



REI Agro is the largest processor of Basmati rice in the world

REI!

The Times of !



REI Agro Limited

September 2009 quarter

Editorial



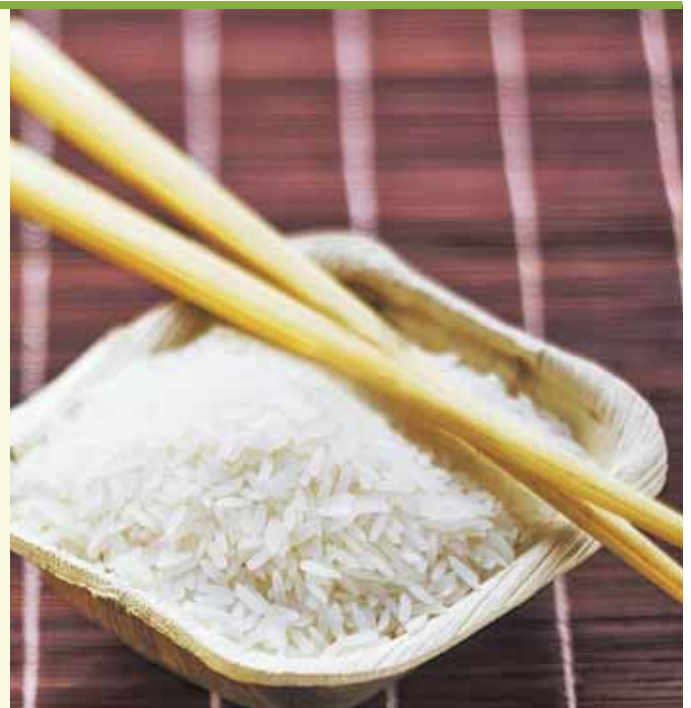
"At a time when global capital markets are still on a course of recovery, we mobilised USD 37.50 mn through a Qualified Institutional Placements (QIP) issue. This has made all of us highly optimistic about our upcoming rights issue for existing shareholders."

Mr. Sandip Jhunjhunwala, Vice Chairman and Managing Director, REI Agro Limited

REI Basmati sells like hot cakes!

The Company has seen an unprecedented demand for its products in the quarter. It has recorded sales of Rs. 9,697 mn in the quarter compared to Rs. 4,327 mn in the corresponding quarter last year. Thus the Company has registered a growth of 124% in the current quarter compared to the performance in the corresponding quarter of the previous year. The increase is driven primarily by the increased demand for Basmati rice.

The increase in demand for the Company's products is also remarkable if we consider a 94% increase in the sales volumes with volumes of 1,89,096 MT in the quarter compared to 97,267 MT in quarter ended September 2008.



REI files for rights issue

In the Board meeting of REI Agro Limited on 9th September 2009, the Board of Directors approved the rights issue of equity shares for the existing shareholders. The Company has since filed a Draft letter of Offer (DLOF) with the Securities and Exchange Board of India (SEBI) on 30th September, 2009 for an issue size of Rs. 11,500 mn. The pricing, ratio and other details of the issue shall be finalised in due course. SBI Capital Markets Limited, Axis Bank Limited, IDBI Capital Market Services Limited and Fortune Financial



Services (India) Limited are the lead managers to the issue. A copy of the DLOF is available on the SEBI website. The Company is awaiting the final clearance of SEBI.

Company declares an interim dividend

The Company declared an interim dividend of 10% on every paid-up equity share of Re. 1 each .

Basmati facts

- Basmati's chemical content (2-acetyl & 1-pyrolin and formoline) are responsible for its fragrance, taste and aroma
- Believed to have originated from Afghanistan, Basmati has been cultivated in India and Pakistan for over 8,000 years



Financial performance: REI defies the bearish market

After a challenging 2008-09, REI Agro Ltd rebounded during the first quarter of 2009-10. Interestingly, this trend sustained into the second quarter as well.

The Company's revenue grew 124.10% to Rs. 9,697.9 mn, compared to Rs. 4,327.4 mn in the September quarter last year. Net profit grew 169% to Rs. 489.16 mn as against Rs.181.37 mn during the same period. Compared to the preceding quarter (June 2009), the September quarter witnessed a 13.06% revenue surge. The September quarter revenue stood at Rs. 9,697.9 mn compared to Rs. 8,577.9 mn in the previous quarter; the net profit (Rs. 489.16 mn) increased 17.63% over the last quarter's Rs. 415.85 mn. Besides, EBITDA increased 52.38% to Rs. 1,644.31 mn during the second quarter of 2009-10 over Rs. 1,079.10 mn in the corresponding quarter

of 2008-09.

