3,310.86	-	**3,310.86**	**31,846.11**
Furniture and Fixtures	799.54	144.91	0.95	**943.50**	-	189.67	-	**189.67**	**753.83**
Vehicles	3,085.68	455.64	56.08	**3,485.24**	-	731.42	-	**731.42**	**2,753.82**
Office Equipment	122.12	5.92	1.27	**126.77**	-	35.87	-	**35.87**	**90.90**
Bearer Plants	97,472.88	334.30	1,967.60	**95,839.58**	-	2,159.00	-	**2,159.00**	**93,680.58**
Computer	197.56	52.28	1.19	**248.65**	-	85.53	-	**85.53**	**163.12**
31st March, 2016	**1,81,885.98**	**12,510.34**	**2,615.14**	**1,91,781.18**	**-**	**9,747.31**	**-**	**9,747.31**	**1,82,033.87**

a) Represents cost of proportionate share of undivided land pertaining to certain portion of a multistoried building.
b) Includes foreign exchange adjustment of Rs. 2118.53 lakhs.

Rs. Lakhs

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April,2016	Additions / adjustments during the year	Disposals/ adjustments during the year Refer (b) below	As at 31st March, 2017	As at 1st April, 2016	Depreciation for the year	Disposals/ adjustments during the year Refer (c) below	As at 31st March, 2017	As at 31st March, 2017
Freehold Land [Refer (a) below]	4,312.32	-	-	4,312.32	-	-	-	-	4,312.32
Leasehold Land	20.46	523.72	42.11	502.07	0.21	21.44	(170.71)	192.36	309.71
Buildings	51,647.69	4,280.16	2,636.92	53,290.93	3,234.75	3,285.36	825.07	5,695.04	47,595.89
Plant and Equipment	35,156.97	7,169.16	1,949.88	40,376.25	3,310.86	3,506.59	1,310.91	5,506.54	34,869.71
Furniture and Fixtures	943.50	87.36	239.23	791.63	189.67	156.05	206.19	139.53	652.10
Vehicles	3,485.24	362.43	413.93	3,433.74	731.42	675.84	388.80	1,018.46	2,415.28
Office Equipment	126.77	197.42	42.94	281.25	35.87	44.39	(119.09)	199.35	81.90
Bearer Plants	95,839.58	1,003.29	1,122.11	95,720.76	2,159.00	2,119.54	196.19	4,082.35	91,638.41
Computer	248.65	60.46	33.88	275.23	85.53	67.78	28.63	124.68	150.55
31st March, 2017	**1,91,781.18**	**13,684.00**	**6,481.00**	1,98,984.18	**9,747.31**	**9,876.99**	**2,665.99**	16,958.31	1,82,025.87

a) Represents cost of proportionate share of undivided land pertaining to certain portion of a multistoried building.
b) Includes foreign exchange adjustment of Rs. 3426.61 lakhs.
c) Includes foreign exchange adjustment of Rs. 1692.58 lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

4. GOODWILL

Rs. Lakhs

Particulars	GROSS CARRYING AMOUNT				AMORTISATION/IMPAIRMENT				NET CARRYING AMOUNT
	Deemed Cost as at 1st April, 2015	Additions/ adjustments during the year	Disposals/ adjustments during the year Refer (a) below	As at 31st March, 2016	As at 1st April, 2015	For the year	Disposals/ adjustments during the year	As at 31st March, 2016	As at 31st March, 2016
Goodwill on Consolidation	30,837.03	-	(415.20)	31,252.23	-	-	-	-	31,252.23
31st March 2016	**30,837.03**	**-**	**(415.20)**	**31,252.23**	**-**	**-**	**-**	**-**	**31,252.23**

a) Represents foreign exchange adjustments.

Rs. Lakhs

Particulars	GROSS CARRYING AMOUNT				AMORTISATION/IMPAIRMENT				NET CARRYING AMOUNT
	As at 1st April, 2016	Additions / adjustments during the year	"Disposals/ adjustments during the year Refer (a) below"	As at 31st March, 2017	As at 1st April, 2016	For the year	Disposals/ adjustments during the year	As at 31st March, 2017	As at 31st March, 2017
Goodwill on Consolidation	31,252.23	-	2,147.20	29,105.03	-	-	-	-	29,105.03
31st March 2017	**31,252.23**	**-**	**2,147.20**	**29,105.03**	**-**	**-**	**-**	**-**	**29,105.03**

(a) Represents foreign exchange adjustments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

5. OTHER INTANGIBLE ASSETS

Rs. Lakhs

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	Deemed Cost as at 1st April, 2015	Additions/ adjustments during the year	Disposals/ adjustments during the year Refer (c) below	As at 31st March, 2016	As at 1st April, 2015	Amortisation for the year	Disposals/ adjustments during the year	As at 31st March, 2016	As at 31st March, 2016
Trade Mark [Brand] [Refer (a) below]	3,029.21	-	(19.54)	**3,048.75**	-	307.38	-	**307.38**	**2,741.37**
Computer Software [Refer (b) below]	470.21	87.56	1.01	**556.76**	-	163.37	-	**163.37**	**393.39**
31st March, 2016	**3,499.42**	**87.56**	**(18.53)**	**3,605.51**	**-**	**470.75**	**-**	**470.75**	**3,134.76**

a) The above includes :
   i) Trade mark (Brand - WM logo) of Rs. 2437.50 lakhs aquired by the Parent Company which is being amortised under straight line method over a working life of 20 years on prudent basis based on valuation by independent valuer, considering the factors like effective life/ utility, and
   ii) Other Trade Marks of Rs. 591.71 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) Represents foreign exchange adjustment.

Rs. Lakhs

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	As at 1st April, 2016	Additions / adjustments during the year	Disposals/ adjustments during the year Refer (c) below	As at 31st March, 2017	As at 1st April, 2016	Amortisation for the year	Disposals/ adjustments during the year Refer (d) below	As at 31st March, 2017	As at 31st March, 2017
Trade Mark [Brand] [Refer (a) below]	3,048.75	-	164.99	**2,883.76**	307.38	301.00	86.36	**522.02**	**2,361.74**
Computer Software [Refer (b) below]	556.76	17.06	4.25	**569.57**	163.37	175.20	1.08	**337.49**	**232.08**
31st March, 2017	**3,605.51**	**17.06**	**169.24**	**3,453.33**	**470.75**	**476.20**	**87.44**	**859.51**	**2,593.82**

a) The above includes :
   i) Trade mark (Brand - WM logo) of Rs. 2437.50 lakhs acquired by the Parent Company which is being amortised under straight line method over a working life of 20 years on prudent basis based on valuation by independent valuer, considering the factors like effective life/ utility, and
   ii) Other Trade Marks of Rs. 611.25 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) Represents foreign exchange adjustment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

6. INVESTMENT IN ASSOCIATE

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

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
EQUITY INVESTMENTS AT COST			
Investment in Equity Instrument - Associate			
Unquoted			
D1 Williamson Magor Bio Fuel Limited			
7281201 (31.03.2016 - 7281201, 01.04.2015 - 7281201) Shares	-	-	-
	-	**-**	**-**
a. Aggregate amount of unquoted investments	-	-	-
b. Aggregate amount of impairment in the value of investments	-	-	-

Disclosure pertaining to First time adoption under Ind AS 101 :

i. The aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount is Rs. Nil.

ii. The aggregate deemed cost of those investments for which deemed cost is fair value is Rs.Nil.

iii. The aggregate adjustment to carrying amounts reported under previous GAAP is Rs.94.35 lakhs.

7. NON-CURRENT INVESTMENTS

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

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
EQUITY INVESTMENTS DESIGNATED AT FVOCI			
Investments in Equity Instruments - Others			
Quoted			
Murablack India Limited			
500000(31.03.2016 - 500000, 01.04.2015 - 500000) Shares	-	-	-
McNally Bharat Engineering Co. Limited			
3052295(31.03.2016 - 3052295, 01.04.2015 - 3052295) Shares	1,578.04	2,319.75	2,548.66
Williamson Financial Services Limited			
1666853(31.03.2016 - 1666853, 01.04.2015 - 1666853) Shares	521.72	464.22	598.40
Eveready Industries India Limited			
1663289(31.03.2016 - 1663289, 01.04.2015 - 1663289) Shares of Rs. 5/- each	4,365.30	3,848.85	4,331.20
Kilburn Engineering Limited			
848168(31.03.2016 - 848168, 01.04.2015 - 848168) Shares	513.14	537.31	460.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
The Standard Batteries Limited			
1003820(31.03.2016 - 1003820, 01.04.2015 - 1003820) Shares of Re. 1/- each	80.10	89.64	66.25
Kilburn Chemicals Limited			
350200(31.03.2016 - 350200, 01.04.2015 - 350200) Shares	165.12	84.92	53.76
Kilburn Office Automation Limited			
31340(31.03.2016 - 31340, 01.04.2015 - 31340) Shares	0.86	1.00	1.68
Suryachakra Seafood Limited			
400000(31.03.2016 - 400000, 01.04.2015 - 400000) Shares	-	-	-
Unquoted			
Dewrance Macneill & Co. Limited			
Nil (31.03.2016 - 200000, 01.04.2015 - 200000) Shares	-	-	-
Kilburn Electricals Limited			
Nil (31.03.2016 - 28000, 01.04.2015 - 28000) Shares	-	-	-
Cosepa Fiscal Industries Limited			
Nil(31.03.2016 - 350000, 01.04.2015 - 350000) Shares	-	-	-
Delhi Golf & County Club Private Limited			
Nil (31.03.2016 - 35750, 01.04.2015 - 35750) Shares of Rs.100/- each	-	-	-
ABC Tea Workers Welfare Services Limited			
11067(31.03.2016 - 11067, 01.04.2015 - 11067) Shares	0.71	0.71	0.71
Jalpaiguri Club Limited			
Nil (31.03.2016 - 523, 01.04.2015 - 523) Shares	-	-	-
Indonilpur Marketing Pvt. Ltd.			
Nil (31.03.2016 - 12500, 01.04.2015 - 12500) Shares	-	-	-
Nilhat Shipping Company Limited			
Nil(31.03.2016 - 1000, 01.04.2015 - 1000) Shares	-	-	-
Woodlands Multispeciality Hospital Limited			
Nil (31.03.2016 - 229610, 01.04.2015 - 229610) Shares	-	383.45	383.45
OTHER INVESTMENTS THROUGH FVTPL			
Unquoted			
Babcock Borsig Limited	-	76.51	201.31
1299600 (31.03.2016 - 1299600, 01.04.2015 - 1299600) Shares			

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Investments in Preference shares - Others			
Thakurbari Club Limited			
Nil (31.03.2016 - 56, 01.04.2015 - 56)Preference Shares of Rs.100 each	-	-	-
CFL Capital Financial Services Ltd.			
Nil (31.03.2016 - 1154790, 01.04.2015 - 1154790) 13% Redeemable Cumulative Preference Shares of Rs.100 each	-	-	-
Total Non-Current Investments	**7,224.99**	**7,806.36**	**8,645.98**
a) Aggregate amount of quoted investments and market value thereof	7,224.28	7,345.69	8,060.51
Aggregate amount of unquoted investments	0.71	460.67	585.47
Aggregate amount of impairment in the value of investments	-	-	-

8. LOANS

	31st March 2017 Rs. Lakhs		31st March 2016 Rs. Lakhs		1st April 2015 Rs. Lakhs	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(Unsecured - considered good unless otherwise stated)						
Loans to Related Parties						
- Key Managerial Personnel	186.31	-	-	-	-	-
Loans to Employees						
Considered Good	107.42	14.18	212.26	13.41	312.05	80.89
Considered Doubtful	9.56	-	9.56	-	9.56	-
Less: Provision for Bad and Doubtful Loans	(9.56)	-	(9.56)	-	(9.56)	-
Loans to Body Corporate						
Considered Good;	28,398.00	-	21,823.22	-	4,108.00	-
Considered Doubtful;	248.00	850.00	248.00	850.00	248.00	850.00
Less: Provision for Bad and Doubtful Loans	(248.00)	(850.00)	(248.00)	(850.00)	(248.00)	(850.00)
	28,691.73	**14.18**	**22,035.48**	**13.41**	**4,420.05**	**80.89**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

9. OTHER FINANCIAL ASSETS

	31st March 2017		31st March 2016		1st April 2015	
	Rs. Lakhs		Rs. Lakhs		Rs. Lakhs	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Margin Money Deposit with bank (a)	-	35.60	-	14.70	-	14.70
Other Long Term Receivable						
-From Sale of Tea Estates	-	91.13	-	91.13	-	91.13
-From Tea Growers	-	-	-	366.51	-	370.48
Interest Accrued on Loans and Deposits						
Considered good	7,275.96	-	6,376.53	-	1,243.48	-
Considered Doubtful	173.35	1,316.26	173.35	1,316.26	173.35	2,284.22
Less: Provision for Doubtful Interest Receivable	(173.35)	(1,316.26)	(173.35)	(1,316.26)	(173.35)	(2,284.22)
Security Deposits	18.26	1,869.96	-	1,712.73	-	1,585.66
Deposits with National Bank for Agriculture and Rural Development	7,500.00	805.35	7,500.00	4,408.59	7,500.00	7,082.09
Receivable on account of claim/disposal of assets	5,938.01	-	446.04	-	454.27	-
Compensation receivable from Government	1,840.49	-	70.79	-	44.11	-
Derivative not designated as hedges - Forward Contracts	895.69	-	275.74	-	96.95	-
	23,468.41	**2,802.04**	**14,669.10**	**6,593.66**	**9,338.81**	**9,144.06**

