



McLEOD RUSSEL
Believe in tea

8th November 2016

The Secretary
BSE Ltd
P.J. Towers, 25th Floor
Dalal Street,
MUMBAI -400 001
Scrip Code:532654

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

The Secretary
The Calcutta Stock
Exchange Limited
7, Lyons Range
KOLKATA 700001
Scrip Code:10023930

Dear Sir,

Sub : McLeod Russel – Information Update

We send herewith an Information Update on the Company for the Quarter/Half year ended 30th September 2016 together with Management's understanding on future outlook for your information and record.

The Unaudited Financial Results of the Company for the Quarter/Half year ended 30th September 2016 have already been sent to the Stock Exchanges.

Please acknowledge receipt.

Yours faithfully,
McLEOD RUSSEL INDIA LIMITED

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

Encl : as above.

Registered Office :

McLEOD RUSSEL INDIA LIMITED

Corporate Identity Number (CIN) : L51109WB1998PLC087076
FOUR MANGO 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
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the quarter and half year ended 30th September, 2016
- Company management's understanding on future outlook
- Phu Ben Tea Company Limited, Vietnam
- McLeod Russel Uganda Limited, Uganda
- Gisovu Tea Company Limited, Rwanda
- Pfunda Tea Company Limited, Rwanda

Highlights for the **half year** ended 30th September, 2016 :-

		2016-17	2015-16	
1.	Selling Price	Rs.173.03 per kg	Rs.179.05 per kg.	(-) Rs.6.02
2.	Operating Profit *	Rs.150.71 Crores	Rs.170.94 Crores	(-) 12%
3.	Net Profit (Standalone)	Rs.114.74 Crores	Rs.87.73 Crores	(+) 30%
4.	Sales Quantity	350 lakh Kg	374 lakh kg	(-)24 lakh kg
5.	Crop	607 lakh kg	596 lakh kg	(+)11 lakh kg

- Operating Profit Before Depreciation as per new Ind AS.

Highlights for the **quarter** ended 30th September, 2016 :-

		2016-17	2015-16	
1.	Selling Price	Rs.173.82 per kg	Rs.182.27 per kg.	(-) Rs.8.44
2.	Operating Profit *	Rs.166.29 Crores	Rs.192.07 Crores	(-) 13%
3.	Net Profit (Standalone)	Rs.132.08 Crores	Rs.116.44 Crores	(+) 13%
4.	Sales Quantity	250 Lakh Kg	276 lakh kg	(-) 26 lakh kg
5.	Crop	389 lakh kg	387 lakh kg	(+) 2 lakh kg

- Operating Profit Before Depreciation as per new Ind AS.



Review of Operations :-

➤ Production :

Tea production in India was lower at 717 million kg as against 721 million kg last year for the period January to August due to loss on 20 million kg of production in South India on adverse weather conditions. However, Tea production in North India was higher by 16 million kg. Tea Production in African region has been higher by 70 million kg up to August.

Tea production from own plantation for the Company was higher by 4.2 million kg as compared to last year. However, Production from out grower's leaf was lower by 3.1 million kg for the year up to September.

➤ Sales & Prices:

Increase in production in Kenya had negative impact on prices at Mombasa Auction. Average tea prices at Mombasa Auction for nine months ending September was lower at USD 2.3 per kg as against USD 2.7 per kg last year.

Tea Prices in India have also been negatively impacted due to record crop in Kenya and subdued demand both in Export market and Domestic markets. Tea prices for the Company is lower by Rs.6 per kg for six months ending 30th September. Sales quantity for the period is lower by 2.4 million kg.

➤ Operating Result :

Operating profit before Depreciation for the quarter is lower by 13% at Rs.166 crores as against Rs.192 crores last year. This is mainly attributable to lower prices during the quarter. Staff cost has increased by Rs.33 crores on revision of wages and substantial increase in welfare costs. Consumption of Raw Material (cost of leaf from Small Grower's) is lower by Rs28 crores on lower volume.



The results have been prepared in accordance with Ind AS. This have impact on quarterly results, however, we expect minimal impact on the results for the full year.

