



McLEOD RUSSEL  
*Believe in tea*

8<sup>th</sup> August 2017

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

The Secretary  
National Stock Exchange  
of India, Listing Dept.  
Exchange Plaza, 5<sup>th</sup> 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 30<sup>th</sup> June 2017 together with Management's understanding on future outlook for your information and record.

The Unaudited Financial Results for the quarter ended 30<sup>th</sup> 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**

Encl : 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 30<sup>th</sup> 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 1<sup>st</sup> 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.