(a) For issuing Bank Guarantee

10. OTHER NON-CURRENT ASSETS

	31st March 2017	31st March 2016	1st April 2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Capital Advances			
Considered Good	1,039.91	777.34	1,345.84
Considered Doubtful	32.03	34.96	37.45
Less: Allowance for Doubtful Capital Advances	(32.03)	(34.96)	(37.45)
Advances Other than Capital Advances:			
Advances to Suppliers, Service Providers etc.	1,217.20	1,217.20	1,217.20
Less : Provision for Bad and Doubtful Advances	(1,217.20)	(1,217.20)	(1,217.20)
Subsidies receivable from Government	579.35	579.35	579.35
Prepaid Expenses	338.00	366.63	347.75
	1,957.26	**1,723.32**	**2,272.94**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

11. INVENTORIES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
At lower of cost and net realisable value			
Raw Materials (Green Leaf)	262.88	265.80	158.64
Finished Goods (Stock of Tea)	14,349.43	13,899.22	14,756.52
[including in transit Rs. 2217.72 lakhs (31.03.2016 - Rs 1205.96 lakhs, 01.04.2015 - Rs 372.15 lakhs)]			
Stores and Spares	9,103.83	10,845.02	11,314.76
[including in transit Rs.49.07 lakhs (31.03.2016 - Rs 39.39 lakhs, 01.04.2015 - Rs.Nil)]			
	23,716.14	**25,010.04**	**26,229.92**

12. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Fair Value of Biological Assets Other than Bearer Plants (Unharvested Tea Leaves)	494.23	520.62	446.65
	494.23	**520.62**	**446.65**

a) Unharvested tea leaves on bushes as on 31st March 2017 was 31.00 lakh kgs (31.03.2016- 35.10 lakh kgs, 01.04.2015- 29.24 lakh kgs)

13. TRADE RECEIVABLES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Secured			
- Considered Good	350.00	350.00	350.00
Unsecured			
- Considered Good	10,540.67	12,378.62	9,618.36
- Considered Doubtful	340.90	340.90	340.90
Less: Allowance for Doubtful Debts	(340.90)	(340.90)	(340.90)
	10,890.67	**12,728.62**	**9,968.36**
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 its balance sheet.			
The relevant carrying amounts are as follows:			
Total transferred receivables	1,619.65	1,719.04	1,203.58
Associated payable (Refer Note 25)	1,619.65	1,719.04	1,203.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

14. CASH AND CASH EQUIVALENTS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Balance with banks in Current Accounts	4,317.79	3,786.15	3,693.02
Cash on hand	313.13	401.85	251.64
Remittance in Transit	37.00	24.76	11.00
Dividend Accounts *	397.27	396.61	386.15
Escrow Accounts/Fractional Share Sale Proceeds Account	0.17	0.17	0.18
Total	**5,065.36**	**4,609.54**	**4,341.99**

* Earmarked for payment of unclaimed dividend

(a) Margin Money Deposit kept with bank for issuing guarantee in favour of Third party has been disclosed under Other Financial Assets (Refer Note 9)

15. CURRENT TAX ASSETS (NET)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Advance Tax - Income Tax (Net of Provision)	7,541.64	6,955.10	5,432.01
Advance Tax- Fringe Benefit Tax (Net of Provision)	307.76	307.76	307.76
	7,849.40	**7,262.86**	**5,739.77**

16. OTHER CURRENT ASSETS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Balance with Excise Authorities	504.99	62.93	47.05
Advances to Suppliers, Service Providers etc.			
Considered Good	2,727.66	3,238.72	2,501.53
Considered Doubtful	103.76	103.77	103.77
Less: Provision for Bad and Doubtful Advances	(103.76)	(103.77)	(103.77)
Advance for Employee Benefits (Refer Note 39)	3,615.12	2,960.72	2,055.41
Advance to Employees	686.43	728.41	689.55
Prepaid Expenses	1,107.51	757.06	1,049.32
Tax Payment Under Protest (Refer Note 52)	700.00	700.00	700.00
Subsidies receivable from Government	370.12	418.22	385.51
Accrued Duty exemption benefits pertaining to exports	457.68	911.53	907.19
Deposit with Government Authorities	-	139.29	150.07
	10,169.51	**9,916.88**	**8,485.63**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

17 EQUITY SHARE CAPITAL

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Authorised			
12,00,00,000 (31.03.2016 - 12,00,00,000, 01.04.2015 - 12,00,00,000) Equity Shares of Rs.5/- each	6,000.00	6,000.00	6,000.00
Issued, subscribed and paid-up			
10,94,55,735 (31.03.2016 - 10,94,55,735, 01.04.2015 - 10,94,55,735) Equity Shares of Rs 5/- each fully paid up	5,472.79	5,472.79	5,472.79
Less: 2,70,67,500 shares (31.03.2016- 2,70,67,500, 01.04.2015- 2,70,67,500) Equity shares of RS. 5/- each, held through Trust	(1,353.38)	(1,353.38)	(1,353.38)
	4,119.41	**4,119.41**	**4,119.41**

(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 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 Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of Equity Shares held by shareholders holding more than 5 per cent of the aggregate Equity Shares in the Parent Company.

	Number of Equity Shares 31st March 2017	Number of Equity Shares 31st March 2016	Number of Equity Shares 1st April 2015
Williamson Magor & Co. Limited	11660946	11660946	11660946
	14.15%	14.15%	14.15%
Williamson Financial Services Limited	5898725	5898725	5898725
	7.16%	7.16%	7.16%
IDFC Premier Equity Fund	-	-	6425178
	-	-	7.80%
IDFC Monthly Income Plan	-	7600000	-
	-	9.22%	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

18. RESERVES AND SURPLUS

Rs. Lakhs

	Securities Premium Reserve	General Reserve	Retained Earnings	Total
As at 1st April 2015	11,053.58	80,712.34	37,411.85	1,29,177.77
Profit for the year	-	-	2,801.41	2,801.41
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	1,583.40	-	1,583.40
Adjustment on account of dividend (Refer Note 51)	-	-	812.03	812.03
Dividend Paid	-	-	(3,283.67)	(3,283.67)
Dividend payable to Minority Interest	-	-	(332.99)	(332.99)
Dividend Tax Paid	-	-	(557.77)	(557.77)
Items of Other Comprehensive Income recognised directly in Retained Earnings				
Remeasurements of post-employment defined benefit obligations (Net of Tax)	-	-	602.88	602.88
As at 31st March 2016	**11,053.58**	**82,295.74**	**37,453.74**	**1,30,803.06**
Profit for the year	-	-	5,856.83	5,856.83
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	683.92	-	683.92
Adjustment on account of amalgamation of RTI with MRUL	-	-	(1,341.36)	(1,341.36)
Adjustment on account of dividend (Refer Note 51)	-	-	458.14	458.14
Dividend Paid	-	-	(2,189.11)	(2,189.11)
Dividend Tax Paid	-	-	(343.37)	(343.37)
Items of Other Comprehensive Income recognised directly in Retained Earnings				
Remeasurements of post-employment defined benefit obligations (Net of Tax)	-	-	(126.38)	(126.38)
As at 31st March 2017	**11,053.58**	**82,979.66**	**39,768.49**	**1,33,801.73**

OTHER RESERVES

Rs. Lakhs

	Capital Reserve	Other Reserve	Revaluation Surplus	FVOCI Equity Investments	Foreign Currency Translation Reserve	Total
As at 1st April 2015	359.35	19,209.20	36,801.50	7,479.75	-	63,849.80
Changes in Fair Value of equity instruments designated at FVOCI	-	-	-	(839.26)	-	(839.26)
Amount adjusted during the year	(157.67)	-	-	-	(1,190.59)	(1,348.26)
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	-	(1,583.40)	-	-	(1,583.40)
As at 31st March 2016	**201.68**	**19,209.20**	**35,218.10**	**6,640.49**	**(1,190.59)**	**60,078.88**
Changes in Fair Value of equity instruments designated at FVOCI	-	-	-	(121.41)	-	(121.41)
Amount adjusted during the year	-	-	-	-	(1,311.62)	(1,311.62)
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	-	(683.92)	-	-	(683.92)
As at 31st March 2017	**201.68**	**19,209.20**	**34,534.18**	**6,519.08**	**(2,502.21)**	**57,961.93**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 Act.

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.

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 retained earnings.

g) **FVOCI Equity Investments**

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 FVOCI equity investments reserve. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

19. NON CURRENT BORROWINGS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
SECURED			
Term Loans from Banks			
ICICI Bank Limited	6,978.82	8,965.45	10,000.00
Less : Current maturities of long term debts	(1,989.89)	(1,986.63)	(1,000.00)
	4,988.93	**6,978.82**	**9,000.00**
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			
Fourteen (31.03.2016 - Eighteen, 01.04.2015 - Twenty) equal quarterly instalments of Rs. 500 Lakhs each.			
HDFC Bank Limited	8,974.90	9,000.00	-
Less : Current maturities of long term debts	(2,986.22)	-	-
	5,988.68	**9,000.00**	**-**
a) Nature of Security			
To be secured by extension of exclusive charge over certain tea estates as per terms of agreement with bank.			
b) Rate of Interest			
Interest is payable on monthly basis at HDFC bank base rate plus 0.30% p.a.			
c) Terms of Repayment			
Twelve (31.03.2016 - Twelve, 01.04.2015 - Nil) equal quarterly instalments of Rs. 750 Lakhs each commencing from 31st May, 2017			
ICICI Bank UK Plc	10,570.47	13,469.80	12,714.31
Less : Current maturities of long term debts	(2,655.82)	(2,485.33)	-
	7,914.65	**10,984.47**	**12,714.31**
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 ten half yearly equal instalments (31.03.2015 - Ten) commencing from 22nd June,2016.			

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
HDFC Bank Limited	999.41	2,992.41	4,977.67
Less : Current maturities of long term debts	(999.41)	(1,993.00)	(1,985.26)
	-	**999.41**	**2,992.41**
a) Nature of Security			
Secured by equitable mortgage of certain tea estates on an exclusive basis			
b) Rate of Interest			
Interest is payable on quarterly basis at base rate plus 0.05% p.a.			
c) Terms of Repayment			
Two (31.03.2016 - Six, 01.04.2015 - Ten) equal quarterly instalments of Rs. 500 Lakhs each			
Term Loan from Others			
Housing Development Finance Corporation Limited	4,575.29	4,947.65	-
Less : Current maturities of Long term debt	(832.81)	(372.36)	-
	3,742.48	**4,575.29**	**-**
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 CPLR minus 6.75% p.a.			
c) Terms of Repayment			
Fifty four (31.03.2016 - Sixty, 01.04.2015 - Nil) equated monthly instalments (including interest) of Rs. 108.46 Lakhs each.			
UNSECURED			
Term Loans from Banks			
ICICI Bank UK Plc	-	1,797.46	3,232.76
Less : Current maturities of long term debts	-	(1,797.46)	(1,616.38)
a) Rate of Interest	-	-	**1,616.38**
Interest is payable at 3 months Euribor plus 2.54% on above Term Loans			
b) Terms of Repayment			
Two (31.03.2015 -Four) equal half yearly instalment.			
c) Covered by irrevocable and unconditional corporate guarantee by the Parent Company.			
	22,634.74	**32,537.99**	**26,323.10**

20. EMPLOYEE BENEFIT OBLIGATIONS

	31st March 2017 Rs. Lakhs		31st March 2016 Rs. Lakhs		1st April 2015 Rs. Lakhs	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits (Refer Note 39)	1,621.09	4,606.54	2,230.74	2,989.09	1,567.56	3,362.33
	1,621.09	**4,606.54**	**2,230.74**	**2,989.09**	**1,567.56**	**3,362.33**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

21. DEFERRED TAX LIABILITIES (NET)

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Deferred Tax Liabilities			
The balance comprises temporary differences attributable to:			
i) Property, Plant and Equipment and Other Intangible Assets	31,258.02	30,373.55	30,099.37
ii) Financial Assets at FVOCI	-	69.89	70.25
iii) Financial Assets at Fair Value through Profit or Loss	102.88	87.80	30.87
iv) Other Items	26.94	164.92	224.38
Deferred Tax Liabilities (A)	**31,387.84**	**30,696.16**	**30,424.87**
Deferred Tax Assets			
The balance comprises temporary differences attributable to:			
i) Losses under Agricultural Income Tax *	5,748.63	1,940.84	720.84
ii) Items allowed for tax purpose on payment	1,825.31	1,520.11	1,422.06
iii) Provision for Doubtful Debts, Advances etc.	1,356.19	1,387.94	1,664.24
iv) Minimum Alternate Tax Credit Entitlement	3,608.19	3,646.36	4,540.13
v) Other Items	340.26	210.11	210.10
Deferred Tax Assets (B)	**12,878.58**	**8,705.36**	**8,557.37**
Net Deferred Tax Liabilities (A-B)	**18,509.26**	**21,990.80**	**21,867.50**

Movement in Deferred tax liabilities (Net)

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 FVOCI	Financial Assets at FVTPL	Total
At 1st April 2015	30,099.37	(720.84)	(1,422.06)	(1,664.24)	14.28	70.25	30.87	26,407.63
Charged /(credited)								
- to profit or loss **	274.18	(1,220.00)	(379.72)	276.30	(59.47)	-	56.93	(1,051.78)
- to other comprehensive income	-	-	281.67	-	-	(0.36)	-	281.31
At 31st March 2016	**30,373.55**	**(1,940.84)**	**(1,520.11)**	**(1,387.94)**	**(45.19)**	**69.89**	**87.80**	**25,637.16**
Add: Minimum Alternate Tax Credit Entitlement								**(3,646.36)**
Net Deferred Tax Liabilities								**21,990.80**
At 1st April 2016	30,373.55	(1,940.84)	(1,520.11)	(1,387.94)	(45.19)	69.89	87.80	25,637.16
Charged /(credited)								
- to profit or loss**	884.47	(3,807.79)	(247.21)	31.75	(268.13)	(69.89)	15.08	(3,461.72)
- to other comprehensive income	-	-	(57.99)	-	-	-	-	(57.99)
At 31st March 2017	**31,258.02**	**(5,748.63)**	**(1,825.31)**	**(1,356.19)**	**(313.32)**	**-**	**102.88**	**22,117.45**
Add: Minimum Alternate Tax Credit Entitlement								**(3,608.19)**
Net Deferred Tax Liabilities								**18,509.26**

* Considered to the extent deferred tax liability against which it can be realised.

