

Usher Agro Limited to raise upto Rs 100 crore through various equity placements

Capex for funding the company's future expansion plans including the 3,00,000 ton roller wheat flour mill at Chatta in Uttar Pradesh

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Usher Agro Limited, an agro-processing company focused on basic food segment of the food processing industry with two Rice Milling Plants in Mathura (U.P.) and in Buxar (Bihar) besides a Roller Flour Mill at Mathura, has tied up finances to raise upto Rs 100 crore through various equity instruments for funding the company's future expansion plans including the 3,00,000 ton roller wheat flour mill at Chatta in Uttar Pradesh.

Announcing this at the Annual General Meeting (AGM) of the company, Mr. V. K. Chaturvedi said that the company proposed to raise funds by way of a qualified institutional placement (QIP) of equity shares of Rs 75 each including those issued pursuant to conversion of convertible securities or compulsory fully convertible debentures (CFCD) under the provisions of chapter XIII-A of the SEBI (disclosure and investor protection) guidelines, 2000.

Mr Chaturvedi said, 'the company is expanding its rice milling and wheat flour capacities significantly over the next few years. The aim is to be among the top players in the basic foods segment with a milling capacity of over a million tones per annum'. He added, 'The Company is also looking to gainfully utilize the by-products such as rice-husk and rice bran by setting up biomass power plant and rice bran oil extractions units to be used for production of edible oils.'

In the rice segment, the milling capacity will increase by 200,000 lakh tones annually with an estimated outlay of Rs 45 crore by the fiscal year 2008-09. At the same time, the wheat flour milling capacity will also up by 300,000 tones per annum. All these will lead to a turnover of over Rs 600 crore.

Mr. Chaturvedi strongly believed that the basic food segment offers tremendous latent potential and so does the entire food processing industry as the Union Government expected investments to the tune of Rs 100,000 crore in this sector during the 11th five year plan (2007-2012). In fact, most of these investments would derived from the retail trade sector who preferred to have long term reliable and quality suppliers of all kind of items including clothing, basic food and beverages.

Usher Agro has positioned itself to avail the huge opportunities in the retail food segment and engaged itself in creating large scale capacity to meet the future demand. As a part of overall business strategy, the company aims to position itself among the top three players in the rice milling segment and the largest wheat flour milling in India in the next three years.

The company has posted a robust growth in its operations for the quarter ended September 30, 2007, with net sale/income increased to Rs. 2,455.03 lakh and net profit at Rs. 191.80 lakh. The Earnings Per Share (EPS) for the quarter ended September 30, 2007 stood at Rs. 1.06. The higher performance was achieved mainly due to higher volumes, better realizations and an increased focus towards keeping a tight lease on expenses of the company.

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About Usher Agro Limited

(BSE code-532765; Bloomberg: UAL@IN; Reuters: USAG.BO)

The Company set up its first two units of Rice Milling at Mathura (U.P.) and the third unit at Buxar (Bihar), known as the 'Paddy Bowl' of India. The Company has ventured into the manufacturing of wheat products; i.e., whole meal flour, fine wheat flour, super fine wheat flour (maida) and samolina along with bran. The quality products of the Company; i.e., rice, wheat, wheat products, foodstuffs & food grains are successfully marketed under the brand name --- Rasoi Raaja. The Company is one of the few companies to brand non-basmati rice under its popular name, 'Rasoi Raaja'.

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