



McLEOD RUSSEL  
*Believe in tea*

12<sup>th</sup> November 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 Association Ltd  
7, Lyons Range  
KOLKATA 700001  
Scrip Code:10023930

Dear Sir,

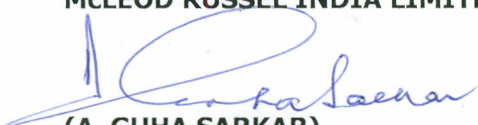
**Sub : McLeod Russel – Information Update**

We send herewith an Information Update on the Company for the quarter ended 30<sup>th</sup> September 2018 together with Management's understanding on future outlook for your information and record.

The Unaudited Financial Results for the quarter/half year ended 30<sup>th</sup> September 2018 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 MANGO 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)**:-

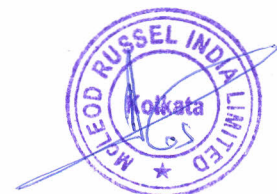
Sl.No.		2017-18	2016-17	
1.	Revenue	Rs.2055.29 Cr.	Rs.1870.82 Cr.	(+) 10%
2.	EBIDTA (Operating)*	Rs.160.77 Cr.	Rs.110.16 Cr.**	(+) 46%
3.	Net Profit (Net of Minority)	Rs.230.39 Cr.	Rs.58.57 Cr.	(+) 293%
4.	Sales Quantity	1220 Lac Kg.	1141 Lac kg.	(+) 79 Lac kg.
5.	Crop	1180 Lac kg.	1153 Lac kg.	(+) 27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

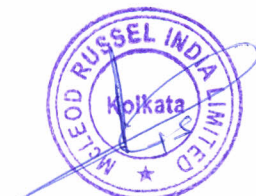
Gisovu Tea Company Limited had Operating EBIDTA of USD 4.41 million as against USD 2.47 million last year mainly on account of higher prices.

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.

McLEOD RUSSEL INDIA LIMITED

A handwritten signature in blue ink, appearing to read 'A. Guha Sarkar', is written over the printed name and title.

A. GUHA SARKAR  
SENIOR VICE-PRESIDENT &  
COMPANY SECRETARY