** Includes Rs.150.93 lakhs (31.03.2016- Rs.161.30 lakhs) on account of foreign exchange adjustments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

22. OTHER NON-CURRENT LIABILITIES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Government Grants			
Opening Balance	81.65	-	-
Grants during the year	310.91	81.65	-
Less: Released to Profit or Loss	(18.68)	-	-
Closing Balance	**373.88**	**81.65**	**-**

23. CURRENT BORROWINGS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Secured Loans repayable on demand from Banks			
Cash Credit, Packing Credit and Demand Loans	51,977.92	42,426.73	28,184.30
Nature of Security			
The loans pertaining to parent company are secured by a first pari passu charge by way of mortgage of immovable properties and hypothecation of movable properties of certain tea estates and second pari passu charge of similar properties of certain other tea estates and also secured by a first charge by way of hypothecation of current assets of the Company, both present and future. The loans pertaining to subsidiaries are secured by way of mortgage of certain fixed and floating assets of subsidiaries.			
Unsecured			
Short-term Loan from a bank	9,500.00	-	-
	61,477.92	**42,426.73**	**28,184.30**

24. TRADE PAYABLES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
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	11,661.54	13,596.44	12,390.48
	11,661.54	**13,596.44**	**12,390.48**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

25. OTHER FINANCIAL LIABILITIES

	31st March 2017		31st March 2016		1st April 2015	
	Rs. Lakhs		Rs. Lakhs		Rs. Lakhs	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Current maturities of long-term debts	9,464.15	-	8,634.78	-	5,645.15	-
Interest accrued but not due on borrowings	129.52	-	99.14	-	140.35	-
Unpaid Dividends [Refer (a) below]	397.27	-	396.61	-	386.15	-
Unclaimed Fractional Share Sale Proceeds	0.17	-	0.17	-	0.18	-
Deposits Received from Agents	123.09	-	133.09	-	163.61	-
Employee Benefits Payable	8,792.12	331.62	8,898.48	-	7,366.99	-
Capital Liabilities	8.80	-	83.16	-	79.19	-
Payable for Bill Discounting	1,619.65	-	1,719.04	-	1,203.58	-
Derivative not designated as hedges - Interest rate swap	34.28	-	761.19	-	45.43	-
	20,569.05	**331.62**	**20,725.66**	**-**	**15,030.63**	**-**

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

26. OTHER CURRENT LIABILITIES

	31st March 2017	31st March 2016	1st April 2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Advances from Customers / Selling Agents	363.15	242.13	9.92
Statutory dues (including Provident Fund and Tax deducted at Source)	1,371.51	1,284.49	797.39
	1,734.66	**1,526.62**	**807.31**

27. PROVISIONS

	31st March 2017	31st March 2016	1st April 2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Provision for Tax on Proposed Dividend	344.77	984.00	984.00
Provision for Wealth Tax	-	-	28.00
Prosposed Dividend	-	153.00	73.66
	344.77	**1,137.00**	**1,085.66**

28. CURRENT TAX LIABILITIES (NET)

	31st March 2017	31st March 2016	1st April 2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Provision for Income Tax (Net of Advance Tax)	3,219.86	2,892.07	2,163.50
	3,219.86	**2,892.07**	**2,163.50**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

29. REVENUE FROM OPERATIONS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Sale of Products - Tea	177,643.31	190,014.42
Other Operating Revenues		
Consultancy Fees	348.54	406.45
Subsidy on Orthodox Tea	106.68	82.23
Replantation Subsidy	761.27	489.10
Transport Subsidy	245.11	317.99
Subsidy- Capital Items	18.68	-
Profit on Compulsory acquisition of Leasehold Land by Government	6,762.74	-
Accrued duty exemption entitlement and other Benefits relating to exports / premium on sale thereof	1,195.80	1,322.06
	187,082.13	**192,632.25**

Government grants in the form of subsidy are related to certain incentives being made available by the Government of India for Tea Industry. Replantation subsidy relates to activities for which cost has been incurred in earlier years. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance.

30. OTHER INCOME

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Interest Income from Financial assets at amortised cost		
On Deposits	456.79	903.24
On Loans	9,264.78	6,190.07
Interest Income from Tax Refunds	157.06	-
Dividend income from equity investments in a subsidiary company	-	-
Dividend income from equity investments designated at fair value through other comprehensive income [Refer (a) below]	33.60	180.90
Insurance Claims	199.23	368.95
Sundry Income [Refer (b) below]	5,366.45	334.79
Profit on Disposal of Property, Plant and Equipment (net)	1,729.15	-
Profit on Sale of Investments	*	-
Provision for bad and doubtful accrued interest no longer required written back	-	967.96
Liabilities no Longer Required Written Back	136.48	70.35
Net Gain on Foreign Currency Transaction and Translation	167.76	-
Fair Value Gain on Derivatives (Net)	866.33	49.99
Changes in Fair Value of Biological Assets	(26.39)	73.97
	18,351.24	**9,140.22**

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

(a) All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting period. There was no dividend income relating to investments derecognised during the reporting period.

(b) Sundry Income includes Rs. 4824.24 lakhs being assets written off by predecessor companies now recovered.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

31 COST OF MATERIALS CONSUMED

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Green Leaf Consumed	27,465.50	32,842.41
	27,465.50	**32,842.41**

32 CHANGES IN INVENTORIES OF FINISHED GOODS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Stock of Tea at the beginning of the year	13,899.22	14,758.60
Less: Stock of Tea at the end of the year	(14,349.43)	(13,899.22)
(Increase)/Decrease	**(450.21)**	**859.38**

33 EMPLOYEE BENEFITS EXPENSE

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Salaries and Wages	66,526.03	60,318.71
Contribution to Provident and Other Funds	8,081.18	7,381.48
Labour and Staff Welfare	9,370.00	7,359.30
	83,977.21	**75,059.49**

34 FINANCE COSTS

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Interest Cost on Financial liabilities carried at amortised cost		
On Fixed Loans	6,073.45	3,679.68
Others	7,516.09	7,229.53
	13,589.54	**10,909.21**

35 DEPRECIATION AND AMORTISATION EXPENSE

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Depreciation on Property, Plant and Equipment	9,876.99	9,747.31
Amortisation of Other Intangible Assets	476.20	470.75
	10,353.19	**10,218.06**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

36 OTHER EXPENSES

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Consumption of Stores and Spare Parts	9,031.92	8,552.62
Consumption of Packing Materials	1,846.75	1,867.90
Power and Fuel	20,799.11	21,612.65
Rent	167.94	117.46
Lease Rent	109.68	118.58
Repairs - Buildings	1,929.07	1,487.28
- Machinery	4,066.72	4,025.46
- Others	1,665.92	1,376.84
Insurance	1,008.83	953.38
Rates and Taxes	598.05	543.78
Cess on Tea	432.13	436.37
Green Leaf Cess	1,077.03	1,000.55
Travelling	1,318.21	1,453.55
Legal and Professional Fees	1,457.18	1,725.99
Freight, Shipping and Selling Expenses	9,464.91	10,206.11
Brokerage on Sales	849.69	734.83
Selling Agents' Commission	477.31	739.64
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer Note 56)	197.93	26.90
Loss (net) on disposal of Property,Plant and Equipment	-	353.92
Provision for Diminution in value of Investment	76.51	-
Net Loss on Foreign Currency Transaction and Translation	-	856.49
Provision for fair value losses on derivatives		
- Translation Loss	-	604.17
Miscellaneous Expenses	3,927.35	4,422.67
	60,502.24	**63,217.14**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

37 INTEREST IN OTHER ENTITIES

(a) Interest in Subsidiaries

The group's subsidiaries at 31st March, 2017 are set out below. Unless otherwise stated, they have share capital consisiting 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 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015	
			%	%	%	%	%	%	
i)	Borelli Tea Holdings Limited (BTHL)	United Kingdom	100	100	100	-	-	-	Investment
ii)	Phu Ben Tea Company Limited (Phu Ben)	Vietnam	100	100	100	-	-	-	Cultivation and Manufacturing of Tea
iii)	Rwenzori Tea Investments Limited (RTIL) (Amalgamated with McLeod Russel Uganda Limited during the year 2016-17)	Uganda	-	100	100	-	-	-	Investment
iv)	McLeod Russel Uganda Limited (MRUL)	Uganda	100	100	100	-	-	-	Cultivation and Manufacturing of Tea
v)	Gisovu Tea Company Limited (GTCL)	Rwanda	60	60	60	40	40	40	Cultivation and Manufacturing of Tea
vi)	McLeod Russel Middle East DMCC (MRME)	United Arab Emirates	100	100	100	-	-	-	Trading in Black Tea
vii)	McLeod Russel Africa Limited (MRAL)	Kenya	100	100	100	-	-	-	Trading in Black Tea
viii)	Pfunda Tea Company Limited (PTCL)	Rwanda	90	90	90	10	10	10	Cultivation and Manufacturing of Tea

(b) Interest in Associate

Set out below is the associate of the Group as at 31st March, 2017, 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 Consolidated Financial Statements also include the Group's interest in the following Associate Company accounted for under equity method based on their financial statement.

	Name of entity	Place of business/ country of incorporation	Proportion of Ownership			Carrying Amount		
			31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
			%	%	%	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
i)	D1 Williamson Magor Bio Fuel Limited	**India**	**34.30%**	**34.30%**	**34.30%**	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 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 entity under the name of the transferor companies (including other companies which were amalgamated with the transferor companies from time to time).

Note 39: Employee Benefits

I. Provident Fund and Other Plans:

During the year an amount of Rs 6622.81 lakhs (31st March 2016 - Rs. 5940.97 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 entity has set up Provident Fund Trusts in respect of certain categories of employees which is administered by Trustees. Both the employees and the parent entity 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 entity.

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 AS19 (2015) 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 Entity as at the balance sheet date. Further during the year, the Parent entity's contribution of Rs. 366.44 lakhs (31st March 2016 – Rs. 332.10 lakhs) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds'. Disclosures given hereunder are restricted to the information available as per the Actuary's report.

II. Post Employment Defined Benefit Plans:

a) Gratuity (Funded)

The Parent Entity'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. 10.00 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 Entity'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 Entity's Staff Pension Scheme – Type A, a Defined Benefit plan, is administered through a trust fund and covers certain categories

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 Parent Entity'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 Entity 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 Parent Entity has introduced a scheme of re-imbursement of medical expenses to a certain category of employees up to a certain monetary limit. The scheme is in the nature of Defined Benefit plan.

f) **Expatriate Pension (Unfunded)**

The Parent Entity 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.

The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Parent Entity for the year ended 31st March 2017 and corresponding figures for the previous year:

Rs. Lakhs

Gratuity Fund (Funded)	**Present Value of Obligation**	**Fair value of plan assets**	**Net Amount**
1st April 2015	13,166.11	(14,217.72)	(1,051.61)
Current Service cost	1,246.88	-	1,246.88
Interest Expense/(Income)	982.98	(1,137.40)	(154.42)
Total Amount recognised in profit or loss	2,229.86	(1,137.40)	1,092.46
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	248.81	248.81
Experience (gains)/ losses	(350.38)	-	(350.38)
Total amount recognised in other comprehensive income	(350.38)	248.81	(101.57)
Contributions	-	**(1,757.60)**	**(1,757.60)**
Benefit payments	**(1,757.60)**	**1,757.60**	-
31st March 2016	13,287.99	(15,106.31)	(1,818.32)
Current Service cost	**1,266.87**	-	**1,266.87**
Interest Expense/(Income)	**928.00**	**(1,132.98)**	**(204.98)**
Total Amount recognised in profit or loss	2,194.87	(1,132.98)	1,061.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Gratuity Fund (Funded)	Present Value of Obligation	Fair value of plan assets	Net Amount
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(469.13)	(469.13)
(Gain)/loss from change in financial assumptions	311.57	-	311.57
Experience (gains)/ losses	380.53	-	380.53
Total amount recognised in other comprehensive income	692.10	(469.13)	222.97
Contributions	-	(1,829.22)	(1,829.22)
Benefit payments	(1,829.22)	1,829.22	-
31st March 2017	14,345.74	(16,708.42)	(2,362.68)

The major categories of plan assets are as follows:

	31st March 2017		31st March 2016		1st April 2015	
	Rs. Lakhs	%	Rs. Lakhs	%	Rs. Lakhs	%
Debt Instruments						
Government Bonds	31.28	0.19%	31.20	0.21%	31.13	0.22%
Investments						
Investments with Life Insurance Corporation of India	2,686.36	16.08%	2,492.81	16.50%	2,289.43	16.10%
Investments with other Insurance Companies	13,922.06	83.32%	12,514.22	82.84%	11,730.63	82.51%
Cash and Cash Equivalents						
Others including Bank Balances	68.72	0.41%	68.08	0.45%	166.53	1.17%
Total	16,708.42	100.00%	15,106.31	100.00%	14,217.72	100.00%

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%
Salary Inflation	5.00%	5.00%	5.00%
Attrition Rate	1.00%	1.00%	1.00%
Return on Plan Assets	7.50%	8.00%	8.00%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	3.53%	2.39%	Increase By	3.80%	2.53%
Salary Growth rate	0.50%	0.50%	Increase By	3.53%	2.07%	Decrease By	3.28%	1.97%
Attrition Rate	0.50%	0.50%	Increase By	0.10%	0.16%	Decrease By	0.10%	0.16%
Mortality Rate	10%	10%	Increase By	0.35%	0.54%	Decrease By	0.35%	0.54%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The above sensitivity analyses are 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.

