



McLEOD RUSSEL
Believe in tea

30th May 2016

The Secretary,
BSE Limited,,
P.J. Towers, Dalal Street,
MUMBAI-400 023.
Scrip Code: 532654

The Secretary,
National Stock Exchange
of India Ltd.,
Exchange Plaza,
5th Floor,
Plot No.C/1,G Block,
Bandra-Kurla Complex,
Bandra (E),
MUMBAI-400 051.
Scrip Code: MCLEODRUSS

The Secretary,
The Calcutta Stock
Exchange Association Ltd.,
6, Lyons Range,
KOLKATA-700 001.
Scrip Code: 10023930

Dear Sir,

**APPROVAL OF AUDITED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016
AND RECOMMENDATION OF DIVIDEND**

Further to our letter dated 19th May 2016 we would like to inform you that at a Meeting held today, the Board of Directors of the Company has arrived at the following decisions :-

- (a) Approved the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2016.
- (b) Recommended a Dividend of Rs. 2/-per share on the Equity Shares of Rs. 5/- each for the Financial Year ended 31st March 2016.
- (c) Approved and taken on record the Company's Audited Standalone and Consolidated Financial Results for the Financial Year ended 31st March 2016 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015.

We now send herewith the following:

- i. Audited Standalone and Consolidated Financial Results in the prescribed format duly signed by a Wholetime Director of the Company.
- ii. A copy each of the Report of the Auditors on Standalone and Consolidated Financial Statements respectively.

In connection with the above, we hereby declare in terms of Clause 4.1 of the Circular No. CIR/CFD/CMD/56/2016 issued by the Securities and Exchange Board of India on 27th May,2016, that the Auditors of the Company have furnished their Audit Report in respect of the aforesaid Financial results with un-modified opinion

Please acknowledge receipt.

Yours faithfully,
McLEOD RUSSEL INDIA LIMITED


(A. GUHA SARKAR)
**SENIOR VICE PRESIDENT &
COMPANY SECRETARY**

Encl:
/nr.

Registered Office :

McLEOD RUSSEL INDIA LIMITED

Corporate Identity Number (CIN) : L51109WB1998PLC087076
FOUR MANGOE LANE, SURENDRA MOHAN GHOSH SARANI, KOLKATA - 700 001
TELEPHONE : 033-2210-1221, 2248-9434 / 35, FAX : 91-33-2248-8114 / 6265
E-mail : administrator@mcleodrussel.com Website : www.mcleodrussel.com



A Williamson Magor Group Enterprise

MCLEOD RUSSEL INDIA LIMITED
Registered Office: 4, Mangoe Lane, Kolkata - 700001
Web : www.mcleodrussel.com, Email id : administrator@mcleodrussel.com, Phone no: 033-2210-1221
CIN : L51109WB1998PLC087076
AUDITED FINANCIAL RESULTS FOR THE
YEAR ENDED MARCH 31, 2016

Particulars	Standalone Quarter ended 31st			Standalone financial year ended 31st March		Consolidated financial year ended 31st March	
	March 2016 Reviewed	December 2015 Reviewed	March 2015 Reviewed	2016	2015	2016	2015
1. Income from Operations							
a) Net Sales/Income from Operations	31242	50157	30786	148308	136771	190014	162529
b) Other Operating Income	490	871	341	2371	2059	2618	2066
Total Income from Operations	31732	51028	31127	150679	138830	192632	164595
2. Expenses							
a) Cost of Green Leaf consumed (Note 4)	1203	4607	760	24885	23404	32950	30770
b) Purchase of Tea	-	-	-	-	-	3765	527
c) Changes in inventories of finished goods and stock-in-trade	27887	8912	27938	(963)	(2262)	414	(4613)
d) Employee Benefits Expense	17438	16641	12825	68271	56335	75386	63478
e) Power and Fuel	1939	4694	1690	18483	17717	21613	20883
f) Consumption of Stores and Spare Parts	832	1173	1269	6781	6465	9028	9054
g) Freight, Shipping and Selling Expenses	1699	2289	1739	7842	7252	10206	9030
h) Depreciation and Amortisation	1527	1538	1169	6066	6027	8220	7675
i) Other Expenditure	3541	4833	5135	17215	17304	22609	22545
Total Expenses	56066	44687	52525	148580	132242	184191	159349
3. Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(24334)	6341	(21398)	2099	6588	8441	5246
4. Other Income	3457	2208	1413	9640	5397	9016	4471
5. Profit/(Loss) from Ordinary Activities before Finance Costs and Exceptional Items (3+4)	(20877)	8549	(19985)	11739	11985	17457	9717
6. Finance Costs	2559	2851	1632	10151	6609	10981	7190
7. Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	(23436)	5698	(21617)	1588	5376	6476	2527
8. Exceptional Items (Note 5)	115	-	59	115	59	213	56
9. Profit/(Loss) from Ordinary Activities before Tax (7-8)	(23551)	5698	(21676)	1473	5317	6263	2471
10. Tax Expense							
- Current Tax	1200	-	1200	1200	1200	2735	1663
- MAT Credit Entitlement (Net)	616	-	188	616	188	616	188
- Provision/(Write back) relating to earlier years	(1063)	-	(585)	(1063)	(585)	(1063)	(589)
- Fringe Benefit Tax write back relating to earlier years	-	-	(350)	-	(350)	-	(350)
- Deferred Tax	(737)	-	(1334)	(737)	(1334)	(484)	(1845)
11. Net Profit/(Loss) from Ordinary Activities after Tax (9-10)	(23567)	5698	(20795)	1457	6198	4459	3404
12. Extraordinary Items	-	-	-	-	-	-	-
13. Net Profit/(Loss) for the period (11-12)	(23567)	5698	(20795)	1457	6198	4459	3404
14. Share of Associates' Loss	-	-	-	-	-	27	83
15. Minority Interest	-	-	-	-	-	702	204
16. Net Profit/(Loss) after Taxes, Minority Interest and Share of Loss of Associates	(23567)	5698	(20795)	1457	6198	3730	3117
17. Paid-up Equity Share Capital: Face Value : Rs. 5/- per share	5473	5473	5473	5473	5473	5473	5473
18. Reserves and Surplus (excluding Revaluation Reserve)	-	-	-	126610	127411	148436	147834
19. Earnings per Share before and after Extraordinary Items (Rs.)							
a) Basic	(21.53)	5.21	(19.00)	1.33	5.66	3.41	2.85
b) Diluted	(21.53)	5.21	(19.00)	1.33	5.66	3.41	2.85
B. INVESTOR COMPLAINTS	3 months ended 31st March 2016						
Pending at the beginning of the quarter	2						
Received during the quarter	5						
Disposed of during the quarter	7						
Remaining unresolved at the end of the quarter	Nil						



SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

			Rs. Lakhs	
	Standalone		Consolidated	
	financial year ended 31st March		financial year ended 31st March	
	2016	2015	2016	2015
Segment Revenue				
India			150431	138714
Vietnam			9036	5153
Uganda			17613	15675
Rwanda			9947	3464
Other non-reportable segment			5605	1589
Total			192632	164595
Segment Results				
India			4106	7284
Vietnam			(1108)	(671)
Uganda			3913	(508)
Rwanda			3934	865
Other non-reportable segment			1064	151
Total		Refer Note 3	11909	7121
Less :				
Finance Costs (Net of Interest Income)			3889	3489
Other Unallocable Expenditure - net of Income			1544	1105
Exceptional Items			213	56
Total Profit before Tax			6263	2471
Capital Employed (Segment Assets less Segment Liabilities)				
India			124947	122262
Vietnam			12241	13171
Uganda			15526	14917
Rwanda			8186	9136
Other non-reportable segment			2973	2043



Notes :

1. Statement of Assets and Liabilities

	Standalone financial year ended 31st March		Rs. Lakhs Consolidated financial year ended 31st March	
	2016	2015	2016	2015
A. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
Share Capital	5473	5473	5473	5473
Reserves and Surplus	182185	183251	204011	203674
	187658	188724	209484	209147
2. Minority Interest			1817	2405
3. Non-current liabilities				
Long - term Borrowings	21613	12000	32598	26331
Deferred Tax Liabilities (net)	1529	2267	3066	3711
Long - term Provisions	2975	3353	2989	3362
	26117	17620	38653	33404
4. Current Liabilities				
Short-term Borrowings	39043	25437	42427	28184
Trade Payables	11232	8806	13596	12391
Other Current Liabilities	14187	10996	20439	14649
Short-term Provisions	8034	8555	8930	8676
	72496	53794	85392	63900
TOTAL	286271	260138	335346	308856
B. ASSETS				
1. Non-Current Assets				
Fixed Assets				
Tangible Assets	162709	158885	184602	182184
Intangible Assets	2538	2895	34387	34336
Capital Work-in-Progress	5895	4263	7222	6302
Non-Current Investments	23811	23926	950	1190
Long Term Loans and Advances	11285	14860	11384	15031
Other Non-Current Assets	195	195	1455	1258
	206433	205024	240000	240301
2. Current Assets				
Inventories	16602	15507	24980	25862
Trade Receivables	5843	6565	11010	8765
Cash and Cash Equivalents	992	788	4610	4342
Short Term Loans and Advances	47285	28609	45820	25656
Other Current Assets	9116	3645	8926	3930
	79838	55114	95346	68555
TOTAL	286271	260138	335346	308856

- The Board of Directors has recommended a dividend of Rs. 2/- per share.
- Segments have been identified in line with the accounting standard 17 taking into account the different political and economic environment, risks and returns. These have been identified as India, Vietnam, Uganda and Rwanda. However, on standalone basis the Company, being engaged in manufacture of Tea in India, is regarded as single segment.
- Value of consumption of raw materials represents only Green Leaf purchased from third parties.
- Exceptional Items represent provision / reversal for diminution in carrying amount, other than temporary, of investments.
- The figures of last quarter for the current year and for the pervious year are the balancing figures between the audited figures in respect of the full financial year ended 31st March and the unaudited published year-to-date figures upto the third quarter ended 31st December which was subject to limited review.
- Figures for the previous period have been regrouped / rearranged, wherever necessary.
- The above statement has been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on May 30, 2016.
- The Auditors' reports on standalone as well as consolidated financial statements are unmodified.