The Company's strengthening financials demonstrate one reality - that Basmati has crept into a number of global kitchens.

The Company's management feels "these higher growth percentages were possible owing to the Government of India's withdrawal of export duty, lower interest rates and higher sales volume of branded Basmati rice, across domestic and international markets".

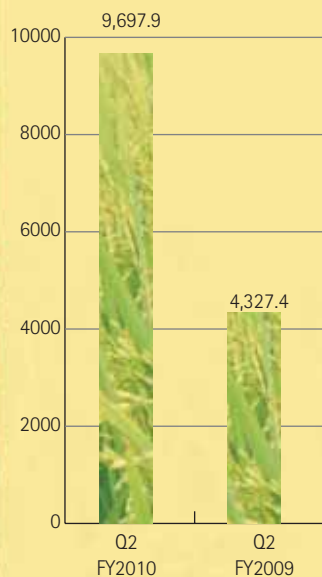
The half-yearly 2009-10 result (Rs. 905 mn) vis-à-vis 2008-09 (Rs. 459.16 mn) is revealing: a 97.10% net profit growth.

Half-yearly revenues touched Rs. 18,275.8 mn in 2009-10, while EBITDA for the same period was Rs. 3,256.9 mn. EBITDA and PAT were up 17.82% and 4.95%, respectively.

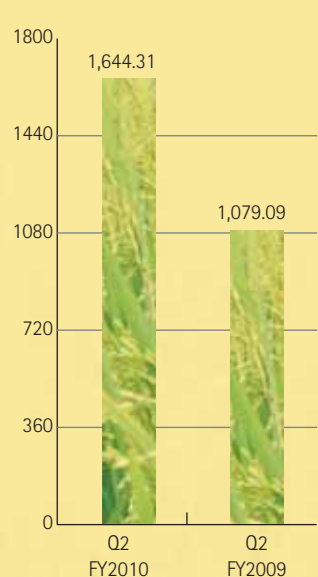


Comparing September 2009 quarter over September 2008 quarter

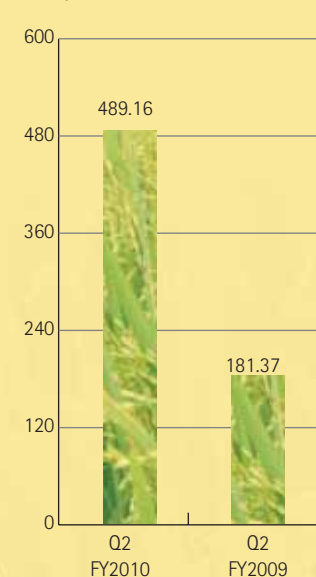
Revenue (Rs. mn)



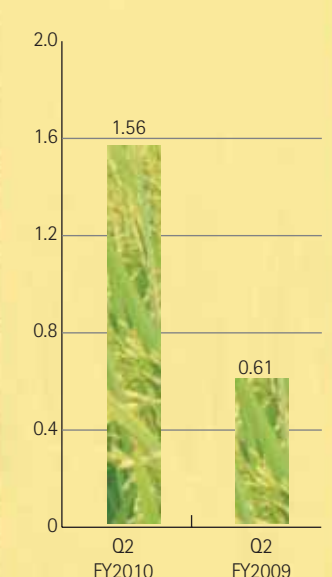
EBITDA (Rs. mn)



Net profit (Rs. mn)



EPS (Rs.)



Snapshot

De-merged 'REI Six Ten Retail Ltd' in Sept 2008; the Company owns 25% of REI Six Ten following the de-merger; the market capitalization of Six Ten at the end of the September quarter was Rs. 22,475.4 mn.



REI moves one step forward with enhanced processing capacity

REI Agro's Basmati rice processing capacity increased to 902,280 MTPA from 692,040 MTPA. This is a straight increase of 30.38% following the acquisition of capacities on lease. Meanwhile, the parboiled rice processing capacity grew 58.05% from 411,720 MTPA to 650,720 MTPA.

The result? We will process more Basmati rice at our state-of-the-art facilities catering to growing demand. Our equipment at our Bawal units is empowered by latest technologies from global leaders like Buhler (Germany) and Satake (Japan). The increased par boiled capacities shall enable the Company to increase the share of its high margin exports sales.



REI mobilised capital in difficult market conditions

REI raised capital via Qualified Institutional Placements (QIP) totalling USD 37.50 mn in July 2009. This is creditable considering that capital markets worldwide

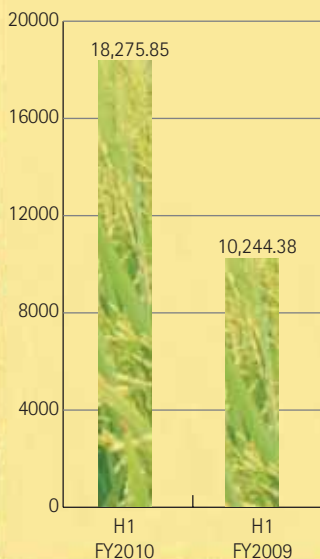
are only beginning to witness modest recovery. The mobilised funds will be used to repay debt and address general corporate requirements.