Rs. Lakhs

Superannuation Fund (Funded)	**Present Value of Obligation**	**Fair value of plan assets**	**Net Amount**
1st April 2015	**1,558.19**	**(2,555.41)**	**(997.22)**
Current Service cost	-	-	-
Interest Expense/(Income)	**120.31**	**(204.43)**	**(84.12)**
Total Amount recognised in profit or loss	120.31	(204.43)	(84.12)
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	**54.38**	**54.38**
Experience (gains)/ losses	**(106.29)**	-	**(106.29)**
Total amount recognised in other comprehensive income	(106.29)	54.38	(51.91)
Contributions	-	**(3.80)**	**(3.80)**
Benefit payments	**(108.73)**	**108.73**	-
31st March 2016	1,463.48	(2,600.53)	(1,137.05)
Current Service cost	-	-	-
Interest Expense/(Income)	**102.65**	**(195.04)**	**(92.39)**
Total Amount recognised in profit or loss	102.65	(195.04)	(92.39)
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	**(93.86)**	**(93.86)**
(Gain)/loss from change in financial assumptions	**24.48**	-	**24.48**
Experience (gains)/ losses	**49.94**	-	**49.94**
Total amount recognised in other comprehensive income	74.42	(93.86)	(19.44)
Contributions	-	**(3.56)**	**(3.56)**
Benefit payments	**(189.29)**	**189.29**	-
31st March 2017	1,451.26	(2,703.70)	(1,252.44)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The major categories of plan assets are as follows:

	31st March 2017		31st March 2016		1st April 2015	
	Rs. Lakhs	%	Rs. Lakhs	%	Rs. Lakhs	%
Debt Instruments						
Government Bonds	13.21	0.49%	38.32	1.47%	38.33	1.50%
Investments						
Investments with Life Insurance Corporation of India	168.63	6.24%	154.50	5.94%	169.09	6.62%
Investments with other Insurance Companies	2,496.10	92.32%	2,397.16	92.18%	2,338.36	91.51%
Cash and Cash Equivalents						
Others including Bank Balances	25.76	0.95%	10.55	0.41%	9.63	0.37%
Total	2,703.70	100.00%	2,600.53	100.00%	2,555.41	100.00%

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%
Return on Plan Assets	7.50%	8.00%	8.00%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	1.28%	1.35%	Increase By	1.37%	1.42%
Mortality Rate	10%	10%	Increase By	0.29%	0.27%	Decrease By	0.29%	0.25%

The above sensitivity analyses are 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 CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Staff Pension Fund Type A (Funded)	Present Value of Obligation	Fair value of plan assets	Net Amount
1st April 2015	432.25	(114.21)	318.04
Current Service cost	72.32	-	72.32
Interest Expense/(Income)	31.18	(9.16)	22.02
Total Amount recognised in profit or loss	103.50	(9.16)	94.34
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1.72	1.72
Experience (gains)/ losses	(30.69)	-	(30.69)
Total amount recognised in other comprehensive income	(30.69)	1.72	(28.97)
Contributions	-	-	-
Benefit payments	(84.91)	84.91	-
31st March 2016	420.15	(36.74)	383.41
Current Service cost	81.95	-	81.95
Interest Expense/(Income)	30.47	(2.74)	27.73
Total Amount recognised in profit or loss	112.42	(2.74)	109.68
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.37	0.37
(Gain)/loss from change in financial assumptions	44.61	-	44.61
Experience (gains)/ losses	94.17	-	94.17
Total amount recognised in other comprehensive income	138.78	0.37	139.15
Contributions	-	-	-
Benefit payments	(27.88)	27.88	-
31st March 2017	643.47	(11.23)	632.24

The major categories of plan assets are as follows:

	31st March 2017		31st March 2016		1st April 2015	
	Rs. Lakhs	%	Rs. Lakhs	%	Rs. Lakhs	%
Investments						
Investments with Life Insurance Corporation of India	11.23	100.00%	36.74	100.00%	114.21	100.00%
Total	11.23	100.00%	36.74	100.00%	114.21	100.00%

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%
Salary Inflation	5.00%	5.00%	5.00%
Attrition Rate	1.00%	1.00%	1.00%
Return on Plan Assets	7.50%	8.00%	8.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	1.62%	1.20%	Increase By	1.70%	1.24%
Salary Growth rate	10%	10%	Increase By	0.27%	0.03%	Decrease By	0.27%	0.03%
Attrition Rate	0.50%	0.50%	Increase By	1.03%	0.52%	Decrease By	0.75%	0.05%
Mortality Rate	10%	10%	Increase By	0.15%	0.15%	Decrease By	0.15%	0.15%

The above sensitivity analyses are 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.

Rs. Lakhs

Staff Pension Fund Type B (Unfunded)	Present Value of Obligation	Fair value of plan assets	Net Amount
1st April 2015	**3,550.47**	-	**3,550.47**
Current Service cost	**789.51**	-	**789.51**
Interest Expense/(Income)	**276.56**	-	**276.56**
Total Amount recognised in profit or loss	1,066.07	-	1,066.07
Remeasurements:			
Experience (gains)/ losses	**(731.18)**	-	**(731.18)**
Total amount recognised in other comprehensive income	(731.18)	-	(731.18)
Benefit payments	**(186.85)**	-	**(186.85)**
31st March 2016	3,698.51	-	3,698.51
Current Service cost	**872.44**	-	**872.44**
Interest Expense/(Income)	**269.29**	-	**269.29**
Total Amount recognised in profit or loss	1,141.73	-	1,141.73
Remeasurements:			
(Gain)/loss from change in financial assumptions	**96.18**	-	**96.18**
Experience (gains)/ losses	**(334.48)**	-	**(334.48)**
Total amount recognised in other comprehensive income	(238.30)	-	(238.30)
Benefit payments	**(216.03)**	-	**(216.03)**
31st March 2017	**4,385.91**	**-**	**4,385.91**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%
Salary Inflation	5.00%	5.00%	5.00%
Attrition Rate	1.00%	1.00%	1.00%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	2.05%	0.47%	Increase By	2.16%	0.48%
Salary Growth rate	0.50%	0.50%	Increase By	0.51%	0.10%	Decrease By	0.51%	0.03%
Attrition Rate	10%	10%	Increase By	1.53%	0.02%	Decrease By	1.46%	0.02%
Mortality Rate	10%	10%	Increase By	0.15%	0.16%	Decrease By	0.15%	0.16%

The above sensitivity analyses are 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.

Rs. Lakhs

Medical Benefit Liability (Unfunded)	**Present Value of Obligation**	**Fair value of plan assets**	**Net Amount**
1st April 2015	428.55	-	428.55
Current Service cost	-	-	-
Interest Expense/(Income)	**34.28**	-	**34.28**
Total Amount recognised in profit or loss	34.28	-	34.28
Remeasurements:			
Experience (gains)/ losses	**0.08**	-	**0.08**
Total amount recognised in other comprehensive income	0.08	-	0.08
Benefit payments	**(31.12)**	-	**(31.12)**
31st March 2016	431.79	-	431.79
Current Service cost	-	-	-
Interest Expense/(Income)	**32.37**	-	**32.37**
Total Amount recognised in profit or loss	32.37	-	32.37
Remeasurements:			-
(Gain)/loss from change in financial assumptions	**10.05**	-	**10.05**
Experience (gains)/ losses	**21.21**	-	**21.21**
Total amount recognised in other comprehensive income	31.26	-	31.26
Benefit payments	**(28.53)**	-	**(28.53)**
31st March 2017	466.89	-	466.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%
Attrition Rate	1.00%	1.00%	1.00%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	1.46%	0.18%	Increase By	1.53%	0.21%
Salary Growth Rate	10%	10%	Increase By	1.16%	0.01%	Decrease By	1.05%	0.01%
Attrition Rate	0.50%	0.50%	Increase By	0.15%	1.38%	Decrease By	0.15%	0.62%
Mortality Rate	10%	10%	Increase By	0.05%	0.03%	Decrease By	0.05%	0.02%

The above sensitivity analyses are 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.

Rs. Lakhs

Expatriate Pension (Unfunded)	Present Value of Obligation	Fair value of plan assets	Net Amount
1st April 2015	31.93	-	31.93
Current Service cost	-	-	-
Interest Expense/(Income)	1.29	-	1.29
Total Amount recognised in profit or loss	1.29	-	1.29
Remeasurements:			-
Experience (gains)/ losses	**29.00**	-	**29.00**
Total amount recognised in other comprehensive income	29.00	-	29.00
Benefit payments	**(31.63)**	-	**(31.63)**
31st March 2016	30.59	-	30.59
Current Service cost	-	-	-
Interest Expense/(Income)	**1.43**	-	**1.43**
Total Amount recognised in profit or loss	1.43	-	1.43
Remeasurements:			-
(Gain)/loss from change in financial assumptions	**3.30**	-	**3.30**
Experience (gains)/ losses	**6.98**	-	**6.98**
Total amount recognised in other comprehensive income	10.28	-	10.28
Benefit payments	**(23.01)**	-	**(23.01)**
31st March 2017	19.29	-	19.29

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	7.50%	8.00%	8.00%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	0.50%	0.50%	Decrease By	1.85%	0.18%	Increase By	1.56%	0.22%
Mortality Rate	10%	10%	Increase By	0.15%	0.03%	Decrease By	0.15%	0.02%

The above sensitivity analyses are 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.

The estimates of rate of inflation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment sphere.

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.

Parent Entity’s best estimate of contribution expected to be paid to the Funds in the next year

Rs. Lakhs

	31st March 2017	31st March 2016
Gratuity Fund	2,035.31	1,953.90
Superannuation Fund	3.86	4.14
Staff Pension Fund	-	0.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Parent Entity for the year ended 31st March 2017 and corresponding figures for the previous year:

Rs. Lakhs

Gratuity Fund (Funded)	**Present Value of Obligation**	**Fair value of plan assets**	**Net Amount**
1st April 2015	500.71	-	500.71
Current Service cost	24.02	-	24.02
Interest Expense/(Income)	67.40	-	67.40
Total Amount recognised in profit or loss	91.42	-	91.42
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in financial assumptions	(231.93)	-	(231.93)
Experience (gains)/ losses	67.76	-	67.76
Total amount recognised in other comprehensive income	(164.17)	-	(164.17)
Contributions	-	-	-
Benefit payments	(102.79)	102.79	-
31st March 2016	325.17	102.79	427.96
1st April 2016	297.85	-	297.85
Current Service cost	23.76	-	23.76
Interest Expense/(Income)	44.19	-	44.19
Total Amount recognised in profit or loss	67.95	-	67.95
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in financial assumptions	(21.32)	-	(21.32)
Experience (gains)/ losses	58.28	-	58.28
Total amount recognised in other comprehensive income	36.96	-	36.96
Contributions	-	-	-
Benefit payments	(71.14)	71.14	-
31st March 2017	331.62	71.14	402.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Significant estimates : Actuarial assumptions and sensitivity

	31st March 2017	31st March 2016	1st April 2015
Discount Rate	16.85%	15.00%	8.00%
Return on Plan Assets	0.00%	NA	8.00%
Rate of Compensation Increase	6.90%	6.00%	5.00%
Pension Increase Rate	NA	NIL	NIL
Average Expected Future Service	24	24	24
Mortality Table	SA 85-90	SA 85-90	SA 85-90
Superannuation at Age - Male	55	55	55
Superannuation at Age - Female	55	55	55
Early Withdrawal & Disablement	1.00%	10 Per Thousand pa	10 Per Thousand pa
		6 above age 45	6 above age 45
	5.00%	3 between 29 and 45	3 between 29 and 45
		1 below age 29	1 below age 29
Voluntary Retirement	Ignored	Ignored	Ignored

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in Assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	31st March 2017	31st March 2016		31st March 2017	31st March 2016		31st March 2017	31st March 2016
Discount Rate	1.00%	1.00%	Increase By	5.78%	5.18%	Decrease By	5.89%	6.00%

The above sensitivity analyses are 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.

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.