OUTLOOK :

⊙ Global Production :

Tea Production in Kenya is reported to be higher by 70 million kg up to August as compared to last year due to normal weather. We expect the production from Africa to remain higher for the rest of the season.

Indian Production :

Indian Production is estimated to be lower by 4 million up to August as compared to last year due to lower production in South India. Tea production in North India has recovered to normal production after sustaining drought for last 2-3 year. Overall production for the country is expected to be in the range of 1190 to 1200 million kg for the full year.

⊙ Tea Prices & Costs :

Tea prices in African region have been lower by USD 0.40 per kg up to September due to recovery of crop in Kenya. The prices have started improving in last few weeks at Mombasa Auction for Kenyan Tea as excess production has been absorbed. We expect the trend to continue for the rest of the year.

Contrary to our earlier expectation, Tea prices in India have declined by Rs.6 per kg due to subdued demand from both domestic and export market. Tea Prices are expected to move higher on expectation of growth in rural demand post normal monsoon in the country.

Cost during the year is expected to be higher by 9% in absolute terms due to increase in wages and input costs.



© **Phu Ben Tea Company Limited, Vietnam :**

During the nine months ended 30th September 2016 Phu Ben achieved a total production of 5.91 million kg of tea as against 5.96 million kg for the same period last year. The Company recorded EBDITA USD (-)0.8 million on a sales turnover USD 5.96 million with average of USD 1.34 per kg as against EBIDTA of USD (-)0.5 million on a sales turnover of USD 8.2 million with sales average of USD 1.46 per kg during the same period last year.

© **McLeod Russel Uganda Limited, Uganda :**

During the nine months ended 30th September 2016 McLeod Russel Uganda achieved a total production of 12.1 million kg of tea as against 12.7 million kg for the same period last year. The Company recorded EBIDTA USD 7.00 million on a sales turnover USD 22.35 million with average of USD 1.66 per kg as against EBIDTA of USD 5.24 million on a sales turnover of USD 21 million with sales average of USD 1.53 per kg during the same period last year.

© **Gisovu Tea Company Limited, Rwanda :**

During the nine months ended 30th September 2016 Gisovu Tea Company achieved a total production of 1.73 million kg of tea as against 1.67 million kg during the same period last year. The Company recorded EBIDTA USD 1.93 million on a sales turnover USD 6.1 million with average of USD 3.11 per kg as against EBIDTA of USD 2.65 million on a sales turnover of USD 6.3 million with sales average of USD 3.37 per kg.

© **Pfunda Tea Company Limited, Rwanda :**

During the nine months ended 30th September 2016 Pfunda Tea Company achieved a total production of 1.85 million kg of tea as against 1.83 million kg during the same period last year. The Company recorded EBIDTA USD 1.02 million on a sales turnover USD 4.3 million with average of USD 2.38 per kg as against EBIDTA of USD 2.30 million on a sales turnover of USD 5.2 million with sales average of USD 2.95 per kg.



Notes on this updates:

1. MRIL's Investor Relations activities are co-ordinated by Mr. Amitava Guha Sarkar, Company Secretary (a.guhasarkar@mcleodrussel.com).
2. MRIL may be contacted for any further clarification or information on telephone No. +91-33-2210-1221, 2243-5391, 2248-9434, 2248-9435; Fax No. +91-33-2248-8114, 2248-6265 and Email address: administrator@mcleodrussel.com
3. This update being issued after the Board of the Company at its meeting held on November 8, 2016 has taken on record the quarterly results for quarter ended 30th September, 2016.
4. Some forward-looking statements on projections, estimates or expectations are included in this update for better comprehension of the Company's prospects. Actual results may, however differ materially on account of several economic and market related factors not fully within the control of the Company.
5. This update is also available on the Company's website: www.mcleodrussel.com. In view of this, information in this update is also available to the public and does not therefore constitute unpublished price sensitive information under the SEBI (Prohibition of Insider Trading Regulations), 1992.

McLEOD RUSSEL INDIA LIMITED


A. GUHA SARKAR
SENIOR VICE-PRESIDENT &
COMPANY SECRETARY