



McLEOD RUSSEL  
*Believe in tea*

30<sup>th</sup> May 2018

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 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 31<sup>st</sup> March 2018 together with Management's understanding on future outlook for your information and record.

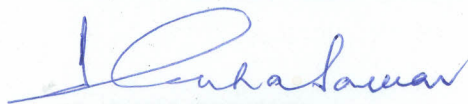
We also send herewith a Press Release to be issued by the Company today.

The Audited Financial Results for the year ended 31<sup>st</sup> March 2018 have already been sent to the Stock Exchanges.

Please acknowledge receipt.

Thanking you,

Yours faithfully,  
**McLEOD RUSSEL INDIA LIMITED**

  
**(A. GUHA SARKAR)**  
**SENIOR 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 year ended 31<sup>st</sup> March, 2018
- Company management's understanding on future outlook

Highlights for the year ended 31<sup>st</sup> March, 2018 **(Consolidated):-**

Sl.No.		2017-18	2016-17	
1.	Revenue	Rs.2055.29 Cr.	Rs.1870.82 Cr.	(+) 10%
2.	EBIDTA (Operating)*	Rs.160.77 Cr.	Rs.110.16 Cr.**	(+) 46%
3.	Net Profit (Net of Minority)	Rs.230.39 Cr.	Rs.58.57 Cr.	(+) 293%
4.	Sales Quantity	1220 Lac Kg.	1141 Lac kg.	(+) 79 Lac kg.
5.	Crop	1180 Lac kg.	1153 Lac kg.	(+) 27 Lac kg.

Highlights for the year ended 31<sup>st</sup> March, 2018 **(Standalone):-**

Sl.No.		2017-18	2016-17	
1.	Revenue	Rs.1596.34 Cr.	Rs.1485.40 Cr.	(+) 7%
2.	Selling Price	Rs.173.09 per kg	Rs.163.18 per kg	(+) Rs.9.91
3.	EBIDTA (Operating)	Rs.32.52 Cr.*	Rs.30.60 Cr.**	(+) 6%
4.	Net Profit	Rs.67.26 Cr.	Rs.30.53 Cr.	(+) 120%
5.	Sales Quantity	901 Lac Kg.	852 Lac kg.	(+) 49 Lac Kg.
6.	Crop	888 Lac kg.	846 Lac kg.	(+) 42 Lac kg.

\* Operating Profit Before Interest and Depreciation

\*\* Operating Profit for **last year** includes additional land compensation of Rs.67.63 crores for the year and Rs.18.59 crores for the quarter.



## **Review of Operations :-**

### **► Sales & Prices:**

#### **India**

Weather conditions during 2017 had generally been conducive for Tea Production with improvement in South India compared to last year. Indian Production was higher at 1322 million kg during calendar year 2017 as compared to 1268 Million kg during 2016. Exports were higher by 30 million kg mainly on account of decrease in Kenyan production and 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 higher by Rs.10 per kg at Rs.173 as compared to last year. The total sales volume during the year was 901 lac kg against 852 lac kg last year. Total Exports for the Company during the year was 19.5 Million kg at Rs.213 per kg against 15.5 Million kg at Rs.210 per kg last year.

#### **Uganda**

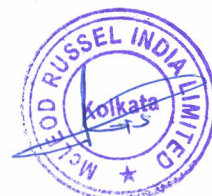
McLeod Russel Uganda Limited (MRUL) has sold and exported 16.25 million kg (2015- 17.4 million kg) at an average price of USD 1.98 per kg (2015-USD 1.63 per kg) and achieved turnover of USD 32 million. Prices were 21% higher as compared to last year.

#### **Vietnam**

Phu Ben Tea Company, Vietnam has sold and exported 7.43 million kg of Tea at an average price of USD 1.44 per kg as against 6.9 million kg at USD 1.39 per kg last year. Prices were marginally higher as compared to last year.

#### **Rwanda**

Gisovu Tea Company Limited, Rwanda has sold and exported 2.60 million kg of Tea at an average price of USD 3.96 per kg as against 2.30 million kg at an average price of USD 3.20 per kg. Prices were higher by 24% as compared to last year.







Pfunda Tea Company Limited, Rwanda has sold 2.57 million kg of tea at an average prices of USD 2.95 per kg. as against 2.36 million kg at an average price of USD 2.42 per kg. Prices were higher by 21% as compared to last year.

### ► Production :

#### India

Production from own leaf was higher by 3.98 million kg. Production by bought leaf was similar to last year. The Company achieved record production of 88.8 million kg against 84.6 million kg last year.