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 underperform 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

The average duration of liabilities for all the funds is as follows :

Particulars	31st March 2017 No. of Years	31st March 2016 No. of Years	1st April 2015 No. of Years
Defined benefit obligation			
Gratuity Fund (Funded)- Parent Entity			
McLeod Russel India Limited Employees Gratuity Fund	15	15	8
The Moran Tea Company India Limited Employees Gratuity Fund	17	17	9
George Williamson (Assam) Limited Employees Group Gratuity Fund	17	9	9
Doom Dooma Tea Employees Gratuity Fund	15	9	9
The Bisnauth Tea Company Limited Employees Group Gratuity fund	16	9	9
Gratuity Fund (Funded)- Subsidiary			
McLeod Russel Uganda Limited	5	5	4
Superannuation Fund (Funded)			
Doom Dooma Tea Management Employees Pension Fund	6	7	7
George Williamson (Assam) Limited Superannuation Fund	3	4	4
Williamson Magor & Company Limited Superannuation Fund	5	5	5
McLeod Russel India Limited Superannuation Fund	5	5	5
Staff Pension Fund Type A (Funded)			
Doom Dooma India Limited Staff Pension Fund	10	10	10
Staff Pension Fund Type B (Unfunded)			
McNeil & Magor and McLeod Russel Group	10	10	10
Moran Tea Company Limited.	10	10	10
Medical Benefit Liability (Unfunded)			
McLeod Russel India Limited	10	10	10
Expatriate Pension (Unfunded)			
McLeod Russel India Limited	6	7	7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 2017					
Defined benefit obligation					
Funded					
Gratuity Fund - Parent Entity	3,525.39	1,537.26	4,499.97	26,919.66	36,482.28
Gratuity Fund - Subsidiary	31.26	24.37	163.00	19,449.97	19,668.60
Superannuation Fund	924.91	180.18	412.40	668.45	2,185.94
Staff Pension Fund Type A	210.51	52.30	176.43	564.89	1,004.13
Unfunded					
Staff Pension Fund Type B	731.59	219.98	641.23	4,402.66	5,995.46
Medical Benefit Liability	84.59	15.89	84.12	292.48	477.08
Expatriate Pension	3.78	1.16	3.32	12.59	20.85
	5,512.03	**2,031.14**	**5,980.47**	**52,310.70**	**65,834.34**
31st March 2016					
Defined benefit obligation					
Funded					
Gratuity Fund - Parent Entity	2,962.39	1,403.06	4,294.31	20,070.05	28,729.81
Gratuity Fund - Subsidiary	28.05	11.76	98.04	17,230.21	17,368.06
Superannuation Fund	850.86	170.99	381.89	632.32	2,036.06
Staff Pension Fund Type A	169.47	72.39	150.07	491.84	883.77
Unfunded					
Staff Pension Fund Type B	1,669.69	162.80	474.81	1,781.58	4,088.88
Medical Benefit Liability	75.80	25.40	65.79	287.77	454.76
Expatriate Pension	5.99	1.84	5.26	19.98	33.07
	5,762.25	**1,848.24**	**5,470.17**	**40,513.75**	**53,594.41**
1st April 2015					
Defined benefit obligation					
Funded					
Gratuity Fund - Parent Entity	2,181.55	1,124.63	3,705.87	21,623.49	28,635.54
Gratuity Fund - Subsidiary	10.86	41.31	87.03	13,448.37	13,587.57
Superannuation Fund	757.01	188.25	468.03	725.49	2,138.78
Staff Pension Fund Type A	101.78	57.60	125.83	447.43	732.64
Unfunded					
Staff Pension Fund Type B	1,005.84	438.04	1,129.17	2,080.01	4,653.06
Medical Benefit Liability	66.46	26.25	67.21	275.51	435.43
Expatriate Pension	4.85	2.19	6.40	22.61	36.05
	4,128.35	**1,878.27**	**5,589.54**	**38,622.91**	**50,219.07**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE 40: CLASSIFICATION OF PROVISION/ADVANCE FOR EMPLOYEE BENEFITS

	Classified as Non-Current			Classified as Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits						
- Staff Pension	3,680.30	2,128.16	2,550.27	1,337.85	1,953.76	1,318.24
- Medical Benefit	436.22	357.71	365.93	30.67	74.08	62.62
- Expatriate Pension	15.64	24.82	27.97	3.65	5.77	3.97
- Other Employee Benefits	474.38	478.40	418.16	248.92	197.13	182.73
	4,606.54	2,989.09	3,362.33	1,621.09	2,230.74	1,567.56
Advance for Employee Benefits						
- Gratuity Fund	-	-	-	2,362.68	1,818.32	1,051.61
- Superannuation Fund	-	-	-	1,252.44	1,137.05	997.22
- Others	-	-	-	-	5.35	6.58
	-	-	-	3,615.12	2,960.72	2,055.41

Note 41: Contingent Liabilities

a) Claims against the group not acknowledged as debts : -

	31st March 2017	31st March 2016	1st April 2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Electricity Dues	91.62	91.62	169.87
Excise Duty	10.75	10.75	10.75
Income Tax	97.88	97.88	1,851.21
Service Tax	1,010.58	131.61	131.61
Land Revenue	9.65	62.53	2.09
Disputed Labour Claims	27.27	30.95	32.00
Duty on Tea Stock	-	16.78	21.18
Others	34.34	38.84	40.35

b) Bank Guarantees Rs. 164.46 lakhs (31st March 2016 - Rs. 158.01 lakhs, 1st April 2015 - Rs. 123.96 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 42: Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Property, Plant and Equipment			
Commitment (Gross)	1,680.12	1,690.15	3,392.61
Advances against above commitments	1,333.42	932.21	2,340.53
Commitment (Net)	346.70	757.94	1,052.08

(b) In connection with a Term Loan of Rs.5000.00 lakhs (31st March 2016 – Rs. 5000.00 lakhs, 1st April 2015 - Rs 5000.00 lakhs) taken by McNally Bharat Engineering Company Limited (MBECL) from one of its Bankers, the Parent Entity has furnished a Non-Disposal Undertaking in respect 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 the said bank.

(c) The Parent Entity has undertaken to continue to directly hold 100% (31st March 2016 – 100%, 1st April 2015 - 100%) of the shares in the share capital of Borelli Tea Holdings Limited (BTHL) in connection with the Senior Term Loan facility of USD 20.50 million (31st March 2016 - EURO 6.00 million; 1st April 2015– EURO 6.00 million) obtained by BTHL from ICICI Bank UK PLC, Frankfurt.

(d) Non-cancellable operating leases

The Group 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, and certain land areas etc. The Lease Rent is charged in the Statement of Profit and Loss and future lease commitments are:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Commitments for minimum lease payments in relation to non-cancellable operating leases as follows:			
Within one year	94.92	85.63	109.45
Later than one year but not later than five years	141.85	98.77	269.64
Later than five years	819.20	233.83	815.04
	1,055.97	**418.23**	**1,194.13**

Rental expense relating to operating leases

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Minimum lease payments	109.68	118.58
Total rental expense relating to operating leases	109.68	118.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 43: Related Party Disclosures as per Ind AS-24

(a) Associate
D1 Williamson Magor Bio Fuel Limited

(b) Key Management Personnel

Mr. Aditya Khaitan (AK)	Managing Director
Mr. Rajeev Takru (RT)	Wholetime Director
Mr. Azam Monem (AM)	Wholetime Director
Mr. Kamal Kishore Baheti (KKB)	Wholetime Director
Mr. Brij Mohan Khaitan (BMK)	Non-Executive Director
Mr. Amritanshu Khaitan (AAK)	Non-Executive Director
Dr. Raghavachari Srinivasan (RAS)	Non-Executive Director
Mr. Bharat Bajoria (BB)	Non-Executive Director
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

(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. Shanti Khaitan (SK) (died on 25th February, 2016)	Mother of Mr. Aditya Khaitan
Mrs. Kavita Khaitan (KK)	Wife of Mr. Aditya Khaitan
Mr. Deepak Khaitan (DK) (died on 9th March, 2015)	Brother of Mr. Aditya Khaitan
Mrs. Zubeena Monem (ZM)	Wife of Mr. Azam Monem

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(d) Transactions with Key Management Personnel:

(i) Key Management Personnel Compensation:

Rs. Lakhs

	31st March 2017	Excess Recovered	Net	31st March 2016	Excess Recovered (*)	Net
Short- term employment benefits						
AK	369.89	375.18	(5.29)	469.89	103.58	366.31
RT	187.63	-	187.63	186.67	8.02	178.65
AM	186.97	-	186.97	187.20	14.29	172.91
KKB	186.66	-	186.66	186.00	12.27	173.73
	931.15	375.18	555.97	1,029.76	138.16	891.60
Post-employment benefits						
AK	27.00	-	27.00	27.00	-	27.00
RT	10.80	-	10.80	10.80	-	10.80
AM	10.80	-	10.80	10.80	-	10.80
KKB	10.80	-	10.80	10.80	-	10.80
	59.40	-	59.40	59.40	-	59.40
Long- term employment benefits						
AK	-	-	-	-	-	-
RT	-	-	-	-	-	-
AM	-	-	-	-	-	-
KKB	-	-	-	-	-	-
	-	-	-	-	-	-
Total compensation	**990.55**	**375.18**	**615.37**	**1,089.16**	**138.16**	**951.00**

Remuneration for 2016-17 includes Rs. 396.89 lakhs paid/payable to Managing Director in accordance with Shareholders' approval obtained at the Sixteenth AGM of the Company held on 23rd July, 2014. However, due to inadequacy of profit of the Company during the year 2016-17, the said remuneration has exceeded the limit by Rs 266.40 Lakhs prescribed under Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 in anticipation of which the Company has applied to the Central Government seeking its approval to the said remuneration.

(*) In view of inadequacy of profit during the year 2014-15 and 2015-16, the Department of Company Affairs (Govt. Of India) has passed orders to recover the amount of Rs. 138.16 lakhs and Rs 375.18 lakhs respectively.

(ii) Dividends paid to Key Management Personnel

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
AK	0.35	0.22
RT	0.02	0.03
AM	0.01	0.02
KKB	0.10	0.15
Total	**0.48**	**0.42**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(e) Transactions / Balances with associate:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Balance of investment at year end	-	-	-

(f) Transactions with relatives of Key Management Personnel:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Dividend Paid		
BMK	0.72	1.09
DK's Estate/Successor	0.24	0.35
Others	0.05	0.08
Directors' sitting fees		
BMK	2.00	1.40

(g) Transactions with Post Employment Benefit Plan - Contributions:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Provident Fund		
McLeod Russel India Limited Staff Provident Fund	366.44	332.10
	366.44	332.10
Gratuity Fund		
McLeod Russel India Limited Employees Gratuity Fund	761.10	720.06
The Moran Tea Company India Limited Employees Gratuity Fund	129.98	168.15
George Williamson Assam Limited Employees Group Gratuity Fund	468.79	370.35
Doom Dooma Tea Employees Gratuity Fund	104.02	130.27
The Bishanauth Tea Company Limited Employees Group Gratuity Fund	365.33	368.77
	1,829.22	1,757.60
Superannuation Fund		
Doom Dooma Tea Management Employees Pension Fund	3.56	3.80
	3.56	**3.80**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(h) Transactions with Non-Exceutive Directors:

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Sitting Fees		
BMK	2.00	1.40
AAK	2.00	1.40
RAS	3.80	2.40
BB	3.60	2.80
RS	4.60	3.00
UP	2.40	1.40
RN	2.00	1.20
PKK	0.80	1.40
	21.20	**15.00**
Dividend Paid		
BMK	0.73	1.09
AAK	0.30	0.23
BB	0.04	0.05
RS	*	*
PKK	0.03	0.05
	1.10	**1.42**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 44: Event occuring 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.

