



McLEOD RUSSEL
Believe in tea

30th May 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 Ltd, 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 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 year ended 31st March 2017 together with Management's understanding on future outlook for your information and record.

The Audited Financial Results for the year ended 31st March 2017 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 MANGOE LANE, SURENDRA MOHAN GHOSH SARANI, KOLKATA - 700 001.
TELEPHONE : 033-2210-1221, 2248-9434 / 35, FAX : 91-33-2248-8114 / 6265
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A Williamson Magor Group Enterprise



McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the year ended 31st March, 2017
- Company management's understanding on future outlook

Highlights for the year ended 31st March, 2017 **(Consolidated):-**

Sl.No.		2016-17	2015-16	
1.	Revenue	Rs.1870.82 Cr.	Rs.1926.32 Cr.	(-) 3%
2.	EBIDTA (Operating)	Rs.110.44 Cr.	Rs.168.89 Cr.	(-) 35%
3.	Net Profit (Net of Minority Interest)	Rs.58.57 Cr.	Rs.28.01 Cr.	
4.	Sales Quantity	1141 Lac Kg.	1181 Lac kg.	(-) 40 Lac kg.
5.	Crop	1153 Lac kg.	1174 Lac kg.	(-) 21 Lac kg.

Highlights for the year ended 31st March, 2017 **(Standalone):-**

Sl.No.		2016-17	2015-16	
1.	Revenue	Rs.1485.40 Cr.	Rs.1506.79 Cr.	(-) 2%
2.	Selling Price	Rs.163.18 per kg	Rs.173.97 per kg	(-) Rs.10.79
3.	EBIDTA (Operating)	Rs.30.60 Cr.	Rs.83.91Cr.	(-) 63%
4.	Net Profit	Rs.30.53 Cr.	Rs.4.10 Cr.	
5.	Sales Quantity	852 Lac Kg.	852 Lac kg.	-
6.	Crop	846 Lac kg.	857 Lac kg.	(-) 11 Lac kg.



Review of Operations :-

➡ Sales & Prices:

India

Weather conditions during 2016 had generally been conducive for Tea Production except South India. Indian Production was higher at 1239 million kg during calendar year 2016 as compared to 1209 Million kg during 2015. Exports were lower by 10 million kg mainly on account of increase in Kenyan production despite improvement in geopolitical atmosphere amongst consuming countries like Russia, Middle East, Egypt and Pakistan. Tea prices in India were similar to last year. The tea prices for the Company for the year are lower by Rs.11 per kg at Rs.163 as compared to last year. The total sales volume during the year was similar to last year. Total Exports for the Company during the year was 15 Million kg at Rs.210 per kg against 19 Million kg at Rs.215 per kg last year.

Uganda

McLeod Russel Uganda Limited (MRUL) has sold and exported 17.4 million kg (2015- 18.3 million kg) at an average price of USD 1.63 per kg (2015- USD 1.56 per kg) and achieved turnover of USD 28 million. Prices were marginally higher as compared to last year.

Vietnam

Phu Ben Tea Company, Vietnam has sold and exported 6.9 million kg of Tea at an average price of USD 1.39 per kg as against 10 million kg at USD 1.40 per kg last year. Prices were similar as compared to last year.

Rwanda

Gisovu Tea Company Limited, Rwanda has sold and exported 2.30 million kg of Tea at an average price of USD 3.20 per kg as against 2.27 million kg at an average price of USD 3.51 per kg. Prices were lower by 9% as compared to last year.

Pfunda Tea Company Limited, Rwanda has sold 2.36 million kg of tea at an average prices of USD 2.42 per kg. as against 2.39 million kg at an average price of USD 3.05 per kg. Prices were lower by 21% as compared to last year.





➡ **Production :**

India

Production from own leaf was higher by 4.36 million kg. Production by bought leaf was lower by 5.4 million kg. The Company achieved total production of 84.6 million kg against 85.7 million kg last year.

Uganda

MRUL have achieved a total production of 17.4 million kg during the year 2016 as compared to 18.4 million kg last year.

Vietnam

Tea Production at Phu Ben during 2015 was lower at 8.4 million kg as against 8.7 million kg last year.

Rwanda

Gisovu Tea Company Limited produced 2.4 million kg during the year as against 2.2 million kg last year.

Pfunda Tea Company Limited produced 2.54 million kg during the year as against 2.44 million kg last year.

➡ **Operating Result :**

Consolidated Operating Earnings Before Interest Depreciation and Tax (EBIDTA) is lower at Rs.110 Cr as against Rs.169 Cr last year. The decrease in EBIDTA was mainly due to lower prices in India and increase in wage costs.

India

Operating EBIDTA on standalone basis was lower at Rs.30 Cr against Rs.84 Cr on lower tea prices substantial increase in wages during the





year. EBIDTA Cost per kg went up to Rs.172 as compared to Rs.167 per kg.

Uganda

Operating EBIDTA for McLeod Russel Uganda Limited was higher at USD 8.73 million as against USD 8.45 million last year. Net profit was USD 9.07 million as against USD 5.21 million last year.

Vietnam

Operating EBIDTA for Phu Ben Tea Company was at loss of USD 0.6 million as against loss of USD 0.8 million last year. Net Loss was lower at USD 2.60 million as compared to Loss of USD 3.01 million last year.

Rwanda

Gisovu Tea Company Limited had Operating EBIDTA of USD 2.47 million as against USD 3.26 million last year mainly on account of lower prices.

Pfunda Tea Company Limited had operating EBITA of USD 1.43 million for the year 2016 as compared to USD 3.19 million last year due to reduction in prices by 20%.

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 unfavorable weather conditions. Tea Prices at Mombasa Auction for African teas decreased by 16% as compared to 2015. We have observed complete reversal of these factors during first four months of current year. Tea Production in Kenya reported to be lower by 50 million during first three months of current year due to dry weather conditions. Tea Prices during this period were higher by 15% as compared to last year. Weather condition during first few months of the 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 the rural markets. This may result in reversal of negative operating cycle of last three years.





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 May 30, 2017 has taken on record the financial results for year ended 31st March, 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.