The Company issued 2,99,45,550 equity shares of Re. 1 each at Rs. 61 per equity share (including premium of Rs. 60) aggregating to

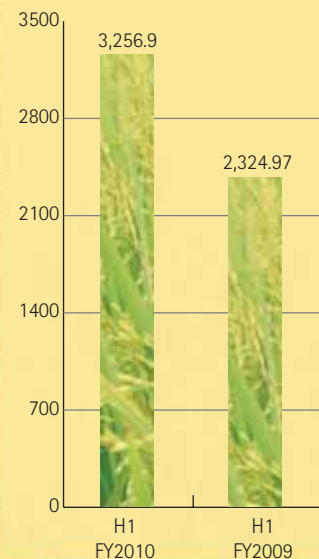
Rs. 1,826,678,550. Following the issue, equity capital totalled Rs. 31,89,75,920 as the issue size was about 10.4% of the pre-issue capital.

Comparing H1 FY2010 with H1 FY2009

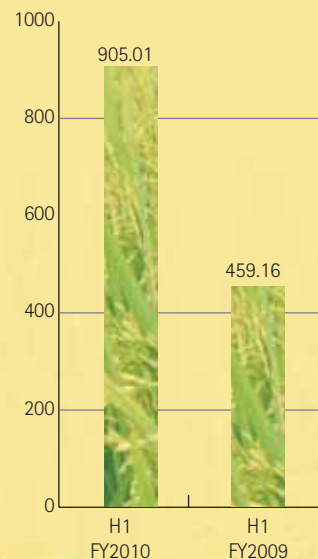
Revenue (Rs. mn)



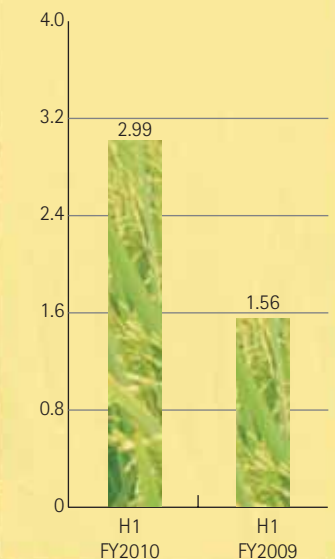
EBITDA (Rs. mn)



Net profit (Rs. mn)



EPS (Rs.)





REGD. OFFICE: 46C, CHOWRINGHEE ROAD, "EVEREST HOUSE", ROOM NO - 15B, KOLKATA-700071

Unaudited financial results for the quarter ended 30th September 2009

(Rs. in lacs)