Note 45: Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
Current Assets				
Financial Assets				
Trade Receivables	13	7,855.89	8,319.93	8,427.81
Cash and Cash Equivalents	14	624.79	1,202.69	531.02
Loans	8	37,168.26	26,103.10	10,048.45
Current Tax Assets (Net)	15	23,917.64	14,682.42	9,061.72
Other Financial Assets	9	7,718.31	7,556.48	6,019.76
Total Financial Assets		**77,284.89**	**57,864.62**	**34,088.76**
Non-financial Assets				
Inventories	11	17,715.05	20,078.96	20,033.84
Biological Assets	12	477.46	495.22	436.21
Other Current Assets	16	9,526.37	9,354.24	7,880.01
Total Non- Financial Assets		**27,718.88**	**29,928.42**	**28,350.06**
Total Current assets pledged as security		**105,003.77**	**87,793.04**	**62,438.82**
Non-current Assets				
Property, Plant and Equipment	3	156,288.11	151,666.07	149,078.65
Capital Work-in-Progress		719.32	587.55	921.19
Other Intangible Assets	5	23.81	32.84	-
Total Non- Current Assets		**157,031.24**	**152,286.46**	**149,999.84**
Total Non-current assets pledged as security		**157,031.24**	**152,286.46**	**149,999.84**
Total Assets pledged as security		**262,035.01**	**240,079.50**	**212,438.66**

Note 46: Earnings per share

	31st March 2017 Rs	31st March 2016 Rs
(a) Basic and Diluted Earnings per share		
Total basic and diluted earnings per share attributable to the equity holders of the company	7.11	3.40

(b) Reconciliations of earnings used in calculating earnings per share

	31st March 2017 Rs Lakhs	31st March 2016 Rs Lakhs
Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share	5,856.83	2,801.41

(c) Weighted average number of shares used as the denominator

	31st March 2017 Number of Shares	31st March 2016 Number of Shares
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share.	82388235	82388235

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 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 and Rwanda

Rs. Lakhs

	31st March 2017	31st March 2016
Segment Revenue		
India	1,48,264.18	1,50,431.12
Vietnam	5,907.60	9,035.95
Uganda	17,537.89	17,613.05
Rwanda	8,314.63	9,946.75
Other	7,057.83	5,605.38
Total	**1,87,082.13**	**1,92,632.25**

Rs. Lakhs

	31st March 2017	31st March 2016
Segments Results (Profit before Interest and tax)		
India	(2,493.14)	2,193.31
Vietnam	(1,475.11)	(1,107.85)
Uganda	5,108.43	3,903.42
Rwanda	2,543.53	3,938.28
Other	(104.57)	1,063.50
Total	**3,579.14**	**9,990.66**
Less: Finance Cost [Net of Interest Income Rs. 9878.63 lakhs (31.03.2016 – Rs. 7093.31 lakhs)]	3,710.91	3,815.90
Other Unallocable Expenditure/(Income)- Net	(5,584.92)	1,273.08
Profit before Taxation, share of Earnings from Associates and Minority Interest	**5,453.15**	**4,901.68**
Less : Taxation Charge		
Current Tax	2,319.14	2,288.29
Deferred Tax - Charge/(Credit)	(3,310.79)	(890.48)
Profit after Taxation but before share of Earning from Associates and Minority Interest	**6,444.80**	**3,503.87**

Rs. Lakhs

	31st March 2017	31st March 2016	1st April 2015
Segment Assets			
India	2,09,771.51	2,07,542.95	2,01,025.17
Vietnam	12,933.98	13,354.03	14,029.73
Uganda	16,721.99	17,410.44	16,605.49
Rwanda	8,225.70	8,786.45	10,040.88
Other	3,754.28	3,484.67	3,468.46
	2,51,407.46	**2,50,578.54**	**2,45,169.73**
Unallocable	93,783.43	88,374.85	67,164.69
Total	**3,45,190.89**	**3,38,953.39**	**3,12,334.42**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

	31st March 2017	31st March 2016	1st April 2015
Segment Liabilities			
India	60,742.95	62,622.79	59,042.11
Vietnam	348.59	1,113.16	858.90
Uganda	1,940.77	1,775.03	1,569.79
Rwanda	543.25	583.09	891.56
Other	211.96	511.14	1,425.39
	63,787.52	66,605.21	63,787.75
Unallocable *	1,17,831.59	1,10,747.68	85,796.12
Total	**1,81,619.11**	**1,77,352.89**	**1,49,583.87**

* Excluding Shareholders' Funds (other than Revaluation Reserve) and Minority Interest

Rs. Lakhs

	31st March 2017	31st March 2016	1st April 2015
Capital Expenditure relating to Segments			
India	11,131.87	12,557.62	12,556.99
Vietnam	556.86	328.14	3,106.39
Uganda	1,421.25	1,005.44	1,098.06
Rwanda	406.73	763.09	1,658.74
Other	0.89	16.84	7.77
Total	**13,517.60**	**14,671.13**	**18,427.95**

Rs. Lakhs

	31st March 2017	31st March 2016
Depreciation and Amortisation relating to Segments		
India	8,252.19	8,064.08
Vietnam	527.56	526.10
Uganda	854.52	872.32
Rwanda	652.15	681.40
Other	66.77	74.16
Total	**10,353.19**	**10,218.06**

Rs. Lakhs

	31st March 2017	31st March 2016
Significant non-cash expenses other than Depreciation and Amortisation relating to Segments	-	-

Note : i) None of the customer contribute materially to the revenue of the company.
ii) Segment assets and liabilities are measured in the same way as in the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 48: Fair value measurements

Financial instruments by category

Rs. Lakhs

	31st March 2017			31st March 2016			1st April 2015		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets									
Investments									
- Equity Instruments	-	7,224.99	-	76.51	7,729.85	-	201.31	8,444.67	-
Trade Receivables	-	-	10,890.67	-	-	12,728.62	-	-	9,968.36
Loans	-	-	28,705.91	-	-	22,048.89	-	-	4,500.94
Cash and Cash Equivalents	-	-	5,065.36	-	-	4,609.54	-	-	4,341.99
Interest Accrued on Loans and Deposits	-	-	7,275.96	-	-	6,376.53	-	-	1,243.48
Deposits with National Bank for Agriculture and Rural Development	-	-	8,305.35	-	-	11,908.59	-	-	14,582.09
Receivable on account of claim/disposal of assets	-	-	5,938.01	-	-	446.04	-	-	454.27
Compensation receivable from Government	-	-	1,840.49	-	-	70.79	-	-	44.11
Derivative assets	895.69	-	-	275.74	-	-	96.95	-	-
Security deposits	-	-	1,888.22	-	-	1,712.73	-	-	1,585.66
Margin Money Deposit with bank	-	-	35.60	-	-	14.70	-	-	14.70
Other Long Term Receivable	-	-	91.13	-	-	457.64	-	-	461.61
Total Financial assets	**895.69**	**7,224.99**	**70,036.70**	**352.25**	**7,729.85**	**60,374.07**	**298.26**	**8,444.67**	**37,197.21**
Financial liabilities									
Borrowings	-	-	93,706.33	-	-	83,698.64	-	-	60,292.90
Unpaid Dividends	-	-	397.27	-	-	396.61	-	-	386.15
Unclaimed Fractional Share Sale Proceeds	-	-	0.17	-	-	0.17	-	-	0.18
Deposits Received from Agents	-	-	123.09	-	-	133.09	-	-	163.61
Employee Benefits Payable	-	-	9,123.74	-	-	8,898.48	-	-	7,366.99
Capital liabilities	-	-	8.80	-	-	83.16	-	-	79.19
Derivative Liability	34.28	-	-	761.19	-	-	45.43	-	-
Payable for Bill Discounting	-	-	1,619.65	-	-	1,719.04	-	-	1,203.58
Trade payables	-	-	11,661.54	-	-	13,596.44	-	-	12,390.48
Total Financial liabilities	**34.28**	**-**	**1,16,640.59**	**761.19**	**-**	**1,08,525.63**	**45.43**	**-**	**81,883.08**

(i) Fair value hierarchy

(a) <u>Financial Instruments</u>

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. An explanation of each level follows underneath the table.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Financial assets and liabilities measured at fair value- recurring fair value measurements at 31st March 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Derivatives not designated as hedges - Forward Contracts	9		895.69	-	895.69
Financial investment at FVOCI					
Quoted Equity Investments	7	7,224.28	-	-	7,224.28
Unquoted Equity Investments	7	-	-	0.71	0.71
Total Financial assets		**7,224.28**	**895.69**	**0.71**	**8,120.68**
Financial liabilities					
Derivatives not designated as hedges					
Interest rate swap	25	-	34.28	-	34.28
Total Financial liabilities		**-**	**34.28**	**-**	**34.28**

Rs. Lakhs

Financial assets which are measured at amortised cost for which fair values are disclosed at 31st March 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Other Long Term Receivable	9	-	-	93.76	93.76
Total Financial assets		**-**	**-**	**93.76**	**93.76**

Rs. Lakhs

Financial assets and liabilities measured at fair value- recurring fair value measurements at 31st March 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Derivatives not designated as hedges - Forward Contracts	9	-	275.74	-	275.74
Financial investment at FVOCI					
Quoted Equity Investments	7	7,345.69	-	-	7,345.69
Unquoted equity investments	7	-	-	460.67	460.67
Total Financial assets		**7,345.69**	**275.74**	**460.67**	**8,082.10**
Financial liabilities					
Derivatives not designated as hedges					
Interest rate swap	25	-	761.19	-	761.19
Total Financial liabilities		**-**	**761.19**	**-**	**761.19**

Rs. Lakhs

Financial assets which are measured at amortised cost for which fair values are disclosed at 31st March 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Other Long Term Receivable	9	-	-	93.54	93.54
Total Financial assets		**-**	**-**	**93.54**	**93.54**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Financial assets and liabilities measured at fair value- recurring fair value measurements at 1st April 2015	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial Investments at FVPL					
Derivatives not designated as hedges - Forward Contracts	9	-	96.95	-	96.95
Financial investment at FVOCI					
Quoted Equity Investments	7	8,060.51	-	-	8,060.51
Unquoted equity investments	7	-	-	585.47	585.47
Total Financial assets		**8,060.51**	**96.95**	**585.47**	**8,742.93**
Financial liabilities					
Derivatives not designated as hedges					
Interest rate swap	25	-	45.43	-	45.43
Total Financial liabilities		**-**	**45.43**	**-**	**45.43**

Financial assets which are measured at amortised cost for which fair values are disclosed at 1st April 2015	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Other Long Term Receivable	9	-	-	91.13	91.13
Total Financial assets		**-**	**-**	**91.13**	**91.13**

(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, 2017	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Unharvested tea leaves	12	-	494.23	-	494.23
Total		**-**	**494.23**	**-**	**494.23**

Rs. Lakhs

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 31st March, 2016	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Unharvested tea leaves	12	-	520.62	-	520.62
Total		**-**	**520.62**	**-**	**520.62**

Rs. Lakhs

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 1st April, 2015	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Unharvested tea leaves	12	-	446.65	-	446.65
Total		**-**	**446.65**	**-**	**446.65**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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. This is the case for unlisted equity securities and Other Long Term Receivable.

There are no transfers between level 1, level 2 and level 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

i the use of quoted market prices or dealer quotes for similar instruments

ii Forward exchange contracts and interest rate swap are calculated based on mark-to-market valuation by the bank.

iii the fair value of the unquoted equity instruments and remaining financial instrument is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and Other Long Term Receivable.

(iii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted.

Particulars	Fair value as at			Significant unobservable inputs	Probability-weighted range			Sensitivity
	31st March 2017	31st March 2016	1st April 2015		31st March 2017	31st March 2016	1st April 2015	
Unquoted equity shares	0.71	460.67	585.47	Earning growth rate	2.5	2.5	2.5	2016 and 2015 : Increased earnings growth factor (+100 basis points (bps)) and lower discount rate (-100 bps) would increase fair value by Rs. 22.96 Lakhs ; lower growth factor (-100 bps) and higher discount rate (+100 bps) would decrease fair value by Rs. 16.07 Lakhs
				Discounting Rate	17.00%	17.00%	17.00%	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(iv) Valuation processes

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the Parent entity's quarterly reporting periods.

(v) Fair value of financial assets measured at amortised costs

Rs. Lakhs

	31st March 2017		31st March 2016		1st April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Other Long Term Receivable	91.13	93.76	91.13	93.54	91.13	91.13
Total Financial assets	**91.13**	**93.76**	**91.13**	**93.54**	**91.13**	**91.13**

The carrying amounts of other financial assets and financial liabilities are considered to be the same as their fair values, due to their short term in nature.

Significant Estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) and (iii) above.

(vi) Equity Instruments carried at fair value through other comprehensive income.

These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Parent entity has choosen to designate this investments in equity instruments at FVOCI since, it provides a more meaningful presentation.

(vii) During the year, the Parent entity has sold certain shares for strategic purpose.

Note 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, 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 (Contd.)

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:

- all non-derivative financial liabilities, and
- 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Contractual maturities of financial liabilities as at 31st March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (Principal plus interest)	75,297.69	9,734.82	12,138.36	2,292.73	99,463.60
Trade Payables	11,661.54	-	-	-	11,661.54
Other financial liabilities	11,272.72	-	-	-	11,272.72
Total non-derivative financial liabilities	**98,231.95**	**9,734.82**	**12,138.36**	**2,292.73**	**1,22,397.86**
Derivatives					
Interest rate swaps	34.28	-	-	-	34.28
Total derivative financial liabilities	**34.28**	-	-	-	**34.28**

Rs. Lakhs

Contractual maturities of financial liabilities as at 31st March 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (Principal plus interest)	55,912.33	11,701.53	23,539.52	626.37	91,779.75
Trade Payables	13,596.44	-	-	-	13,596.44
Other financial liabilities	11,230.55	-	-	-	11,230.55
Total non-derivative financial liabilities	80,739.32	11,701.53	23,539.52	626.37	1,16,606.74
Derivatives					
Interest rate swaps	761.19	-	-	-	761.19
Total derivative financial liabilities	761.19	-	-	-	761.19

Rs. Lakhs

Contractual maturities of financial liabilities as at 1st April 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (Principal plus interest)	36,779.56	9,862.50	15,074.73	4,487.46	66,204.25
Trade Payables	12,390.48	-	-	-	12,390.48
Other financial liabilities	9,199.70	-	-	-	9,199.70
Total non-derivative financial liabilities	58,369.74	9,862.50	15,074.73	4,487.46	87,794.43
Derivatives					
Interest rate swaps	45.43	-	-	-	45.43
Total derivative financial liabilities	45.43	-	-	-	45.43

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The following table sets forth information relating to foreign currency exposure as at 31st March 2017

Rs. Lakhs

	USD	EUR	GBP	Total
Financial Assets (a)				
Cash & Cash equivalent	3,646.03	-	497.41	4,143.44
Trade Receivable	3,706.75	-	42.13	3,748.88
	7,352.78	**-**	**539.54**	**7,892.32**
Financial Liabilities (b)				
Borrowing	11,858.39	-	-	11,858.39
	11,858.39	-	-	11,858.39
Net Exposure in Foreign Currency (a-b)	**(4,505.61)**	**-**	**539.54**	**(3,966.07)**

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. 789.23 lakhs for financial assets and decrease / increase in the Group's profit before tax by approximately Rs. 1185.84 lakhs for financial liabilities.

