



McLEOD RUSSEL
Believe in tea

3rd February 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 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 ended 31st December 2016 together with Management's understanding on future outlook for your information and record.

The Unaudited Financial Results of the Company for the Quarter ended 31st December 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 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@mcleodrusel.com Website : www.mcleodrusel.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 nine months ended 31st December, 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 **nine months** ended 31st December, 2016 :-

		2016-17	2015-16	
1.	Selling Price	Rs.171.87 per kg	Rs.178.49 per kg.	(-) Rs.6.62
2.	Operating Profit *	Rs.195.51 Crores	Rs.245.91 Crores	(-) 20%
3.	Net Profit (Standalone)	Rs.138.36 Crores	Rs.121.87 Crores	(+) 14%
4.	Sales Quantity	603 lakh Kg	655 lakh kg	(-)52 lakh kg
5.	Crop	821 lakh kg	819 lakh kg	(+)2 lakh kg

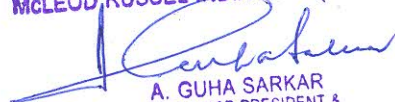
- Operating Profit before Depreciation as per Ind As

Highlights for the **quarter** ended 31st December, 2016 :-

		2016-17	2015-16	
1.	Selling Price	Rs.170.26 per kg	Rs.177.74 per kg.	(-) Rs.7.48
2.	Operating Profit *	Rs.44.80 Crores	Rs.74.97 Crores	(-) 40%
3.	Net Profit (Standalone)	Rs.23.62 Crores	Rs.34.14 Crores	(-) 31%
4.	Sales Quantity	253 Lakh Kg	281 lakh kg	(-) 28 lakh kg
5.	Crop	214 lakh kg	223 lakh kg	(-) 9 lakh kg

- Operating Profit Before Depreciation as per Ind AS

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Review of Operations :-

➤ Production :

Tea production in India was higher at 1176 million kg as against 1151 million kg last year for the period from January to November due to favorable weather conditions in North India tea growing area. Tea production in African region for the year 2016 is estimated to be 473 million kg as against 400 million kg last year.

Tea production from own plantation for the Company was higher by 5.4 million kg as compared to last year. However, production from small grower's leaf was lower by 5.2 million kg as compared to last year.

➤ 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.6.6 per kg for nine months ending 31st December. Sales quantity for the period is lower by 5.2 million kg.

➤ Operating Result :

Operating profit before Depreciation for the quarter is lower by 40% at Rs.45 crores as against Rs.75 crores last year. This is mainly attributable to lower prices during the quarter. Staff cost has increased by Rs.19 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 Rs.19 crores on lower volume.

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OUTLOOK :

⊙ Global Production :

Tea production in African region for the year 2016 is reported to be higher by 73 million kg. Global production for the year 2016 is expected to be higher by 100 million kg as compared to previous year.

Kenya has reported very dry and hot condition since the beginning of 2017. This may have major negative impact on the production for the first quarter.

⊙ Indian Production :

Indian Production is estimated to be higher by 25 million kg as compared to last year. The production for 2017 will at best be similar to 2016 in case weather remains conducive as in 2016.

⊙ Tea Prices & Costs :

Tea prices in African region have been lower by USD 0.40 per kg for the year 2016 due to recovery of crop in Kenya. However, tea prices in last six weeks have gone up by 30% at Mombasa Auction for Kenyan Tea as Kenya is experiencing very dry and hot conditions. We expect the trend to continue for at least till June.

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 much higher tracking African prices for the new season teas on improved export demand and expectation of growth in rural demand in India.

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

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

During the year ended 31st December, 2016 Phu Ben (Estimates) achieved a total production of 8.4 million kg of tea as against 8.6 million kg for the same period last year. The Company recorded EBIDTA USD (-) 0.6 million on a sales turnover USD 10 million with average of USD 1.29 (USD 1.40 last year) per kg as against EBIDTA of USD (-) 0.9 million last year.

⊙ **McLeod Russel Uganda Limited, Uganda :**

During the year ended 31st December, 2016 McLeod Russel Uganda achieved (Estimates) a total production of 17.3 million kg of tea as against 18.4 million kg for the same period last year. The Company recorded EBIDTA of USD 8.58 million on a sales turnover USD 28.4 million with average of USD 1.63 (USD 1.56 last year) per kg as against EBIDTA of USD 8.39 million last year.

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

During the year ended 31st December, 2016 Gisovu Tea Company (estimates) achieved a total production of 2.4 million kg of tea as against 2.2 million kg last year. The Company recorded EBIDTA USD 2.46 million on a sales turnover USD 7.3 million with average of USD 3.20 (USD 3.51 last year) per kg as against EBIDTA of USD 3.28 million last year.

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

During the year ended 31st December 2016 Pfunda Tea Company (estimated) achieved a total production of 2.5 million kg as against 2.4 million kg last year. The Company recorded EBIDTA USD 1.49 million on a sales turnover USD 5.7 million with average of USD 2.42 (USD 3.05 last year) per kg as against EBIDTA of USD 3.24 million last year.

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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 3rd February, 2017 has taken on record the quarterly results for quarter ended 31st December, 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.

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