



McLEOD RUSSEL
Believe in tea

8th August 2017

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 Association Ltd
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 ended 30th June 2017 together with Management's understanding on future outlook for your information and record.

The Unaudited Financial Results for the quarter ended 30th June 2017 have already been sent to the Stock Exchanges.

Please acknowledge receipt.

Yours faithfully,
McLEOD RUSSEL INDIA LIMITED

(A. GUHA SARKAR)
SR. VICE PRESIDENT & COMPANY SECRETARY

Enclo : as above.

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
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the quarter ended 30th June, 2017
- 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 Quarter ended 30th June, 2017:- (Standalone)

Sl.No.		2017-18	2016-17	
1.	Selling Price	Rs.168.35 per kg	Rs.171.04 per kg.	(-) Rs.2.69
2.	Operating Profit (Loss)	Rs. (10.24) Crores	Rs. (34.91) Crores	
3.	Net Profit (Loss)	Rs. (1.66) Crores	Rs. (17.34) Crores	
4.	Sales Quantity	111 lakh Kg.	100 lakh kg.	(+) 11 lakh kg
5.	Production	241 lakh kg.	218 lakh kg.	(+) 23lakh kg

Review of Operations :-

➤ **Production :**

Indian Production for the calendar year up to June is estimated to be higher by 19 million kg as compared to last year mainly due to recovery of production in South India on normal weather conditions. South Indian Production was higher by 16 million kg whereas North Indian Production was higher by 3 million kg. Tea Production in African region has been lower by 50 million kg as compared to last year due to dry weather in Kenya during period from January to May of the current year. Tea production for the Company from own leaf was higher by 2.2 million kg for the quarter and production from small grower's leaf was higher by 0.1 million kg.



➡ **Sales & Prices:**

Decrease in production in Kenya had positive impact on prices at Mombasa auctions. The prices up to June for African teas are higher at USD 2.81 per kg as against USD 2.26 per kg for the same period last year. Prices in India for the current period are similar to last year. Tea prices for the Company is lower by Rs 2 per kg for the quarter as compared to last year. Sales quantity is higher by 11 lakh kg on higher production.

➡ **Operating Result :**

The Company has posted Operating Loss of Rs.10 crores against Operating Loss of 35 Crores last year. This is mainly attributed to increase in production from own leaf. Revenue from Operations are higher by 8% on higher volume by 11 lakh kg. Staff cost has increased by Rs.26 crores during the quarter on account of revision of wages in tea estates effective 1st January 2017. Consumption of Raw Material (cost of small growers' leaf) is lower by Rs.6 crores due to decrease in prices.

OUTLOOK :

⊙ **Global Production :**

Tea Production in Kenya is reported to be lower by 50 million kg up to June as compared to last year due to dry weather. We expect the production from Africa to remain lower for the rest of the season.

Indian Production :

Indian Production is estimated to be higher by 19 million up to June as compared to last year due to higher production in South India. We expect recovery of production in North India to normal production. Overall production for the country is expected to be in the range of 1220 to 1230 million kg for the full year assuming weather to remain favorable for the rest of the season.



© **Tea Prices & Costs :**

Tea prices in African region have been substantially higher by USD 0.55 per kg up to June due to loss of crop in Kenya. The prices are likely to improve further during the second half of the year as demand grows from Middle East and Pakistan.

Tea prices in India are similar as compared to last year at Auctions. However, week on week basis Prices have seen improvement over previous year. We expect the gap to increase further particularly for North Indian Teas as demand for exports improves and on expectation of growth in rural demand post normal monsoon in the country. Increase in prices should start reflecting from the second quarter onwards.

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 six months ended 30th June 2017 Phu Ben achieved a total production of 1.70 million kg of tea as against 1.8 million kg for the same period last year. Average prices for the period was USD 1.38 per kg against USD 1.23 per kg last year. It is estimated to record EBDITA loss of USD 0.15 million as against loss of USD 0.67 million for same period last year.

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

During the six months ended 30th June 2017 McLeod Russel Uganda has achieved a total production of 6.4 million kg as against 8.3 million kg during same period last year. Average prices for the period was USD 1.85 per kg against USD 1.65 per kg last year. It is estimated to record EBDITA USD 4.67 million as against USD 4.74 million for same period last year.

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

During the six months ended 30th June 2017 Gisovu Tea Company Limited has achieved a total production of 1.50 million kg as against 1.44 million kg during same period last year. Average prices for the period was



USD 3.86 per kg against USD 3.12 per kg last year. It is estimated to record EBDITA USD 2.57 million as against USD 1.41 million for same period last year.

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

During the six months ended 30th June 2017 Pfunda Tea Company Limited has achieved a total production of 1.31 million kg as against 1.36 million kg during same period last year. Average prices for the period was USD 3.02 per kg as compared to USD 2.36 per kg during the same period last year. It is estimated to record EBDITA USD 1.76 million as against USD 0.65 million for the same period last year.

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 August 8, 2017 has taken on record the quarterly results for quarter ended 30th June, 2017.
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