The following table sets forth information relating to foreign currency exposure as at 31st March 2016

Rs. Lakhs

	USD	EUR	GBP	Total
Financial Assets (a)				
Cash & Cash equivalent	3,504.46	-	123.35	3,627.81
Trade Receivable	4,755.42	-	410.92	5,166.34
	8,259.88	**-**	**534.27**	**8,794.15**
Financial Liabilities (b)				
Borrowing	14,368.41	-	-	14,368.41
	14,368.41	-	-	14,368.41
Net Exposure in Foreign Currency (**a-b**)	**(6,108.53)**	**-**	**534.27**	**(5,574.26)**

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. 879.42 lakhs for financial assets and decrease / increase in the Group's profit before tax by approximately Rs. 1436.84 lakhs for financial liabilities.

The following table sets forth information relating to foreign currency exposure as at 1st April 2015

Rs. Lakhs

	USD	EUR	GBP	Total
Financial Assets (a)				
Cash & Cash equivalent	2,273.42	-	1,290.23	3,563.65
Trade Receivable	1,881.48	-	317.99	2,199.47
	4,154.90	**-**	**1,608.22**	**5,763.12**
Financial Liabilities (b)				
Borrowing	15,461.57	1,616.38	-	17,077.95
	15,461.57	1,616.38	-	17,077.95
Net Exposure in Foreign Currency (**a-b**)	**(11,306.67)**	**(1,616.38)**	**1,608.22**	**(11,314.83)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(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.

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 2017, 31st March 2016 and 1st April 2015, 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 2017, 31st March 2016 and 1st April 2015 to interest rate risk is as follows:

Rs. Lakhs

	31st March 2017		31st March 2016		1st April 2015	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	42,311.25	-	37,054.78	-	23,483.03
Financial liabilities	89,962.22	9,060.03	80,314.67	6,515.97	57,110.41	7,293.79
	89,962.22	**51,371.28**	**80,314.67**	**43,570.75**	**57,110.41**	**30,776.82**

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. 449.81 lakhs and Rs. 401.57 lakhs on profit before tax for the year ended 31 March 2017 and 31 March 2016 respectively.

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held - both quoted and unquoted and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The Group is not expecting high risk exposure from its investment in securities.

The table below sets forth the fair value of quoted and unquoted investments in securities of listed companies .

Rs. Lakhs

	31st March 2017	31st March 2016	1st April 2015
Fair value of quoted investments	7,224.28	7,345.69	8,060.51
Fair value of unquoted investments	0.71	460.67	585.47
	7,224.99	**7,806.36**	**8,645.98**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Sensitivity analysis for quoted equity investments
The impact of increases/decreases of the index on the Group's quoted equity investments for the period is based on the assumption that the equity index had increased/ decreased with all other variables held constant, and that all the Group's equity investments moved as per the market index.

Increase /decrease of 1000 basis points of index would result in an impact (increase/ decrease) by Rs. 722.43 lakhs and Rs. 734.57 lakhs on other comprehensive income for the year ended 31st March 2017 and 31st March 2016 respectively.

(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.

Note 50: Capital Management

(a) Risk Management
The group's objectives when managing capital are to

(a) 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

(b) Maintain an optimal capital structure to reduce the cost of capital.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

	Note	31st March 2017	31st March 2016	1st April 2015
(i) Total Debt				
Borrowings - Non-Current	19	22,634.74	32,537.99	26,323.10
- Current	23	61,477.92	42,426.73	28,184.30
Current Maturities of Long Term Debt	25	9,464.15	8,634.78	5,645.15
		93,576.81	**83,599.50**	**60,152.55**
Less : Cash and Cash Equivalents	14	5,065.36	4,609.54	4,341.99
Net Debt		**88,511.45**	**78,989.96**	**55,810.56**
(ii) Equity attributable to Shareholders		195883.07	195001.35	197146.98
(iii) Net debt to equity ratio		**0.45**	**0.41**	**0.28**

Under the terms of the major borrowing facilities, the group has complied with 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 2016 and 31st March 2017.

(b) Dividend

	31st March 2017	31st March 2016
(i) Equity Shares		
Final dividend for the year ended 31 March 2016 of Rs. 2/- (31 March 2015 - Rs 3/-) per fully paid share	2,189.11	3,283.67
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of final dividend of Rs 0.25 per fully paid equity share (31 March 2016 - Rs 2/-). This proposed dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.	273.64	2,189.11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 51 : Adjustment on account of dividend represents

Dividend paid during the year 2015-16 by the Parent entity on Equity Share held by its subsidiary Rs. 458.14 lakhs (31st March 2016 - Rs. 812.03 lakhs).

Note 52

In connection with an overseas acquisition of a subsidiary in 2005, the Income Tax authority had raised a demand of Rs.5278 lakhs during the year 2009-10 on the Parent entity on account of alleged non-deduction of tax at source and interest thereon pertaining to the transaction. The Parent entity challenged the said demand before the appropriate authorities and the matter is pending. Further, the Parent entity has obtained a stay against the said demand from the Hon'ble High Court of Calcutta. The Parent entity deposited Rs. 700.00 lakhs during the year 2011-12 with Income Tax Authority under protest (Refer Note 16). 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.

Note 53

Revenue Expenditure on Research and Development Rs. 177.30 lakhs (31st March 2016 - Rs. 137.97 lakhs) represent subscription to Tea Research Association.

Note 54

There are no outstanding dues of Micro and Small Enterprises (MSEs) based on information available with the Parent entity.

Note 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 2017	84.59%	167,582.13	30.67%	1,976.74	14.81%	(220.88)	35.45%	1,755.86
31 March 2016	83.67%	164,683.08	-15.31%	(536.54)	7.23%	(111.58)	-33.05%	(648.12)
Subsidiaries (Group's Share)								
Borelli Tea Holding Limited & its Subsidiaries								
31 March 2017	14.29%	28,300.94	60.21%	3,880.09	89.75%	(1,338.53)	51.31%	2,541.56
31 March 2016	15.41%	30,318.27	95.26%	3,337.95	85.27%	(1,315.39)	103.13%	2,022.56
Associates								
D1 Williamson Magor Bio Fuel Limited								
31 March 2017	-	-	-	-	-	-	-	-
31 March 2016	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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)
Non-Controlling Interest								
31 March 2017	1.12%	2,222.89	9.12%	587.97	-4.56%	68.03	13.24%	656.00
31 March 2016	0.92%	1,817.25	20.05%	702.46	7.50%	(115.68)	29.92%	586.78
Total								
31 March 2017	**100.00%**	**198,105.96**	**100.00%**	**6,444.80**	**100.00%**	**(1,491.38)**	**100.00%**	**4,953.42**
31 March 2016	**100.00%**	**196,818.60**	**100.00%**	**3,503.87**	**100.00%**	**(1,542.65)**	**100.00%**	**1,961.22**

Note 56: Corporate Social Responsibility Expenditure

(a) Gross amount required to be spent by the group during the year : Rs. 196.22 lakhs (31.03.2016 - Rs. 366.19 lakhs)

(b) Amount spent during the year on :

Rs. Lakhs

CSR project or activity identified	31st March 2017			31st March 2016		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	180.00	-	180.00	408.29	-	408.29
(ii) On purposes other than (i) above	17.93	-	17.93	26.90	-	26.90

Note 57: 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

(a) Income Tax Expense

	31st March 2017	31st March 2016
Current Tax		
Current tax on profits for the year	2,237.82	2,785.45
MAT Credit written off	-	616.05
Adjustments for current tax of prior periods	81.32	(1,113.21)
Total Current Tax Expense	**2,319.14**	**2,288.29**
Deferred Tax		
Decrease / (increase) in deferred tax assets	(4,002.47)	(1,161.77)
(Decrease) / increase in deferred tax liabilities	691.68	271.29
Total deferred tax expense/(benefit)	**(3,310.79)**	**(890.48)**
Income tax expense	**(991.65)**	**1,397.81**
Income tax expense/(credit) is attributable to		
profit from continuing operations	(991.65)	1,397.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(b) Reconciliation of tax expense and the accounting profit multiplied by average tax rate:

	31st March 2017	31st March 2016
Profit from continuing operations before Income Tax expenses	5,453.01	4,901.68
Tax at an average rate	**3,248.10**	**2,646.34**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate Social Responsibility Expenditure	63.03	23.48
Weighted Deduction on Research & Development Expenditure	(42.34)	(31.68)
Profit on compulsory acquisition of Land	(2,153.47)	-
Replantation Subsidy	(242.41)	(155.75)
Income not subject to tax	(1,676.72)	(838.42)
Other items	(70.34)	69.17
Adjustments for current tax of prior periods	(117.51)	(931.38)
MAT Credit written off	-	616.05
Income Tax Expense	**(991.65)**	**1,397.81**

Note 58: Disclosure pursuant to SEBI's (Listing Obligations And Disclosure Requirements) Regulations, 2015

Rs. Lakhs

	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	1st April 2015 Rs. Lakhs
i) Loans and Advances in the Nature of Loans to Firms/Companies in which Directors are Interested.			
a) 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	280.00	280.00
- Maximum amount outstanding at any time during the year	280.00	280.00	300.00

Note 59: Details of Loans given covered under section 186(4) of the Companies Act,2013

During the year, the Company has given Interest bearing (which is not lower than prevailing yield of related Government Security close to the tenure of respective loans) loans to certain parties for their business purposes, which is repayable on demand;

- Williamson Magor & Co. Ltd.- Nil (31st March 2016- Rs 4875 lakhs, ist April 2015-Nil) at the year end and maximum amount outstanding during the year Rs 22700 lakhs (31st March 2016 Rs. 18125 lakhs, 1st April 2015- Rs 14400 lakhs)

- Babcook Borsig Ltd.- Rs 12550 lakhs (31st March 2016- Rs 3950 lakhs, 1st April 2015-Nil) at the year end and maximum amount outstanding during the year Rs 22450 lakhs (31st March 2016- Rs. 19700 lakhs, 1st April 2015- Rs 11300 lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- Williamson Financial Services Limited- Rs 7350 lakhs (31st March 2016- Rs 5100 lakhs, 1st April 2015- Rs. 3800 lakhs) at the year end and maximum amount outstanding during the year Rs 22300 lakhs (31st March 2016- Rs. 19650 lakhs, 1st April 2015- Rs 9250 lakhs)

- McNally Bhart Engg. Co,Ltd.- Rs 3405 lakhs (31st March 2016- Rs 7225 lakhs, 1st April 2015- Rs. Nil) at the year end and maximum amount outstanding during the year Rs 39121 lakhs (31st March 2016- Rs. 20179 lakhs, 1st April 2015- Nil)

- Seajulie Developers & Finance Limited- Rs 4840 lakhs (31st March 2016- Nil, 1st April 2015- Rs. Nil) at the year end and maximum amount outstanding during the year Rs 5620 lakhs (31st March 2016- Rs. Nil, 1st April 2015- Nil)

Note 60 : First-time adoption of Ind AS

Transition to Ind AS

These are the group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and Exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Group has applied same exemption for investment in associate.

A.1.2 Prospective application of Ind AS 21 to business combinations

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree.

The Group has elected to apply this exemption.

A.1.3 Cumulative translation differences

Ind AS 101 permits cumulative translation difference to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.

The Group has elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

A.1.4 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value. The Group does not have any de-commissioning liabilities as on the date of transition and accordingly no adjustment have been made for the same.

A.1.5 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in equity instruments.

A.1.6 Measurement of Investment in associate

Ind AS 101 allows a first time adopter to measure investment in associate at cost determined in accordance with Ind AS 27 or at deemed cost (i.e. fair value of such investments at the entity's date of transition or previous GAAP carrying amount at the date of transitions. Accordingly, the Group has adopted deemed cost i.e. is the fair value of investments at the entity's date of transition.

The Group has elected to apply this exemption for its investment in associate.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

i Investment in equity instruments carried at FVOCI;

ii Investment in debt instruments carried at FVPL; and

iii Biological asset measured at fair value less cost to sell.

A.2.2 Non-controlling interests

Ind AS 110 requires entity to attribute the profit or loss and each componenet of other comprehensive income to the owners of the parent and to the non-controlling interest. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition.