Sl. No.	Particulars	Qtr ended 30.09.2009	Qtr ended 30.09.2008	Half year ended 30.09.2009	Half year ended 30.09.2008	Year ended 31.03.2009 (Audited)
1.	Income					
	Net sales/income from operation	96,979.23	43,273.86	182,758.51	102,443.77	244,822.71
	Total	96,979.23	43,273.86	182,758.51	102,443.77	244,822.71
2.	Expenditure					
	A) (Increase)/Decrease in stock in trade	(18,899.42)	(38,726.31)	(22,184.98)	(27,210.43)	(18,306.43)
	B) Consumption of raw materials	76,810.95	67,083.80	129,731.22	97,269.06	168,299.18
	C) Purchase of traded goods	21,168.76	-	36,273.72	-	29,503.22
	D) Employees cost	289.26	275.11	578.18	543.01	1,226.03
	E) Depreciation	536.94	532.79	1,070.91	1,059.63	2,128.59
	F) Other expenditure	1,391.46	4,014.95	6,305.37	8,592.62	19,543.17
	Total	81,297.95	33,180.34	151,774.42	80,253.89	202,393.76
3.	Profit from operations before other income, interest and exceptional items	15,681.28	10,093.52	30,984.09	22,189.88	42,428.95
4.	Other income	224.99	164.60	514.08	217.58	386.10
5.	Profit before interest and exceptional items	15,906.27	10,258.12	31,498.17	22,407.46	42,815.05
6.	Interest/finance cost	8,339.63	7,438.43	17,489.20	15,242.81	33,283.22
7.	Profit after interest but before exceptional items (5-6)	7,566.64	2,819.69	14,008.97	7,164.65	9,531.83
8.	Exceptional items	-	-	-	-	-
9.	Profit/(loss) from ordinary activities before tax	7,566.64	2,819.69	14,008.97	7,164.65	9,531.83
10.	Provision for taxation					
	- Current tax	2,645.34	1,001.97	4,927.15	2,564.05	3,360.00
	- Fringe benefit tax	(2.00)	4.00	-	9.00	8.00
	- For earlier years	31.68	-	31.68	-	70.99
11.	Net profit (+)/loss(-) for the period (9-10)	4,891.62	1,813.72	9,050.14	4,591.60	6,092.84
12.	Paid up equity share capital (face value Re 1/- per share)	3,189.76	2,890.30	3,189.76	2,890.30	2,890.30
13.	4% non-convertible preference share (face value Rs. 100/- per share)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
14.	Reserve excluding revaluation reserve	-	-	-	-	53,332.25
15.	Earning per share (EPS) face value Re 1/- per share					
	- Basic	1.56	0.61	2.99	1.56	2.04
	- Diluted	1.56	0.61	2.99	1.56	2.04
16.	Public shareholding					
	No of shares	198,068,091	28,924,295	198,068,091	28,924,295	168,516,558
	Percentage of shareholding	62.10	60.04	62.10	60.04	58.30
17.	Promoters and promoter group shareholding					
	a) Pledged/ encumbered					
	- Number of shares	33,751,530	N.A.	33,751,530	N.A.	33,701,530
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	27.92	-	27.92	-	27.96
	- Percentage of shares (as a % of total share capital of the company)	10.58	-	10.58	-	11.66
	b) Non - encumbered					
	- Number of shares	87,156,299	N.A.	87,156,299	N.A.	86,812,282
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	72.08	-	72.08	-	72.04
	- Percentage of shares (as a % of total share capital of the company)	27.32	-	27.32	-	30.04

Segment-wise results and capital employed under Clause 41 of the Listing Agreement

1.	Segment revenue (net sale/income from each segment)					
	a) Segment rice	95,995.26	42,099.60	180,955.33	100,503.74	242,531.01
	b) Segment wind farm	983.97	1,174.26	1,803.18	1,940.03	2,291.70
	Total	96,979.23	43,273.86	182,758.51	102,443.77	244,822.71
	Less: inter segment revenue	-	-	-	-	-
	Net sales/income from operations	96,979.23	43,273.86	182,758.51	102,443.77	244,822.71
2.	Segment results (profit) (+)/loss (-) before tax and interest from each segment					
	a) Segment rice	14,983.05	9,823.85	29,815.94	21,524.77	42,066.55
	b) Segment wind farm	698.23	269.67	1,168.15	665.11	362.40
	Results	15,681.28	10,093.52	30,984.09	22,189.88	42,428.95
	Less: i) interest	8,339.63	7,438.43	17,489.20	15,242.81	33,283.22
	ii) other unallocable expenditure net off unallocable income	(224.99)	(164.60)	(514.08)	(217.58)	(386.10)
	Total profit before tax	7,566.64	2,819.69	14,008.97	7,164.65	9,531.83
3.	Capital employed (segment assets - segment liabilities)					
	a) Segment rice	79,051.94	51,238.64	79,051.94	51,238.64	51,292.50
	b) Segment wind farm	8,219.55	8,029.17	8,219.55	8,029.17	7,454.84
	c) Unallocable	(199.36)	(257.08)	(199.36)	(257.08)	1,475.22
	Total	87,072.13	59,010.73	87,072.13	59,010.73	60,222.56

Notes

- The financial results have been reviewed by the audit committee and taken on record by the board of directors at their meeting held on 26th October 2009.
- The above results has been reviewed by the Auditors of the company.
- As per order of the Hon'ble High Court at Kolkata, the company has during the year adjusted Rs. 1.65 crores in securities premium a/c towards deferred tax assets computed as per AS-22 issued by the Institute of Chartered Accountants of India.
- The Board has declared an interim dividend of Rs. 0.10/- per share on equity shares of the face value of Re. 1/- per share.
- During the quarter, the company had issued and allotted 2,99,45,550 shares of Re. 1/- each to qualified institutional buyers (QIB's) @ Rs. 61/- per share including a premium of Rs. 60/- per share. As a consequence, the company raised a total equity capital of Rs. 176.68 crores net of issues related expenses.
- Number of investors complaints during the quarter ended 30th September 2009: opening as on 1st July 2009 - 1, received during the quarter - nil, disposed during the quarter - 1, pending as on 30th September 2009 - Nil.
- Figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of the Board of Directors

Date: 26th October 2009
Place: New DelhiSandip Jhunjhunwala
Managing Director