

Press Release

5th June 2018

MK Shah Exports Limited (MKSEL): Mumbai.

M.K. Shah Exports Limited reaches agreement with McLeod Russel India Limited to purchase the latter's Doom Dooma Circle properties comprising of 8 Tea Estates manufacturing 10.5 million kilos of tea annually.

MKSEL has agreed to purchase the following 8 tea estates from MRIL, which are all, located in the Doom Dooma district of Assam:

- i. Beesakopie
- ii. Daimukhia
- iii. Raidang
- iv. Samdang
- v. Baghjan
- vi. Bordubi
- vii. Koomsong
- viii. Phillobari

The deal is expected to conclude soon, once all necessary approvals are in place. MKSEL, which has been a debt-free company, will finance this deal through a combination of Debt and Equity.

The combined grant area at these 8 plantations is 9,350 hectares and the area under tea is 5700 Hectares. These estates have a combined work force of 11,000 workers.

MK Shah Exports Limited at present manufactures 7.5 million kilos of tea annually from its existing tea estates in Assam (6 million kilos) and DR Congo (1.5 million kilos). Post this acquisition the combined entity shall manufacture 18 million kilos annually and employ upwards of 17,000 workers.

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A short write up on MK Shah Exports Limited

Mr. Himanshu Shah, Chairman of MK Shah Exports Limited says,

“We have been pioneers in reviving the lost art of quality Orthodox manufacturing in the North East of India since the past 15 years.

In between the 1970’s and 80’s, Indian Orthodox teas were considered exclusive due to their uniquely malty cups and tippy appearance. However, with the advent of the erstwhile Soviet Union states and Russia purchasing most of the production, a majority of the manufacturing facilities in N.E. India were converted from Orthodox to CTC production and thus the ‘art’ of making quality Orthodox teas was lost.

In order to bring about this revival, our team carried out intensive research and traveled the tea estates & factories of China and Sri Lanka extensively, which produces huge volumes of Green and Black Orthodox teas respectively. We even designed our own machines in order to efficiently make good quality orthodox teas through out the year, while reducing factory (operation) costs. Our innovations in field practices further helped us in harvesting suitable raw material (Green Leaf) to make the desired end product.”

Mr. Raj Berry, Executive Director at MK Shah Exports Limited says,

“There is a high level of synergy between our existing properties and the properties we are acquiring in Doom Dooma district. It presents us with the opportunity to rapidly scale-up our existing operations and maximize the potential of the acquired tea estates by implementing our know-how resulting out of almost 2 decades of R&D.”

Mr. Jaydeep Shah, Director at MK Shah Exports Limited says,

“Presently tea production in India, particularly in the organized sector is under great stress due to various reasons; viz. inflation, competition from the unorganized sector, abundant supply of cheaper/lower quality tea, impending labour wage hike and so on. At the same time, an increase in the standard of living amongst the ‘Indian Consumer’ is resulting in an increase in their discretionary spending and the consumer is now prepared to pay a premium for a higher quality product. Unfortunately, organized tea producers have not been able to grab this opportunity yet, resulting in tea being perceived as a cheap/ substandard and ‘unsophisticated’ beverage.

We aim to provide high quality, clean and healthy teas to our clients which conform to the highest level of EU MRL (minimum residue level) standards as well as “TRUST TEA” standards at a decent price realization, while faithfully complying with the Plantation Labour Act, thereby keeping our workers and their families happy, gainfully employed and content. “

To know more about MK Shah Exports Limited, we encourage you to visit our website: www.mktea.in, which contains more information about the history of the company, its existing tea estates in India and Africa, its CSR activities as well as the company’s core beliefs and motto