Consequently, the Group has applied the above requirement prospectively.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

B : Reconciliations between previous GAAP and Ind AS

Reconciliation of total equity as at 31st March 2016 and 1st April 2015

Rs. Lakhs

	Notes to first-time adoption	31st March 2016	1st April 2015
Total equity (shareholder's funds) as per previous GAAP		2,09,483.33	2,09,146.75
Adjustments:			
Effect of recognising amount receivable for Sale of Tea Estate at Fair Value	6	(89.69)	(89.69)
Changes in Inventories of Raw Material	7	265.80	158.64
Effect of Changes in value of Finished Goods (Tea Stock)	7	(235.96)	209.57
Effect of recognising Subsidies Receivable from Government at Fair Value	5	(570.15)	(570.15)
Effect of Recognising Interest Expense on Term Loan as per Effective Interest Method	10	94.49	22.33
Effect of reversal of Proposed Dividend and Tax on Proposed Dividend	12	2,634.76	3,952.15
Effect of Recognition of Fair Value Gain on Derivative Instrument	9	275.74	96.95
Effect of Changes in value of Green Leaf	8	520.62	446.65
Effect of Capitalisation of Replanting Cost			
- Employee Benefits Expense	1	1,210.93	-
- Consumption of Stores and Spare Parts	1	475.01	-
Effect of Recognition of Depreciation on Bearer Plants	2	(2,009.06)	-
Effect of Recognition of Loss on Disposal of Bearer Plants	2	(353.91)	-
Deferred Tax	11	(22,571.19)	(22,696.28)
Tax Liability Gisovu	14	(92.80)	(92.80)
Effect of recognition of Investments in Associate at Fair Value	3	(34.35)	(94.35)
Effect of change in Fair Value of Investments	4	6,890.57	7,550.00
Adjustment for Treasury Stock	17	(892.79)	(892.79)
Total Adjustments		**(14,481.98)**	**(11,999.77)**
Total Equity as per Ind AS		**1,95,001.35**	**1,97,146.98**

Reconciliation of total comprehensive income for the year ended 31st March 2016

Rs. Lakhs

	Notes to first-time adoption	31st March 2016
Net Profit as reported under previous GAAP		4,432.31
Adjustments:		
Effect of Reclassification of Exceptional Items to Changes in Fair Value of Equity Shares		240.19
Effect of Recognition of Fair Value Gain on Derivative Instrument	9	178.79
Effect of Changes in value of Finished Goods (Tea Stock)	7	(445.53)
Effect of Changes in value of Green Leaf	8	73.97
Changes in Inventories of Raw Material	7	107.16
Effect of Capitalisation of Replanting Cost		
- Employee Benefits Expense	1	1,210.93
- Consumption of Stores and Spare Parts	1	475.01
Effect of reclassification of Actuarial Gain on defined benefit plan to Other Comprehensive Income	13	(884.55)
Effect of Recognising Interest Expense on Term Loan as per Effective Interest Method	10	72.16
Effect of Recognition of Depreciation on Bearer Plants	2	(2,009.06)
Effect of Recognition of Loss on Disposal of Bearer Plants	2	(353.91)
Tax Expense		406.40
Total Adjustments		**(928.44)**
Profit after tax as per Ind AS		**3,503.87**
Other Comprehensive Income		**(1,542.65)**
Total comprehensive Income as per Ind AS		**1,961.22**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31st March 2016

Rs. Lakhs

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	18,672.96	2,011.50	20,684.46
Net cash flow from investing activities	(27,326.48)	(1,559.14)	(28,885.62)
Net cash flow from financing activities	8,920.79	(452.36)	8,468.43
Net increase/(decrease) in cash and cash equivalents	267.27	-	267.27
Cash and cash equivalents as at 1st April 2015	4,341.99	-	4,341.99
Effect of exchange rate changes on cash and cash equivalents	0.28	-	**0.28**
Cash and cash equivalents as at 31st March 2016	**4,609.54**	-	**4,609.54**

C: Notes to first-time Adoption

Note 1: Replanting Cost

Under the previous GAAP, replanting cost was charged off to Statement of Profit and Loss as and when incurred. Under Ind AS, such cost is being considered as bearer plant within the ambit of Ind AS 16 "Property, Plant and Equipment". Accordingly, replanting cost incurred after the transition date has been shown under Capital Work in Progress till the time it is ready for commercial production and capitalised under bearer plants when it is ready for commercial production. Consequent to the above change profit for the year ended 31st March 2016 has increased by Rs 1685.94 lakhs with corresponding increase in Capital work-in-progress.

Note 2: Depreciation on Bearer Plants

Under the previous GAAP, neither the depreciation has been charged on bearer plants nor loss on disposal has been recognised. Under Ind AS, since bearer plants comes within the ambit of Ind AS 16 "Property, Plant and Equipment" depreciation and loss on disposal is being provided on bearer plants. Consequent to the above change profit for the year ended 31st March 2016 has decreased by Rs 2362.97 lakhs with corresponding decrease in balance of bearer plants.

Note 3: Investment in Associate

Fair value of equity instruments in associate as on transition date have been considered as deemed cost. As on the date of transition, fair value has been considered as Rs. Nil.

Consequent to above change, the total equity as on 1st April, 2015 and 31st March, 2016 has been reduced by Rs. 94.35 lakhs and Rs. 34.35 lakhs respectively.

Note 4: Fair valuation of Investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value (except for Investments in associates for which exemption with regard to deemed cost is adopted).

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI - Equity Investments (net of tax) as at the date of transition and subsequently in the other comprehensive income for the year ended 31st March 2016. This has increased FVOCI Equity Investments by Rs 6890.57 lakhs as at 31st March 2016 (1st April 2015- Rs 7550.00 lakhs).

Consequent to the above, the total equity as at 31st March 2016 increased by Rs 6890.57 lakhs (1st April 2015- Rs 7550.00 lakhs) and other comprehensive income for the year ended 31st March 2016 decreased by Rs 659.43 lakhs, respectively.

Note 5: Subsidies Receivable from Government

Under the previous GAAP, amount receivable as subsidy are recorded at their transaction value. Under Ind AS, such assets are measured at amortised cost . Difference between the amortised cost and the transaction value has been adjusted against Statement of Profit and Loss. Consequent to this change, the subsidy receivable has decreased by Rs 570.15 lakhs as at 1st April 2015 and 31st March 2016. Total equity decreased by Rs 570.15 lakhs as on 1st April 2015 and 31st March 2016.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 6: Other Long Term Receivable

Under the previous GAAP, amount receivable for sale of tea estates are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the amount receivable for sale of tea estates. Difference between the fair value and the transaction value has been adjusted against Statement of Profit and Loss. Consequent to this change, the amount receivable for sale of tea estates decreased by Rs 89.69 lakhs as at 1st April 2015 and 31st March 2016. Total equity decreased by Rs 89.69 lakhs as on 1st April 2015 and 31st March 2016.

Note 7: Inventories

(a) Raw Materials : Under previous GAAP, no valuation was done for period end harvested tea-leaf. Under Ind AS, harvested leaf is measured at its fair value less cost to sell and is classified as Raw Materials.

Consequent to this change, inventory of raw materials has increased by Rs 158.64 lakhs and Rs 265.80 lakhs as at 1st April 2015 and 31st March 2016 respectively with corresponding increase in equity.

(b) Finished Goods : Under previous GAAP, tea stock has been valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase/production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Under Ind AS, cost of inventories comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost (i.e 40 % of factory cost) and other costs incurred in bringing the inventories to their present location and condition.

Consequent to this change, inventory of finished goods as on 1st April 2015 has increased by Rs 209.57 lakhs with corresponding increase in equity. However, Inventories as on 31st March 2016 had decreased by Rs 235.96 lakhs with corresponding decrease in equity."

Note 8: Biological Assets (i.e. unplucked leaf on tea bushes)

Under previous GAAP, biological assets i.e. unplucked leaf on tea bushes has neither been valued nor recognised in the accounts. Under Ind AS, unplucked leaf on tea bushes has been measured at its fair value less cost to sell. Consequent to this change, inventory of biological assets as on 1st April 2015 has increased by Rs. 446.65 lakhs with corresponding increase in equity. However, inventory of biological assets as on 31st March, 2016 has increased by Rs. 520.62 lakhs with corresponding increase in equity.

Note 9: Derivative Financial Asset

Under previous GAAP, mark to market gains in respect of outstanding foreign currency derivative contracts are not recognized in the financial statement in accordance with ICAI Announcement on Accounting for Derivatives. Under Ind AS, such gains are accounted for in the financial statements. Consequent to the above change Derivative Financial Asset as on 1 April, 2015 and 31 March, 2016 have been increased by Rs. 96.95 lakhs and Rs. 275.74 lakhs respectively with corresponding increase in equity.

Note 10: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at 31st March 2016 have been reduced by Rs 94.49 lakhs (1st April 2015- Rs 22.33 lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amout. The profit for the year ended 31st March 2016 increased by Rs 72.16 lakhs as a result of reversal of excess charge on account of interest expenses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 11: Deferred Tax

Under previous GAAP, no deferred tax asset/ liability was recognized on revalued amount of Property, Plant and Equipment since this was considered as permanent difference. Under Ind AS, deferred tax liability was recognized on such revalued amount, with tax base being Rs. NIL.

Consequent to above change, deferred tax liability has increased by Rs. 22696.98 lakhs as on 1st April, 2015 and by Rs. 22571.19 lakhs as on 31st March, 2016 with corresponding decrease in equity for respective period.

Note 12: Proposed Dividend and Tax on Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements and applicable dividend tax thereon were considered as adjusting events. Accordingly, provision for proposed dividend and dividend tax thereon was recognised as a liability. Under Ind AS, such dividend and tax thereon are recognised when the dividend is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and dividend tax thereon aggregating Rs 2634.76 lakhs as at 31st March 2016 (1st April 2015 - Rs 3952.15 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 13: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As result of this change, the profit for the year ended 31 March, 2016 has decreased by Rs. 602.88 lakhs (net of tax Rs.281.67 lakhs). There is no impact on the total equity as at 31st March 2016.

Note 14: Tax at Gisovu

The step-down subsidiary of parent entity has recognised a demand of Rs. 92.80 lakhs in respect of withholding tax in respect of earlier years. Consequent to above recognition, the total equity as on 1st April, 2015 and 31st March, 2016 has been reduced by Rs. 92.80 lakhs respectively.

Note 15: Retained Earnings

Retained earnings as at 1st April, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 16: Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 17: Adjustment for Treasury Stock

Under the previous GAAP, shares of parent entity held by subsidiary through Trust were shown under Other Non-Current Assets. Under Ind AS, such shares have been considered as treasury shares and deducted from equity. Consequent to above change, the total equity as on 1st April, 2015 and 31st March, 2016 have been decreased by Rs. 892.79 lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 61: Disclosure relating to Specified Bank Notes

This note provides the details of Specified Bank Notes (SBNs) held and transacted by the group during the period from 8th November, 2016 to 30th December, 2016 as provided in the table below.

Rs. Lakhs

	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	206.27	200.99	407.26
Add : Permitted receipts	-	8,344.79	8,344.79
Less: Permitted payments	-	4,922.71	4,922.71
Less: Amount deposited in Banks	206.27	19.81	226.08
Closing Cash in hand as on 30.12.2016	**-**	**3,603.26**	**3,603.26**

Signatures to Note 1 to 61

For **PRICE WATERHOUSE**
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 30th May 2017

On behalf of the Board of Directors

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha 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.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Name of the Subsidiary	**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 (GBP)	Vietnamese Dong (VND) (VND)	Uganda Shillings (Ushs)	Rwandan Franc (RWF)	Rwandan Franc (RWF)	Kenya Shillings (KSHs)	US Dollars (USD)
Reporting period for the subsidiary concerned	Year Ended 31st March 2017	Year Ended 31st December 2016	Year Ended 31st December 2016	Year Ended 31st December 2016	Year Ended 31st December 2016	Year Ended 31st December 2016	Year Ended 31st December 2016
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	80.97000	0.00289	0.01819	0.07920	0.07920	0.64277	64.77600
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Share Capital	293.11	5,410.22	7,570.82	1,681.57	0.79	0.64	35.30
Reserves and Surplus	23,069.74	(4,853.47)	9,399.05	2,884.79	3,962.65	(67.40)	(232.60)
Total Assets	44,760.48	12,989.06	21,072.28	4,869.19	4,249.74	1,706.04	668.47
Total Liabilities(including Shareholders' Fund)	44,760.48	12,989.06	21,072.28	4,869.19	4,249.74	1,706.04	668.47
Non Current Investments	31,719.81	-	-	-	-	-	-
Turnover	1,179.06	6,277.53	17,543.68	4,586.70	3,572.04	5,054.81	2,122.64
Profit before Taxation	3,968.04	(1,708.07)	5,849.24	1,458.73	796.30	58.44	127.48
Provision for Taxation	778.81	-	202.79	229.70	135.63	42.13	-
Profit after Taxation	3,189.23	(1,708.07)	5,646.45	1,229.03	660.67	16.31	127.48
Interim Dividend	-	-	3,091.58	-	-	-	-
Proposed Dividend	#	-	-	712.76	237.59	-	-
% of Shareholding	100%	100%	100%	60%	90%	100%	100%
Country	United Kingdom	Vietnam	Uganda	Rwanda	Rwanda	Africa	Dubai

The Board of Directors of Borelli Tea Holdings Ltd. has recommended a dividend of GBP 2.00 per share .
However, as per Accounting Standards in U.K., provision for the same has not been made in their books of accounts.

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 the Associate		D1 Williamson Magor Bio Fuel Ltd
1.	Latest audited Balance Sheet Date	31st Mar 17
2.	Shares of Associate held by the Company on the year end:	
	No.	7281201
	Amount of Investment in Associates (Rs. In lakhs)	2184.36
	Extend 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)	8.63
6.	Loss for the year (Rs. In lakhs)	172.88
	i. Considered in Consolidation (Rs. In lakhs)	Nil (Note-3 below)
	ii. Not Considered in Consolidation (Rs. In lakhs)	172.88

Notes:

1. Names of Associates or Joint Ventures which are yet to commence operations – Nil.
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year – Nil.
3 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

	A. Khaitan	K. K. Baheti	A. Guha Sarkar
Place: Kolkata, 30th May, 2017	Managing Director	Wholetime Director & CFO	Company Secretary

NOTES

A MEMBER OF WILLIAMSON MAGOR GROUP