Kolkata
May 30, 2016



McLeod Russel India Limited

K. K. Baheti
K. K. Baheti
Wholetime Director & CFO

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF McLEOD RUSSEL INDIA LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of McLeod Russel India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 standards and matters which are required to be included in the audit report.
5. We conducted our audit 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 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of McLeod Russel India Limited

Report on the Standalone Financial Statements

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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 financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw your attention to Note 35 to the financial statements regarding total remuneration paid/payable to the managing director and three whole-time directors of the Company aggregating Rs 1089.16 lakhs for the year ended March 31, 2016 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.

Report on Other Legal and Regulatory Requirements

10. 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 (hereinafter referred to as 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.
11. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (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, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



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INDEPENDENT AUDITORS' REPORT

To the Members of McLeod Russel India Limited

Report on the Standalone Financial Statements

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- (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, 2016, on its financial position in its standalone financial statements – Refer Note 32;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2016 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, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Prabal Kr. Sarkar
Partner
Membership Number: 52340

Kolkata
May 30, 2016

Price Waterhouse

Chartered Accountants

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 standalone financial statements for the year ended March 31, 2016.

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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, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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.



Price Waterhouse

Chartered Accountants

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 standalone financial statements for the year ended March 31, 2016.

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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, 2016, 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, 2016

Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the standalone financial statements as of and for the year ended March 31, 2016.

- 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 11 on fixed assets to the financial statements, are held in the name of the Company/transferor companies (Refer Note 29 to the financial statements), except for the following :

Particulars	Gross Block (Rs in Lakhs)	Net Block In (Rs in Lakhs)	Remark
Leasehold Land	318.85	286.98	Lease deed yet to be executed in the name of the Company

- 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.



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Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the standalone financial statements for the year ended March 31, 2016

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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 linked 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, 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, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Tax deducted at Source, Interest, others	5562.00	2005-06 to 2008-2009 and 2011-2012	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
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 towards the year end and out of which Rs 3524.14 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.



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Chartered Accountants

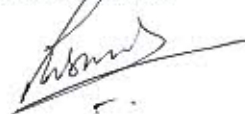
Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the standalone financial statements for the year ended March 31, 2016

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- xi. Except for managerial remuneration aggregating Rs. 604.94 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 Accounting Standard (AS) 18, 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, 2016

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Mcleod Russel India Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated 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 29) to the attached consolidated financial statements, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement 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 Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its associate in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated 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 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 financial statements are free from material misstatement.

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

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Mcleod Russel India Limited
Report on the Consolidated Financial Statements
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5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated 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 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 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 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 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, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

8. We draw your attention to Note 35(b) to the consolidated financial statements regarding total remuneration paid/payable to the managing director and three whole-time directors of the parent Company aggregating Rs 1089.16 lakhs for the year ended March 31, 2016 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

9. We did not audit the financial statements/financial information of one subsidiary whose financial statements/ financial information reflect total assets of Rs 58,787.08 lakhs and net assets of Rs 32994.06 lakhs as at March 31, 2016, total revenue of Rs.42,738.30 lakhs, net profit of Rs 3,218.57 lakhs and net cash flows amounting to Rs 63.25 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.27.15 lakhs for the year ended March 31, 2016 as considered in the consolidated 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 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



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INDEPENDENT AUDITORS' REPORT

To the Members of Mcleod Russel India Limited
Report on the Consolidated Financial Statements
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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 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.

Report on Other Legal and Regulatory Requirements

10. 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 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 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, and the Consolidated Cash Flow Statement 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 financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(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 company incorporated in India is disqualified as on March 31, 2016 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 financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group and its associate Company – Refer Note 32 to the consolidated financial statements.

ii. The Group and its associate company had long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.



Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Mcleod Russel India Limited
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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, 2016. 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, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



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(Prabal Kr. Sarkar)
Partner
Membership Number 52340

Kolkata
May 30, 2016

Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Mcleod Russel India Limited on the consolidated financial statements for the year ended March 31, 2016

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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, 2016, 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 "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.

Auditor's 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") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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.



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Mcleod Russel India Limited on the consolidated financial statements for the year ended March 31, 2016

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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, 2016, 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.



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Mcleod Russel India Limited on the consolidated financial statements for the year ended March 31, 2016

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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.

Kolkata
30th May 2016

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants


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(Prabal Kr. Sarkar)
Partner
Membership Number 52340