#### Uganda

MRUL have achieved a total production of 16.63 million kg during the year 2017 as compared to 17.4 million kg last year.

#### Vietnam

Tea Production at Phu Ben during 2017 was lower at 7.4 million kg as against 8.4 million kg last year.

#### Rwanda

Gisovu Tea Company Limited produced 2.7 million kg during the year as against 2.4 million kg last year.

Pfunda Tea Company Limited produced 2.46 million kg during the year as against 2.54 million kg last year.

### ► Operating Result :

Consolidated Operating Earnings Before Interest Depreciation and Tax (EBIDTA) is higher at Rs.161 Cr as against Rs.110 Cr last year. The increase in EBIDTA was mainly due to higher production in India and higher prices in India, Uganda and Rwanda.





## India

Operating EBIDTA on standalone basis was lower at Rs.33 Cr against Rs.30 Cr on higher tea prices and higher production. This, however, was offset by higher employee cost. EBIDTA Cost per kg was lower at Rs.170 as compared to Rs.172 per kg.

## Uganda

Operating EBIDTA for McLeod Russel Uganda Limited was higher at USD 12.76 million as against USD 8.73 million last year. Net profit was USD 12.02 million as against USD 9.07 million last year.

## Vietnam

Operating EBIDTA for Phu Ben Tea Company was at loss of USD 0.4 million as against loss of USD 0.6 million last year. Net Loss was lower at USD 2.18 million as compared to Loss of USD 2.60 million last year.

## Rwanda

Gisovu Tea Company Limited had Operating EBIDTA of USD 4.41 million as against USD 2.47 million last year mainly on account of higher prices.

Pfunda Tea Company Limited had operating EBITA of USD 2.80 million for the year 2017 as compared to USD 1.4 million last year on higher prices.

**Aggregate overseas operation during the year ended 31<sup>st</sup> December 2017 have recorded EBIDTA of USD 19.57 million as against USD 12.03 million last year.**

## OUTLOOK :

Black Tea production during 2017, was at record level mainly because of increased production in India. However, Kenya suffered crop loss due to unfavorable weather conditions. Tea Prices at Mombasa Auction for African teas increased by 20% as compared to 2016. Tea prices in India were also higher after stagnant to lower prices over last few years. There is an early sign of change in cycle of tea prices. Opening level for new season quality

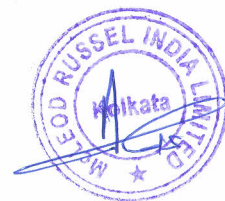




teas in India have opened around Rs.20 per kg higher as compared to opening level last year. Weather condition during first few months of the new season has been normal. Prices in India for the year are likely to improve substantially due to demand in global markets and improved economic activities particularly in the rural markets.

**Notes on this updates:**

1. MRIL's Investor Relations activities are co-ordinated by Mr. Amitava Guha Sarkar, Company Secretary ([a.guhasarkar@mcleodrussel.com](mailto: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](mailto:administrator@mcleodrussel.com)
3. This update being issued after the Board of the Company at its meeting held on May 30, 2018 has taken on record the financial results for year ended 31<sup>st</sup> March, 2018.
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](http://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.







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**PRESS RELEASE**

The Board of Directors at its Meeting held today has decided in principle, to dispose of certain Tea Estates and for this purpose has formed a Committee authorising it to identify the Tea Estates and carry out the process of disposal.

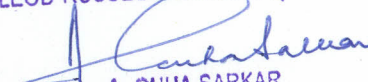
The operations of the Company are divided into 3 segments, namely, (i) production in Company's own Tea Estates (ii) production using tea leaves purchased from small growers (iii) teas produced by step-down overseas subsidiaries of the Company. Considering all relevant aspects, it is felt that segment (i) which produces 67 million kgs, is disproportionately heavier compared to the other two segments which require alignment/rationalisation to achieve better results.

In order to achieve rationalisation, it is felt desirable to dispose of certain Tea Estates with the objective to optimize the operational performance. The Tea Estates in Africa are performing well and contributing significantly to the bottomline of the Consolidated Financial Statement.

The Company proposes to utilise the sale proceeds in repayment of certain high interest bearing debts, for buying back Company's own shares from the shareholders of the Company to the tune of Rs.100 crore, i.e. below 10% of the Share Capital and Free Reserves of the Company and making investment for diversification into packet tea business for which the Company has already agreed in principle to join hands with Eveready Industries India Limited for developing packet tea business through a third entity.

**Kolkata**  
**30<sup>th</sup> May, 2018**

McLEOD RUSSEL INDIA LIMITED

  
A. GUHA SARKAR  
SENIOR VICE-PRESIDENT &  
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